

# **Peel Town Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2017**

# Peel Town Commissioners

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# Peel Town Commissioners

## Explanatory Foreword

### Introduction

This Statement provides a summary of the Authority's financial performance for the year ended 31 March 2017. It has been prepared in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006.

The individual accounts within the Statement are as follows:

The **Income and Expenditure Account** reports the net cost for the year of all functions for which the Authority is responsible and how those costs are financed from general government grants and income from local ratepayers.

The **Statement of the Movement on the General Fund Balance** shows the surplus or deficit on the Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the General Fund in determining the movement on the General Fund Balance for the year. This is the basis on which the Authority sets its rate for the year.

The **Housing Revenue Income and Expenditure Account** is an account which independently records the costs of maintaining and managing the Authority's own housing stock and how these costs are met by rent payers, Central Government subsidy and other income.

The **Statement of Movement on the Housing Revenue Account Balance** shows the surplus or deficit on the Housing Income and Expenditure Account adjusted for the additional amounts which are required by statute and non-statutory proper practices to be charged or credited to the Housing Account in determining the movement on the Housing Account for the year.

The **Statement of Total Recognised Gains and Losses** shows all gains and losses recognised by the Authority during the year which are not reflected in operating performance within the Income and Expenditure Account. This will include any gains or losses arising on the revaluation of fixed assets for the year together with the surplus or deficit relating to the annual measurement of the net liability to recover the cost of retirement benefits.

The **Balance Sheet** sets out the financial position of the Authority at the end of the year.

The **Cash Flow Statement** summarises the inflows and outflows of cash arising from the Authority's transactions with third parties during the year.

The **General Rate Fund** shows the transactions of the Authority as a charging authority in respect of rates income.

The **Refuse Rate Fund** show the transactions of the Authority as a charging authority in respect of refuse rate income.

# Peel Town Commissioners

## Explanatory Foreword (continued)

This section provides a summary review of performance during the year and of key areas which impact the Authority's financial position.

### **Income and Expenditure Account**

The Income and Expenditure Account covers the day to day running costs of the Authority's services with the exception of Authority housing which is contained within the Housing Revenue Income and Expenditure Account.

Expenditure is met from the General Rate Fund and Refuse Rate Fund together with other income such as refuse collection and commercial rents.

For the year ended 31 March 2017 the surplus for the year amounted to £645,546 (2016: surplus £351,651).

### **Statement of the Movement on the General Fund Balance**

As described on page 2, this statement is the basis on which the Authority's rate is set. For the year ended 31 March 2017, the surplus amounted to £210,060 (2016: £63,073).

### **Housing Revenue Account**

The Housing Revenue Account shows the income and expenditure on Authority housing. The financial year 2016/17 resulted in a deficiency requirement of £398,085 (2016: £348,704).

### **Statement on the Movement on the Housing Revenue Account Balance**

This statement shows the surplus or deficit on the Housing Revenue Income and Expenditure Account adjusted for the additional amounts as required by Statute and non-statutory proper practices. Deficiency payments are received from Department of Social Care covering any deficit and hence there is no annual movement on the reserve.

### **Statement of Total Recognised Gains and Losses**

This statement summarises all gains and losses incurred during the period and includes actuarial gains for the period of £134,000 (2016: gains £342,000).



# Peel Town Commissioners

## Explanatory Foreword (continued)

### Capital Expenditure

Total capital expenditure (on an accruals basis) in the year was £317,696 and is analysed as follows:

Housing schemes - £295,985

Other land and property - £21,711

Financing was provided and analysed as follows:

IOM Bank loans and overdrafts - £284,317

General revenue - £21,711

Housing revenue account - £11,668

Accruals at the year-end in respect of capital expenditure totalled £212,896 (2016: £72,103). Of this amount £204,829 has been treated as a payment on account rather than as a fixed asset addition

### General Rate Fund and Refuse Rate Fund

The general rate income due and collected by the Authority is shown in the General Rate Fund. Rates were levied at 257p (2016: 252p) in the £ on a rateable value of £386,939 (2016: £378,158) during the year. In addition a separate refuse charge of £170 (2016: £170) per residential household was levied.

Total rates arrears were £94,976 (2016: £93,868) although of this amount £20,233 (2016: £30,222) had been collected by Treasury and was paid to the authority shortly after the year end. Prior year rates were recovered totalling £14,891 (2016: £20,243). The bad debt provision has increased from £63,647 at 31 March 2016 to £74,744 at 31 March 2017.

### Investments and Borrowing

During the year no external investments were made and the Authority borrowed £1,069,496 (2016: £109,816) during the year to finance capital schemes as highlighted above. This note and capital additions are both included in the accounts on an accruals basis and differ to the cash flow statement which represents only cash paid in the year.

### Reserves

The Authority's general revenue account has increased from £464,347 at 31 March 2016 to £674,407 at 31 March 2017.

### Pensions Liability

The Statement of Recommended Practice requires the Authority to disclose certain information within its Statement of Accounts and this appears in note 27 to the core Financial Statements. Included within that information is the net liability on the Isle of Man Local Government Superannuation Scheme that is attributable to Peel Town Commissioners.

This is the difference between future liabilities and assets, as valued at 31st March 2017, and amounts to £1,561,000, a decrease of £72,000 on the previous year.

This decrease is primarily as a result of actuarial gains in the year due to changes in actuarial assumptions.

# Peel Town Commissioners

## Statement of Accounting Policies

### **Basis of preparation**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP") issued by Treasury. This SORP is recognised under the Audit Act 2006 and the Accounts and Audit Regulations 2013 as representing proper accounting practices.

The SORP is based on Accounting Standards and the Urgent Issues Task Force's (UITF) Abstracts issued by the Financial Reporting Council (the 'Standards'), except where these are inconsistent with specific statutory requirements. The SORP prescribes the accounting treatment and disclosures for all normal transactions of the authority. Where accounting treatments and disclosure requirements are not covered by the SORP, but which are covered the Standards, the requirements of the relevant standard should be followed.

The Standards upon which the SORP is based were replaced by the Financial Reporting Council for periods ending on or after 31 December 2015. The SORP has not been updated to reflect the requirements of the new standards, or those of another acceptable accounting framework such as the Code of Practice on Local Authority Accounting (modified as necessary for application to Isle of Man bodies) issued by the Chartered Institute of Public Finance & Accountancy (the "CIPFA Code"). Whilst there are measurement and presentational differences between the requirements of the SORP and those of the CIPFA code, these are not considered to be of sufficient significance such that the Statement of Accounts prepared in line with the SORP would not give a true and fair view.

Key principles of the SORP are set out below.

### **Tangible fixed assets**

#### **Recognition**

Expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Where such expenditure on plant and equipment is less than a de minimis level of £1,000 it is not capitalised but is charged to revenue in the year in which it is incurred.

Capital expenditure incurred on fixed assets that does not materially add to the value of those assets is written off.

#### **Valuations**

Asset valuations have been carried out in accordance with guidelines established by RICS and in accordance with the Statement of Recommended Practice.

Operational assets have been valued at the lower of net current replacement cost or net realisable value in existing use. In the case of vehicles, plant and equipment, historic costs have been used as a proxy for these values; as inflation is low, prices will not vary significantly over the estimated life of the assets while the Authority depreciates them on a prudent basis using conservative estimates of working lives. As a consequence, the use of historic costs rather than values for these items will not result in a material difference in the Accounts.

# Peel Town Commissioners

## Statement of Accounting Policies (continued)

### **Valuations - continued**

Infrastructure assets and community assets are included in the Balance Sheet at historical cost (net of depreciation where appropriate); if this could not be ascertained, a nominal value has been used. There is no material effect on the Accounts.

Non-operational assets have been valued at the lower of net current replacement cost or net realisable value.

### **Depreciation**

Depreciation is provided on all assets with a finite useful life, other than freehold land and non operational property. Where depreciation is provided for, assets are being depreciated by applying the straight line method to Balance Sheet values over periods reflecting their estimated useful lives. Assets acquired under finance leases are depreciated over the lease period if this is shorter than their estimated useful life.

### **Impairment**

The value at which each category of assets is included in the Balance Sheet is reviewed at the end of each year: where values have changed materially in the period, the valuations are adjusted to reflect the change. Where a major change in asset values is due to a consumption of economic benefits (such as physical damage), the impairment loss is recognised in the Income and Expenditure Account. Other impairments are recognised in the Revaluation Reserve.

### **Disposals**

Income from the disposal of fixed assets is accounted for on an accruals basis.

### **Government grants**

Government grants are accounted for on an accruals basis and income has been credited, in the case of revenue grants, to the appropriate revenue account to match the expenditure to which they relate.

### **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 expenses in the year in accordance with the housing deficiency scheme operated by the Department of Health and Social Care.

# Peel Town Commissioners

## Statement of Accounting Policies (continued)

### Accruals of income and expenditure

The capital and revenue accounts of the Authority are maintained on an accruals basis: activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents are accounted for as income at the date the Authority provides the relevant goods or services.
- Employee costs are charged as expenditure when they are due rather than paid, including any arrears of pay or pay awards.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between when the date supplies are received and their consumption, they are carried as stock on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Interest payable and receivable on borrowings is accounted for in the year to which it relates, on a basis that reflects the overall effect of the loan or investment.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Income and expenditure are credited and debited to the relevant account, unless they properly represent capital receipts or capital expenditure. These accruals are largely based on known commitments and can be assessed accurately. Where estimates are made, they are based on historical records, precedence and officers' knowledge and experience. In all cases the Authority adopts a prudent approach to avoid overstating its resources.

### 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.

### Overheads

The costs of service management and support services have been fully charged or allocated to service and trading accounts either in relation to the time spent on each revenue service or capital scheme or in proportion to transactions processed for those accounts.

### Pension costs

Pension arrangements for Authority employees are handled by the Isle of Man Local Government Superannuation Scheme, which is a funded, defined benefit scheme. The Accounting Policies of the Fund are now those recommended by the SORP and its annual reports are now prepared in accordance with the Pensions SORP.

The pension cost has been assessed by the Fund's actuary based on triennial valuations, the 2016/17 contributions being based on the results of the review as at 31 March 2016. These contributions are charged to the Accounts in accordance with statutory requirements. The financial statements have been prepared on the basis that the assets and liabilities arising from an employer's retirement benefit obligations and any related funding are reflected at fair value.

The financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

# Peel Town Commissioners

## Statement of Accounting Policies (continued)

### Reserves

Reserves 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.

**Housing Reserve:** set up to hold surplus monies received from housing rents less expenditure incurred.

**Usable Capital Receipts Reserve:** these are amounts of capital receipts received to be used to finance future capital expenditure.

The following reserve 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:** these are 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.

**Pension reserve:** this is a reserve matching the liability in respect of the Commissioners' share of the Isle of Man Local Government Superannuation Scheme.

### Provisions

The Authority maintains provisions for bad and doubtful debts, which are held against its arrears of major income sources.

### Events after the balance sheet date

Post balance sheet events, whether favourable or unfavourable, that affect the conditions existing at the balance sheet date are adjusted in the Accounts and disclosures. For events occurring after the balance sheet date relating to conditions that arose after that date, adjustments are not made in the Accounts but details are disclosed in a note to the balance sheet. These principles apply up to the date when the Accounts are authorised for issue.

# Peel Town Commissioners

## 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 accordance with proper practices as set out in the Isle of Man Statement of Recommended Practice 2007 on accounting for entities subject to the Audit Act 2006 ("the SORP").

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;
- complied with the SORP.

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.

The Responsible Financial Officer should sign and date the statement of accounts, stating that it presents fairly the financial position of the Authority as at 31 March 2017 and its income and expenditure for the year ending on that date.

# Peel Town Commissioners

## Statement of Internal Control

### Introduction

Regulation 9 of the Accounts and Audit Regulations 2013 requires the Authority to conduct a review at least once a year of the effectiveness of its systems of internal control and include a statement on internal control within the Authority's Statement of Accounts.

This statement is made by the Peel Town Commissioners to the Isle of Man Government Treasury in accordance with the requirements of the Isle of Man Government's Corporate Governance Principles and Code of Conduct ("the Code").

### Responsibilities of the Board and the Responsible Financial Officer

The Board controls strategy, policy and key financial and operational matters within the Authority. In addition, it is the Board's responsibility to ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.

The Board is responsible for implementing and maintaining systems of internal control and corporate governance which:

- ensure compliance with legislation and other regulations;
- safeguard public money, ensure that it is properly accounted for and that it is used economically, efficiently and effectively; and
- support the achievement of the strategy, policies, aims and objectives approved by the Board.

In discharging this responsibility, the Board works with senior officers to put in place arrangements for the governance of the Authority's affairs and the stewardship of resources, in accordance with the Code.

### Internal control and corporate governance environment

The Authority's systems of internal control and corporate governance have been developed through an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The following are considered to be key aspects of the internal control and corporate governance environment:

- **Authority's corporate governance framework**

A corporate governance framework has been developed which documents the Authority's policies and procedures in relation to community focus, performance management, internal control, risk management, delegated authority, human resources management, standards of conduct and management of Health & Safety and the environment. The framework provides a structure for documenting the legislation, regulations, policies, procedures and other internal controls which, when taken together, form the Authority's internal control and corporate governance environment.

- **Board meetings**

The Board meets monthly and consists of a Chairman and 6 other Board members. The Board receive reports from the Authority's Officers on operational matters and ensure that the work of the Responsible Financial Officer and other senior officers supports the strategy and policy approved by the Board.



# Peel Town Commissioners

## Statement of Internal Control (continued)

- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports to evaluate financial performance against forecasts
- setting targets to measure financial and other performance
- the preparation of regular financial reports which indicate actual expenditure against the forecasts, and
- clearly defined capital expenditure guidelines

### Review of internal control and corporate governance environment

The effectiveness of the Authority's internal control and corporate governance arrangements is continuously assessed by the work of management and the Board.

The review of the effectiveness of the system of internal financial control is informed by:


- the work of managers within the Authority
- the work of the internal auditors, and
- the external auditors in their annual audit letter and other reports.


The internal auditor concluded that high risk observations were identified in the area of health and safety.


The RFO has met with the Commissioners to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor.

### Report on internal control and corporate governance environment

Attention is drawn to the fact that systems of internal control and corporate governance are designed to manage rather than eliminate the risk of failure to achieve objectives. They can therefore only provide reasonable and not absolute assurance. Accordingly, reasonable assurance is given that, the Authority's internal control and corporate governance arrangements are adequate and operate effectively during the year ended 31 March 2017.

(Signed)   
(Chairman)

(Signed)   
(Responsible Finance Officer)

(Signed)   
(Clerk)

(Dated) 17 August 2017



# Peel Town Commissioners

## REPORT OF THE INDEPENDENT AUDITOR TO THE COMMISSIONERS OF PEEL TOWN COMMISSIONERS

We have audited the financial statements of Peel Town Commissioners for the year ended 31 March 2017 which comprise the statement of accounting policies, the income and expenditure account, the statement of the movement on the general fund balance, the housing revenue income and expenditure account, the statement of the movement on the housing revenue account balance, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the general rate fund, the refuse rate fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice 2007: Accounting for entities subject to the Audit Act 2006 ("the SORP").

This report is made solely to the authority's Commissioners, as a body, in accordance with section 6 of the Audit Act 2006. Our audit work has been undertaken so that we might state to the authority's 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 authority and the authority's Commissioners, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Responsible Financial Officer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts, including the financial statements, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accountancy policies are appropriate to the authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Responsible Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the authority's affairs as at 31 March 2017 and of its result for the year then ended;
- have been prepared in accordance with the requirements of the SORP; and
- have been prepared in accordance with the Accounts and Audit Regulations 2013 made under the Audit Act 2006.

# Peel Town Commissioners

## REPORT OF THE INDEPENDENT AUDITOR TO THE COMMISSIONERS OF PEEL TOWN COMMISSIONERS - CONTINUED

### Emphasis of matter - Basis of accounting

Without modifying our opinion, we draw attention to Statement of Accounting Policies in the financial statements which describes the basis of preparation. The financial statements have been prepared in accordance with the SORP, which is based on an accounting framework that is no longer extant.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the section 4 of the Audit Act 2006 requires us to report to you if, in our opinion:

- the financial statements do not comply with the regulations made under section 12 of the Act and any directions under section 13; or
- expenditure or income of any other transaction effected by or on account of the authority is or will be contrary to law; or
- the internal organisation of the authority and the controls maintained by it are not sufficient as to secure proper management of the finances of the authority and economy and efficiency in the use of its resources.



**Grant Thornton Limited**  
**Chartered Accountants**  
Douglas  
Isle of Man

Date 24 August 2017

# Peel Town Commissioners

## Income and Expenditure Account for the year ended 31 March 2017

Statement of net expenditure	Gross Expenditure £	Income £	2016/17 Net Expenditure £	2015/16 Net Expenditure £
Continuing operations:				
Employee costs	571,621	-	571,621	610,918
Premises	178,323	240,765	(62,442)	(12,646)
Agency and contracted services	515,744	63,594	452,150	441,172
Recharges	23,024	25,633	(2,609)	(3,020)
Central and technical	167,523	115,653	51,870	69,910
Vehicle costs	18,712	-	18,712	14,856
Depreciation	76,022	-	76,022	78,756
Past service cost of Pension Schemes	-	-	-	37,000
Current service cost of Pension Scheme	39,000	-	39,000	64,000
Housing Revenue Income and Expenditure Account	1,150,131	2,171,220	(1,021,089)	(959,949)
Loss/(profit) on sale of assets	-	-	-	6,906
<b>Net cost of services</b>	<b>2,740,100</b>	<b>2,616,865</b>	<b>123,235</b>	<b>347,903</b>
Interest payable and finance charges			572,634	617,922
Interest and investment income			(657)	(1,250)
Pensions interest cost and return on pension assets			23,000	13,000
<b>Net operating expenditure</b>			<b>718,212</b>	<b>977,575</b>
<b>Sources of finance</b>				
Income from the Rate Funds			1,363,758	1,329,226
<b>Net surplus for the year</b>			<b>645,546</b>	<b>351,651</b>

The notes on pages 24 to 37 form part of these financial statements.

# Peel Town Commissioners

## Statement of the Movement on the General Fund Balance for the year ended 31 March 2017

	Notes	2016/17 £	2015/16 £
<b>Surplus for the year on the Income and Expenditure Account</b>		<b>645,546</b>	351,651
<b>Amounts included in the Income and Expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance</b>			
Depreciation		76,022	78,756
Loss/(profit) on disposal of assets		-	6,906
Past service costs		-	37,000
Reversal of net charges made for retirement benefits	27	62,000	77,000
<b>Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>			
Revenue contribution to capital assets		(21,711)	(1,439)
Capital loan repayments		(63,071)	(99,990)
<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year</b>			
Transfer to housing revenue account		(488,726)	(386,811)
Surplus for the year		<u>210,060</u>	<u>63,073</u>
General Fund Balance brought forward		<u>464,347</u>	<u>401,274</u>
<b>General Fund Balance carried forward</b>		<u><u>674,407</u></u>	<u><u>464,347</u></u>

The notes on pages 24 to 37 form part of these financial statements.

# Peel Town Commissioners

## Housing Revenue Income and Expenditure Account for the year ended 31 March 2017

		2016/17	2015/16
	£	£	£
<b>Income</b>			
Dwelling rents and rates			
Contributions towards expenditure including Housing Deficiency Payments	1,773,135		1,724,353
	398,085		348,704
<b>Total income</b>		<b>2,171,220</b>	<b>2,073,057</b>
<b>Expenditure</b>			
Rates			
Repairs and maintenance	285,135		267,382
Administration allowance	339,595		333,432
Depreciation	82,396		76,903
Bad debt provision	443,005		434,434
	-		957
		<b>(1,150,131)</b>	<b>(1,113,108)</b>
<b>Surplus for the year on the HRA income and expenditure account before interest</b>		<b>1,021,089</b>	<b>959,949</b>
Interest received	363		517
Interest payable and similar charges	(532,726)		(573,655)
		<b>(532,363)</b>	<b>(573,138)</b>
<b>Net surplus for the year on the HRA income and expenditure account</b>		<b>488,726</b>	<b>386,811</b>

The notes on pages 24 to 37 form part of these financial statements.

# Peel Town Commissioners

## Statement of the Movement on the Housing Revenue Account Balance for the year ended 31 March 2017

	2016/17 £	2015/16 £
<b>Surplus for the year on the HRA income and expenditure account</b>	<b>488,726</b>	<b>386,811</b>
<b>Amounts included in the Housing Revenue Income and expenditure accounts but required by statute to be excluded when determining the Movement on the Housing Revenue Account balance</b>		
Depreciation charge for the year	443,005	434,434
<b>Amounts not included in the Housing Revenue Income and expenditure account but required by statute to be included when determining the Movement on the Housing Revenue Account Balance for the year</b>		
Housing contribution to capital assets	(11,668)	(13,913)
Capital repayments on loans	(900,931)	(793,656)
Surplus for the year before transfers to reserves	19,132	13,676
<b>Transfers to or from the Housing Revenue Account Balance that are required to be taken into account when determining the Movement on the Housing Revenue Account Balance for the year</b>		
Transfers to housing reserve account	(19,132)	(13,676)
Housing Revenue Account Balance brought forward	-	-
<b>Housing Revenue Account Balance carried forward</b>	<b>-</b>	<b>-</b>

The notes on pages 24 to 37 form part of these financial statements.

# Peel Town Commissioners

## Statement of Total Recognised Gains and Losses for the year ended 31 March 2017

	<i>Notes</i>	<b>2016/17</b> £	2015/16 £
<b>Surplus on the income and expenditure account for the year</b>		<b>645,546</b>	351,651
Actuarial gains on Pension Fund Assets and Liabilities	27	<b>134,000</b>	342,000
Bonds creditors written off in year		<b>6,300</b>	-
<b>Total gains and losses recognised since last annual report</b>		<b><u>785,846</u></b>	<b><u>693,651</u></b>

The notes on pages 24 to 37 form part of these financial statements.

# Peel Town Commissioners

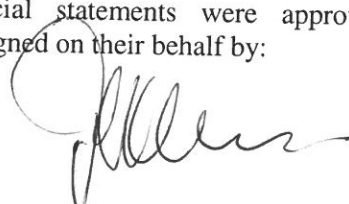
## Balance Sheet

As at 31 March 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible fixed assets	1	40,425,854	40,627,184
<b>Current assets</b>			
Debtors	5	932,293	162,736
Prepayments		70,483	34,508
Cash at bank and short term investments	6	1,916,605	1,199,481
		<u>2,919,381</u>	<u>1,396,725</u>
<b>Current liabilities</b>			
Bank overdraft	11	(588,750)	(957,076)
Short term borrowing	11	(1,060,529)	(964,002)
Creditors	7	(1,280,819)	(410,507)
		<u>(2,930,098)</u>	<u>(2,331,585)</u>
<b>Net current liabilities</b>		(10,717)	(934,860)
<b>Total assets less current liabilities</b>		<u>40,415,137</u>	<u>39,692,324</u>
<b>Long-term liabilities</b>			
Liability relating to defined benefit pension scheme	27	(1,561,000)	(1,633,000)
Long term borrowing	11	(14,120,598)	(14,111,631)
<b>Total assets less liabilities</b>		<u>24,733,539</u>	<u>23,947,693</u>
<b>Financed by:</b>			
Revaluation reserve	9	18,176,882	18,517,540
Accumulated surpluses	9	946,824	717,632
Pensions reserve	9/27	(1,561,000)	(1,633,000)
Capital adjustment account	9	7,016,978	6,191,666
Usable capital receipts	9	153,855	153,855
		<u>24,733,539</u>	<u>23,947,693</u>

The financial statements were approved and authorised for issue by the Authority on 17/08/17 and were signed on their behalf by:

Chairman



Town Clerk



The notes on pages 24 to 37 form part of these financial statements.



# Peel Town Commissioners

## Cash Flow Statement for the year ended 31 March 2017

Revenue activities		2017		2016
	£	£	£	£
<b>Cash outflows</b>				
Cash paid to and on behalf of employees	(712,840)		(721,794)	
Other operating cash payments	(1,062,972)	(1,775,812)	(1,143,579)	(1,865,373)
<b>Cash inflows</b>				
Rents	1,515,577		1,445,676	
Deficiency grant received	478,207		425,518	
Rate receipts	1,351,187		1,307,687	
Other operating cash receipts	362,539	3,707,510	365,616	3,544,497
<b>Net cash inflow from revenue activities</b>		<b>1,931,698</b>		<b>1,679,124</b>
<b>Returns on Investments and servicing of finance</b>				
<b>Cash outflows</b>				
Interest paid	(570,667)		(602,798)	
<b>Cash inflows</b>				
Interest received	657		1,152	
		(570,010)		(601,646)
<b>Capital activities</b>				
<b>Cash outflows</b>				
Purchase of fixed assets	(381,732)		(199,377)	
<b>Cash inflows</b>				
Proceeds on sale of fixed assets	-		-	
		(381,732)		(199,377)
<b>Net cash inflow before financing</b>		<b>979,956</b>		<b>878,101</b>
<b>Management of liquid resources</b>				
Decrease/(increase) in short term deposits		118		(1,145)
<b>Financing</b>				
<b>Cash outflows</b>				
Repayments of amounts borrowed	(964,002)		(893,649)	
<b>Cash inflows</b>				
Bank loans taken out in year	1,069,496	105,494	-	(893,649)
		105,612		(894,794)
<b>Net increase/(decrease) in cash</b>		<b>1,085,568</b>		<b>(16,693)</b>

# Peel Town Commissioners

## Notes to the Cash Flow Statement

for the year ended 31 March 2017

### 1. Reconciliation of net surplus to cash inflow from revenue activities

	2016/17 £	2015/16 £
Net surplus for the year on general fund income and expenditure account	645,546	351,651
Write off of bonds creditor	6,300	-
Profit on sale of fixed assets	-	6,906
Depreciation	519,026	513,190
Interest paid	570,667	602,798
Interest received	(657)	(1,152)
Decrease in debtors	22,545	104,530
Increase/(decrease) in creditors	106,271	(12,799)
Pension movement	62,000	114,000
Net cash inflow from revenue activities	1,931,698	1,679,124

### 2. Reconciliation of the movement in net debt

	2016/17 £	2015/16 £
Net debt at 1 April	(14,833,228)	(15,711,330)
Movement in net debt:		
Cash used to increase investments	(118)	1,145
Increase/(decrease) in cash in the period	1,085,568	(16,693)
Net (inflow)/outflow from debt financing	(105,494)	893,650
Net debt at 31 March	(13,853,272)	(14,833,228)

### 3. Reconciliation of financing and management of liquid resources

	Balance at 31 March 2016 £	Cash Movement £	Non Cash movement £	Balance at 31 March 2017 £
Cash in hand	659,128	717,242	-	1,376,370
Overdrafts	(957,076)	368,326	-	(588,750)
	(297,948)	1,085,568	-	787,620
Short term investments	540,353	(118)	-	540,235
Net debt:				
Due within one year	(964,002)	964,002	(1,060,529)	(1,060,529)
Due after one year	(14,111,631)	(1,069,496)	1,060,529	(14,120,598)
Total net debt	(14,833,228)	979,956	-	(13,853,272)

The authority's liquid resources comprise of deposit accounts that cannot be accessed within 24 hours.

# Peel Town Commissioners

## General Rate Fund

As at 31 March 2017

	£	2017 £	£	2016 £
Total rates levied for the year		989,304		950,404
<i>Add:</i>				
Due from Treasury re prior year	20,756		14,539	
Arrears brought forward	42,750	63,506	42,349	56,888
<i>Less:</i>				
Discounts	(32,330)	1,052,810		1,007,292
Collection charge	(9,553)		(31,454)	
Exempt and unoccupied properties	(14,806)		(9,722)	
Refunds	(287)		(7,447)	
		(56,976)		(48,623)
Irrecoverable amounts and re-rating adjustments		1,752		1,474
<b>Total rates collectable</b>		<b>997,586</b>		<b>960,143</b>
Rates received in the year:				
Current year rates	903,766		867,427	
Arrears collected	10,087		14,671	
Balance from Treasury re previous year	20,757		14,539	
<b>Total rates received in the year</b>		<b>934,610</b>		<b>896,637</b>
<b>Balances outstanding carried forward:</b>				
Due from Treasury re current year	13,382		20,756	
Arrears - current year	15,178		13,598	
- previous years	34,416		29,152	
		62,976		63,506
		<b>997,586</b>		<b>960,143</b>

# Peel Town Commissioners

## Refuse Rate Fund

As at 31 March 2017

	£	2017 £	£	2016 £
Total refuse rates levied for the year		441,603		432,537
<i>Add:</i>				
Due from Treasury re prior year	9,466		8,727	
Arrears brought forward	20,895	30,361	18,684	27,411
<i>Less:</i>		471,964		459,948
Discounts	(13,993)		(13,858)	
Collection charge	(4,256)		(4,163)	
Exempt and unoccupied properties	(5,733)		(957)	
Refunds	-		-	
		(23,982)		(18,978)
Irrecoverable amounts and re-rating adjustments		596		442
<b>Total refuse rates collectable</b>		<b>448,578</b>		<b>441,412</b>
Refuse rates received in the year:				
Current year refuse rates	402,308		396,751	
Arrears collected	4,804		5,572	
Balance due from Treasury re previous year	9,466		8,727	
<b>Total refuse rates received in the year</b>		<b>416,578</b>		<b>411,050</b>
<b>Balances outstanding carried forward:</b>				
Due from Treasury re current year	6,851		9,466	
Arrears - current year	8,463		7,342	
- previous years	16,686		13,554	
		32,000		30,362
		<b>448,578</b>		<b>441,412</b>

# Peel Town Commissioners

## Notes to the Statement of Accounts

(forming part of the financial statements for the year ended 31 March 2017)

### 1. Tangible fixed assets

	Land and Property £	Vehicles Plant and equipment £	Investment Property £	Total £
<b>Cost/valuation</b>				
At 31 March 2016	40,210,011	224,241	1,309,094	41,743,346
Additions in the year	317,696	-	-	317,696
Disposals in the year	-	(3,800)	-	(3,800)
<b>At 31 March 2017</b>	<b>40,527,707</b>	<b>220,441</b>	<b>1,309,094</b>	<b>42,057,242</b>
<b>Depreciation</b>				
At 31 March 2016	951,094	165,068	-	1,116,162
Charge for year	491,672	27,354	-	519,026
Disposals	-	(3,800)	-	(3,800)
<b>At 31 March 2017</b>	<b>1,442,766</b>	<b>188,622</b>	<b>-</b>	<b>1,631,388</b>
<b>Net Book Value</b>				
At 31 March 2017	39,084,941	31,819	1,309,094	40,425,854
At 31 March 2016	39,258,917	59,173	1,309,094	40,627,184

### Valuation of fixed assets

The Authority plans to fully revalue its fixed assets every five years. Valuations have been carried out by Chrystals Commercial, Chartered Surveyors who are the Authority's external valuer as at 31 March 2014. In addition, a supplementary valuation for the Brickworks site included within operational non specialised property, was performed as at 31 March 2015. The supplemental valuation in 2015 resulted in an upward revaluation of £57,435. The basis for valuation is set out in the statement of accounting policies.

	Operational Social housing dwellings £	Operational Specialised property £	Operational Non Specialised property £	Non Operational property £	Infra- structure & Community assets £	Total £
Valued at historic cost	1,306,968	-	-	-	124,653	1,431,621
Included at valuation	34,250,678	4,245,408	600,000	1,309,094	Nominal	40,405,180
	<u>35,557,646</u>	<u>4,245,408</u>	<u>600,000</u>	<u>1,309,094</u>	<u>124,653</u>	<u>41,836,801</u>

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 1. Tangible fixed assets - continued

#### Depreciation methodologies

Depreciation is provided on all assets with a finite useful life, other than freehold land and non-operating property. Depreciation is calculated on Balance Sheet values over periods reflecting the following estimated useful lives:

Property and Dwellings (including associated Housing Revenue Account assets) – 2% per annum on a straight line basis.

Component parts of Social Housing Improvements – Between 5 and 30 years

Vehicles, plant and equipment – 20% per annum on a straight line basis

### 2. Assets held

Operational assets	Number at 31 March 2016	Changes 2016/17	Number at 31 March 2017
<b>Social Housing Dwellings (note 25)</b>	334	-	334
<b>Other Land and Buildings</b>			
Car parks	9	-	9
Depots	1	-	1
Public Conveniences	4	-	4
Public Offices	1	-	1
Recreational properties	5	-	5
Miscellaneous properties	6	-	6
<b>Vehicles, Plant and Equipment</b>			
Vehicles	13	-	13
<b>Infrastructure Assets</b>			
Parks and open spaces	7	-	7
<b>Non-Operational assets</b>			
Commercial properties	4	-	4
Retail properties	3	-	3
Garages	62	-	62

# Peel Town Commissioners

Notes to the Statement of Accounts (continued)  
(forming part of the financial statements for the year ended 31 March 2017)

## 3. Capital expenditure and financing

	2016/17 £	2015/16 £
<b>Capital investment</b>		
Operational assets	<b>317,696</b>	167,354
<b>Sources of finance</b>		
Isle of Man Bank Financing	<b>284,317</b>	72,067
Revenue contribution	<b>21,711</b>	1,439
Housing maintenance	<b>11,668</b>	56,099
Capital receipts reserve	-	37,749
	<b>317,696</b>	167,354

## 4. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into, by 31 March 2017 are listed below:

	31 March 2017 £	31 March 2016 £
Vehicles	<b>28,792</b>	-
Housing	<b>2,671,663</b>	270,589

Commitments represent expenditure in relation to major housing schemes due under capital contracts.

## 5. Debtors

### Debtors due within one year

	2017 £	2016 £
Amounts falling due in one year (net of bad debt provisions):		
Payments on account	<b>828,077</b>	-
Government departments	<b>28,648</b>	46,899
Rates	<b>20,233</b>	30,222
Housing rents	<b>13,418</b>	37,533
Sundry debtors	<b>41,917</b>	48,082
	<b>932,293</b>	162,736

Debtor balances are shown net of provisions for bad or doubtful debts. Details of these provisions are given at note 8.

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 6. Cash

The cash at bank figure at 31 March 2017 was £1,916,605 (2016: £1,199,481). An analysis of the cash movements and the movement in net debt is provided in the cash flow statement and its notes on pages 20 to 21 and details of the authority's overdraft position is provided in note 11.

### 7. Creditors

	2017	2016
	£	£
Trade creditors	732,758	67,670
Housing rents	29,612	21,226
Sundry creditors and accruals	377,585	234,464
Government departments	140,864	87,147
	<u>1,280,819</u>	<u>410,507</u>

Within Trade creditors is an amount of £623,248 and within accruals an amount of £204,829 in respect of amounts due regarding a capital scheme. Further detail of this work is provided in note 13.

### 8. Provisions

The Authority maintains the following provisions for bad or doubtful debts:

	2017	2016
	£	£
Sundry debtors	23,219	22,854
Rate debtors	74,744	63,647
Rent debtors	6,165	5,573
	<u>104,128</u>	<u>92,074</u>



# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 9. Reserves

	Usable Capital receipts	Revaluation reserve	Capital adjustment Account	Pension Reserve
	£	£	£	£
Balance at 1 April 2016	153,855	18,517,540	6,191,666	(1,633,000)
Movement in year	-	(340,658)	825,312	72,000
Balance at 31 March 2017	<u>153,855</u>	<u>18,176,882</u>	<u>7,016,978</u>	<u>(1,561,000)</u>

### Accumulated surpluses

	Leece Museum	Links Development	W.E Brown Memorial	Town Hall (Corrin Legacy)
	£	£	£	£
Balance at 1 April 2016	15,789	2,075	539	339
Movement for the year	-	-	-	-
Balance at 31 March 2017	<u>15,789</u>	<u>2,075</u>	<u>539</u>	<u>339</u>

	General revenue account	Housing reserve Account	Total
	£	£	£
Balance at 1 April 2016	464,347	234,543	717,632
Net surplus for the year	210,060	19,132	229,192
Balance at 31 March 2017	<u>674,407</u>	<u>253,675</u>	<u>946,824</u>

### 10. Analysis of net assets employed

	2017 £	2016 £
General Fund	5,452,757	4,510,784
Housing revenue account	<u>19,280,783</u>	<u>19,436,909</u>
	<u>24,733,540</u>	<u>23,947,693</u>

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 11. Bank Loans and overdraft

Loans outstanding are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

Analysis of loans by type:	2017 £	2016 £
Bank Loans	15,181,127	15,075,633
Bank Overdraft	588,750	957,076
	<u>15,769,877</u>	<u>16,032,709</u>
Analysis of loans by maturity:	£	£
Less than 1 year	1,649,279	1,921,078
Between 1 and 2 years	1,087,750	989,229
Between 2 and 5 years	3,033,263	2,958,451
Between 5 and 10 years	4,359,383	4,193,529
More than 10 years	5,640,202	5,970,422
Total outstanding	<u>15,769,877</u>	<u>16,032,709</u>

In past years the authority has taken out IOM Bank Loan finance to fund long term capital projects. Each of these loans are unsecured, repayable between 10 and 30 years and previously were fixed term loans. The interest charged on these loans varies between 4.33% and 5.79%.

During the year and prior year, new borrowings have been taken out with HSBC Bank. Such loans are unsecured, repayable between 10 and 30 years and are variable rate loans.

Any monies borrowed on temporary overdraft facilities with HSBC Bank incur interest at 0.9% above base rate. Such loans have been sanctioned on a loan by loan basis by both Treasury and the Department of Infrastructure and/or the Department of Social Care and are secured by way of a Letter of Comfort issued by Treasury.

### 12. Contingent liabilities

There are no known contingent liabilities at the Balance Sheet date.

### 13. Post balance sheet events

At 31 March 2017, Peel Town Commissioners had a capital commitment of £2,671,663 to cover the land acquisition and project costs for the purchase of 23 Older persons public sector properties at Slieau Whallin View. Approval for the scheme had been received from the Department of Infrastructure on the 5th December 2016.

The contracts were in the process of been approved by both parties as at the year end and were signed on 28th April 2017. The land on which the properties would be situated was also purchased on this date and on the 3rd May 2017 payment was made by the Commissioners to fund the first two valuations that had been submitted by the contractor before the year end for work undertaken to build the properties.

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 14. Members' allowances

During 2016/17 the Authority paid £1,625 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2015/16: £1,763).

### 15. Employees' remuneration

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

Remuneration Band	Total	2016/17 Number of Employees	Total	2015/16 Number of Employees
		Leavers in year		Leavers in year
£50,000 - £74,999	1	0	0	0

### 16. Related party transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government has a direct influence over the general operations of the Authority as it is responsible for providing the statutory framework within which the Authority operates. It also provides funding in the form of grants and prescribes the terms of many transactions that the Commissioners have with other parties ie housing rents. During the year the Commissioners required funding of £398,085 in the form of housing deficiency grants (2016: £348,704). At the year end the Commissioners owed £52,915 (2016: were owed £27,027) in respect of this requirement.

All Commissioners and officers of the Authority are asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties. Peel & Western District Housing Committee is a related party of Peel Town Commissioners as the Responsible Finance Officer of Peel is also the Clerk of Peel & Western District Housing Committee.

During the year an amount of £23,043 (2016: £30,489) was invoiced from Peel Town Commissioners to Peel & Western District Housing Committee in respect of the recharge of expenditure incurred and staff costs incurred by Peel Town Commissioners. At the year end, an amount of £2,013 (2016: £3,092) was due from Peel & Western District Housing Committee in this respect.

In addition to this, the son of a Commissioner Mr I Davidson has a controlling interest in Castlebay Seafoods Limited. During the year an amount of £1,604 (2016: £1,624) was invoiced to Castlebay Seafoods Limited in respect of refuse collection services. In addition, an amount of £8,617 (2016: £8,617) was invoiced to them in respect of the rental of a property from the Commissioners.

At the year end, a balance of £Nil (2016: £Nil) was due to Castle Bay Seafoods Limited.

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

*(forming part of the financial statements for the year ended 31 March 2017)*

### 17. Audit fees

During 2016/17 the Authority incurred the following fees relating to external audit and inspection:

	2016/17 £	2015/16 £
Fees payable with regard to external audit services carried out by the appointed auditor – current year	8,435	8,250

### 18. Total rateable value

The total rateable value of the Town at 31 March 2017 is £386,939 (2016: £378,158) with a 257p rate being charged (2016: 252p). In addition a refuse charge of £170 (2016: £170) per household was levied for the year.

### 19. Statement of Movement on the General Fund Balance

The Income and Expenditure account shows the Authority's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority raises rates on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed
- Retirement benefits are charged as the amounts become payable to pension funds and pensioners, rather than as future benefits earned.

The General Fund Balance compares the Authority's spending against the rateable income that it raised for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves. This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued) (forming part of the financial statements for the year ended 31 March 2017)

### 20. Housing fixed assets

	Social Housing Dwellings £
<b>Cost/valuation</b>	
At 31 March 2016	35,239,950
Additions in the year	295,985
Revaluation	-
<b>At 31 March 2017</b>	<u>35,535,935</u>
<b>Depreciation</b>	
At 31 March 2016	863,258
Charge for year	443,005
<b>At 31 March 2017</b>	<u>1,306,263</u>
<b>Net Book Value</b>	
<b>At 31 March 2017</b>	<u>34,229,672</u>
At 31 March 2016	<u>34,376,692</u>

The authority's social housing dwellings were revalued as at 31 March 2014 on a basis that reflects their use for social housing.

The vacant possession value of dwellings at 31 March 2014 was £51,384,950.

The difference in value at each date represents the economic cost to the Government of providing social housing at less than open market rents. Depreciation is charged on these assets in accordance with the methodologies in note 1.

### 21. HRA capital expenditure

Capital expenditure on HRA land and buildings was financed as follows:

	2016/17 £	2015/16 £
Borrowing	317,696	72,067
Housing repairs reserve	-	56,099
	<u>317,696</u>	<u>128,166</u>

### 22. Housing reserve account

	2016/17 £	2015/16 £
Balance at 1 April 2016	234,543	263,055
Transfers to/(from) housing reserve	19,132	(28,512)
<b>Balance at 31 March 2017</b>	<u>253,675</u>	<u>234,543</u>

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

*(forming part of the financial statements for the year ended 31 March 2017)*

### 23. Gross rent income

Gross rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 0.51% of the rentals for the year, compared to 0.70% in 2015/16.

### 24. Housing deficiency grant

Housing deficiency grant is paid from central government to meet the shortfall which might be incurred by the Authority. The amount of deficiency due at the year end is shown as follows:

	2016/17	2015/16
	£	£
Deficiency (payable)/receivable at year end	<b>(52,915)</b>	27,027

### 25. Housing stock

The housing stock of dwellings at 31 March was made up as follows:

	2016/17	2015/16
	No's	No's
Houses and bungalows	279	279
Flats and maisonettes	50	50
Other	5	5
	<b>334</b>	334

Changes in the housing stock are detailed below:

	2016/17	2015/16
	No's	No's
Stock at 1 April 2016	334	334
Additions	-	-
Disposals	-	-
Stock at 31 March 2017	<b>334</b>	334

### 26. Rent arrears

	2016/17	2015/16
	£	£
Rent arrears	<b>13,418</b>	37,533
Rent arrears as a percentage of gross rent income	<b>0.75%</b>	2.57%

No amounts were written off in either 2016 or 2017 and as at 31 March 2017 the provision stood at £6,165 (£5,573 at 31 March 2016).

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions

As part of the terms and conditions of employment of its employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make these payments. The Authority participates in the Isle of Man Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations 2012. This is a defined benefit statutory scheme. The Authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pension liabilities with investment assets.

During the financial year the cost of pensions contributions £103,081 (2016: £101,942) has been charged to the Income and Expenditure Account. The Authority must also disclose its share of the assets and liabilities related to the scheme for its employees.

The assets and liabilities of the Scheme as at 31 March 2017 were valued by the Fund's actuaries, Hymans Robertson, using the projected unit method, which assesses the future liabilities of the Scheme discounted to their present value. The main financial assumptions used in the calculations are:

Assumptions	31 March 2017 % per annum	31 March 2016 % per annum
Rate of increase in salaries	3.2%	3.7%
Rate of increase in pensions	2.4%	2.2%
Rate for discounting scheme liabilities	2.6%	3.5%
Rate for expected return on assets	2.6%	3.5%

The actuary has also adopted a set of demographic assumptions that are consistent with those used for the Pension Scheme at the last triennial valuation on 31st March 2016.

The actuary used this valuation as the basis for the annual calculations. 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 fair value of the assets and liabilities held by the Authority within the Scheme are as follows:

	31 March 2017 £	31 March 2016 £
Fair value of employer assets	3,340,000	2,983,000
Present value of funded scheme liabilities	(4,901,000)	(4,616,000)
Net pensions liability	<u>(1,561,000)</u>	<u>(1,633,000)</u>

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions (continued)

The fair value of the pension scheme assets at 31 March can be analysed as follows:-

	31 March 2017 £	31 March 2016 £
Equities	1,815,000	1,700,000
Bonds	930,000	806,000
Property	470,000	477,000
Cash	125,000	-
	<u>3,340,000</u>	<u>2,983,000</u>
Estimated employer assets		

The following transactions have been made in the income and expenditure account during the year:

	2016/17 £	2015/16 £
<b>Net cost of service</b>		
Current service cost	142,000	168,000
<b>Net operating expenditure</b>		
Interest cost	163,000	156,000
Expected return on employer assets	(140,000)	(143,000)
<b>Actual amount charged against rate income for LGPS contributions in the year</b>		
Employer contribution payable to the Scheme	(103,000)	(104,000)

The net deficit on the scheme has decreased from £1,633,000 to £1,561,000. An analysis of the movement during the year is shown below:

	2016/17 £	2015/16 £
<b>Net pension liability at the beginning of the year</b>	(1,633,000)	(1,861,000)
Current service cost	(142,000)	(168,000)
Employer contributions	103,000	104,000
Expected net return on employer assets	(23,000)	(13,000)
Past service costs	-	(37,000)
Actuarial gains	134,000	342,000
	<u>(1,561,000)</u>	<u>(1,633,000)</u>
<b>Net pension liability at the end of the year</b>		



# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

(forming part of the financial statements for the year ended 31 March 2017)

### 27. Pensions (continued)

The actuarial losses have been further analysed in the following table, measured as absolute amounts and as a percentage of assets or liabilities as at the end of the financial year:

	2016/17		2015/16	
	£	Actuarial result as % of assets/liabilities	£	Actuarial result as % of assets/liabilities
Value of assets at end of year	3,340,000		2,983,000	
Total present value of liabilities	(4,901,000)		(4,616,000)	
Difference between the actual and expected return on assets	375,000	11.23%	(155,000)	5.20%
Actuarial gains/(losses) recognised in the statement	134,000	2.73%	342,000	7.41%

The breakdown of the expected return on net assets can be further broken down by category;

	31 March 2017	31 March 2016
Equities	5.7%	5.6%
Bonds	2.0%	3.0%
Property	3.7%	3.8%
Cash	2.5%	2.5%

The above figures have been provided by the actuaries to the Isle of Man Local Government Superannuation Scheme using information provided by the Scheme, and assumptions determined by the Authority in conjunction with the actuary. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of actuarial calculations could be affected by uncertainties within a range of possible values.

The net liability represents the difference between the value of the Authority's share of assets in the Scheme and the value of the future pension payments to which it was committed at that date. These pension liabilities will be paid out over a period of many years, during which time the assets will continue to generate returns towards funding them. Any significant changes in the global equity markets after 31 March 2017 would also have an impact on the capital value of the pension fund assets.

In addition, full details of the pension fund accounts can be obtained from Douglas Borough Council, Douglas, Isle of Man.

# Peel Town Commissioners

## Notes to the Statement of Accounts (continued)

*(forming part of the financial statements for the year ended 31 March 2017)*

### **28. Investments**

The Authority has representation on the board of the Western Civic Amenity Site ('the Committee'). The Committee comprises representative members from various western local authorities, whereby each representative member has access to the rewards, and exposure to the associated risks, arising from the operation of the Committee. The Committee is managed jointly by its representative members, with no single member having control or the right to exercise dominant or significant influence. Accordingly the Authority's interest in the Committee is considered to be an 'Investment' as defined by the SORP.

The Authority, together with the other representative members, fund the Committee to the extent necessary to maintain its operations, but have made no capital contribution to the Board and therefore the investment is recorded at nil value.

# Peel Town Commissioners

## Detailed Income and Expenditure Account for the year ended 31 March 2017

	2017 £	2017 £	2016 £	2016 £
<b>Employee costs</b>				
Office salaries	191,179		217,157	
Housing officer	30,628		29,737	
Technical officer	54,927		53,316	
Attendants	40,686		58,112	
Grass cutting	34,285		32,386	
Gardening	41,988		33,661	
Cleaning	21,579		28,135	
Admin – Foreman	1,212		1,305	
Commercial properties	9,672		4,053	
General properties	23,190		32,323	
Works	45,593		33,362	
Public functions	19,994		20,425	
Refuse	4,714		4,977	
Drainage	1,790		3,837	
Ward library	17,354		26,259	
Leece museum	32,830		31,873	
		<b>571,621</b>		<b>610,918</b>
<b>Premises related costs</b>				
Playground costs	1,253		7,930	
Amenity areas	30,638		18,851	
Skateboard/BMX costs	60		443	
Beach costs	5,602		4,937	
Campsite costs	21,150		18,789	
Phillip Christian Centre costs	2,795		1,024	
Ward library costs	8,479		13,620	
Leece Museum costs	7,450		19,404	
Bowls and tennis costs	2,509		4,936	
Swimming pool contributions	9,567		9,391	
Commercial property costs	2,755		3,146	
Dangerous building costs	2,720		-	
Street lighting costs	47,310		51,817	
Repairs to commissioners land	81		280	
Seats, bins, flags, signs, clocks etc	4,719		2,973	
Mill Road yard costs	4,030		7,029	
Clothing	2,002		2,013	
Replacement equipment	2,878		3,292	
Repairs to toilets	19,206		20,058	
Shelters, CCTV, road repairs	3,119		3,313	
		<b>178,323</b>		<b>193,246</b>

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# Peel Town Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2017

	2017 £	2017 £	2016 £	2016 £
<b>Premises related income</b>				
Commercial rents	44,811		46,499	
Campsite fees	119,502		89,490	
Leece museum	5,122		-	
Shell tipping fees	3,000		3,000	
Garage rents	55,076		55,655	
Peel Hill rents	5,920		4,933	
Car park fees	7,334		5,333	
Other income	-		982	
		(240,765)		(205,892)
		(62,442)		(12,646)
<b>Agency and contracted services costs</b>				
Refuse disposal	208,408		213,847	
Refuse contract	166,825		163,074	
Wheelie bin purchase	6,276		2,935	
Amenity site charges	91,196		91,110	
Street cleaning	43,039		40,004	
		515,744		510,970
<b>Agency and contracted services income</b>				
Commercial refuse income	63,392		69,709	
Street cleaning income	202		89	
		(63,594)		(69,798)
		452,150		441,172
<b>Recharge costs</b>				
Drainage recharge costs	757		71	
Westlands	22,030		28,651	
Housing pilot scheme costs	237		-	
		23,024		28,722
<b>Recharge income</b>				
Westlands	23,044		30,489	
Grass cutting	-		1,253	
Housing pilot scheme income	2,589		-	
		(25,633)		(31,742)
		(2,609)		(3,020)

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# Peel Town Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2017

	2017 £	2017 £	2016 £	2016 £
<b>Central and technical</b>				
Public function fireworks	5,505		5,015	
Civic Sunday	2,431		2,003	
Peel Day	16,296		20,303	
Carnival Day	5,000		5,046	
Christmas costs	8,559		11,342	
Other public function costs	14,617		14,991	
Rates payable	(8,554)		(3,013)	
Audit fees	11,529		11,186	
Accountancy fees	10,903		15,103	
Legal and professional fees	5,399		20,048	
Website costs	8,218		9,008	
Printing, stationery, photocopier etc	2,583		3,359	
Postage	2,375		2,785	
Insurance	20,599		19,225	
Election costs	5,392		-	
Attendance allowances	1,625		1,763	
Honorarium	1,500		1,000	
Town Hall maintenance	867		83	
Computer costs	15,803		14,408	
Telephone	5,522		5,001	
Staff training	408		2,758	
Miscellaneous	6,812		6,874	
Registrars costs	104		-	
Rate collection costs	13,810		13,885	
Rates provision for bad debts	9,855		697	
Other bad debt provisions	365		(175)	
		167,523		182,695
<b>Central and technical income</b>				
Admin allowance	82,396		76,903	
Rates commission	7,051		5,921	
Search fees	13,200		12,700	
Hire of Boardroom	225		308	
Registrars fees	4,034		-	
Public function income	7,209		12,762	
Other income	1,538		4,191	
		(115,653)		(112,785)
		51,870		69,910
<b>Motor vehicle expenses</b>				
Tax and licences	1,890		2,120	
Petrol and diesel	6,445		5,966	
Repairs	6,625		6,407	
Lease/hire costs	3,752		363	
		18,712		14,856

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