

# **Peel Town Commissioners**

## **Statement of Accounts**

**For the year ended 31 March 2021**

# Peel Town Commissioners

## Year ended 31 March 2021

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# Peel Town Commissioners

Year ended 31 March 2021

## Members, Officers and Advisors

Peel Town Commissioners' registered address is:

Peel Town Commissioners,  
Town Hall,  
Derby Road,  
Peel.  
IM5 1RG

The Commissioners are the local authority for the Town of Peel. The local authority primary duties are social housing, waste collection, domestic refuse disposal, commercial refuse disposal, environmental health, routine cyclical highway maintenance operations, car parking management, street lighting, street sweeping, public parks, public amenity areas, public convenience, public library, museum, campsite, and byelaw enforcement.

The Commissioners work with the neighbouring authorities in the West of the Island to provide a Western civic amenity site, Western swimming pool and Western sheltered housing complex. These organisations individually prepare and publish their own statement of accounts which are separate to Peel Town Commissioners.

The Local Authority Board of Peel Town Commissioners is made up of seven elected representatives. Their term of appointment operates from May 2016 until April 2020, extended to 2021 due to the Covid-19 pandemic. The Board members for the year ended 31 March 2021 were:

Mr A.G.Jones (Chairman)  
Ms H.Hannan (Deputy Chairman)  
Mr E.C. Convery  
Mr I.G. Davison  
Mr B.T. Heath  
Mr D. J. Lace  
Mrs C.A. Moughtin

During the year ending 31 March 2021 the Commissioners operated three Lead Member Committees to oversee the local authority's functions. The elected representatives with delegated responsibility for prescribed function areas are detailed below:

Ms H. Hannan and Mr E.C. Convery are responsible for overseeing the Commissioners' finance, operational maintenance activities, waste, staffing resource and corporate governance matters delegated to the Finance and Staff Resource Lead Member Committee.

Mr B.T. Heath and Mr D.J. Lace are responsible for overseeing the Commissioners' social housing, licencing and property assets delegated to the Property and Asset Management Lead Member Committee. Mr B. T. Heath is responsible for overseeing the Commissioners' interests in the Leece Museum.

Mr I.G. Davison and Mrs C. A. Moughtin are responsible for overseeing the Commissioners' campsite, library, campsite, parks, amenity areas, events, car parking management and byelaw enforcement delegated to the Events, and Commercial Innovation Lead Member Committee.

# Peel Town Commissioners

Year ended 31 March 2021

## Members, Officers and Advisors - continued

In July 2021 the delayed local elections took place and Mr E.C. Convery, Mr I.G. Davison, Mr B.T. Heath and Mr D.J. Lace stood down as elected representatives. The seven elected representatives for the Local Authority Board of Peel Town Commissioners from August 2021 are now:

Ms H.Hannan (Chairman)  
Ms V. Heaton (Deputy Chairman)  
Mr F.K. Crompton  
Mr A.G. Jones  
Ms M. Kelly  
Mrs C.A. Moughtin  
Mr M.W. Wade

The Commissioners are operating three Lead Member Committees to oversee the local authority's functions. The elected representatives with delegated responsibility for prescribed function areas are detailed below:

Ms V. Heaton and Mrs C.A. Moughtin are responsible for overseeing the Commissioners' finance, operational maintenance activities, waste, staffing resource and corporate governance matters delegated to the Finance and Staff Resource Lead Member Committee.

Mr F.K. Crompton and Mr A.G. Jones are responsible for overseeing the Commissioners' social housing, licencing and property assets delegated to the Property and Asset Management Lead Member Committee. Mr A.G. Jones is responsible for overseeing the Commissioners' interests in the Leece Museum.

Ms M. Kelly and Mr M.W. Wade are responsible for overseeing the Commissioners' campsite, library, parks, amenity areas, events, car parking management and byelaw enforcement delegated to the Events, and Commercial Innovation Lead Member Committee.

The Commissioners' Town Clerk and Responsible Finance Officer is Mr D.J. Sewell Bsc (Hons) MBA CILT.

The Commissioners internal auditor is Alexander Elliott and the external auditor is Crowe Isle of Man Audit LLC. Their Registered Addresses are as follows:

Alexander Elliott  
Sovereign House  
4 Christian Road  
Douglas  
IM1 2SD

Crowe Isle of Man Audit LLC  
Victory House  
Prospect Hill  
Douglas  
IM1 1EQ



# Peel Town Commissioners

Year ended 31 March 2021

## Explanatory Foreword

### Introduction

This Statement provides a summary of Peel Town Commissioners financial performance for the year ended 31 March 2021. This is the fifth year of the current Board's tenure including the one year covid extension to the normal four year term of office. The Board's main objectives were to:

- Improve the management of the Commissioners' finances to reduce the impact of inflationary costs on the rate payers of Peel;
- Promote commercial innovation, events and regeneration to attract investment and visitors to Peel;
- Improve the town centre environment and facilities on offer to residents, businesses and visitors;
- Improve the corporate governance of the Commissioners' services through restructuring resources and the development of policies and procedures;
- Improve the management of projects from their inception to the delivery of their benefits; and
- Reduce the operating costs and waiting time for the provision of social housing.

### Performance against Objectives

The authority sets the general rate in January each year and the rates are collected by the Isle of Man Treasury. The Isle of Man Treasury have provided the following information for the year ending 31 March 2021:

1. **The total rates in Peel is £1,526,642 (£1,486,289 in 2020) as stated on page 16.**
2. **The total rate arrears is £152,284 (£91,556 in 2020). An amount of £40,663 (£34,794 in 2020) was due from Treasury as stated on pages 32 and 33.**
3. **The bad debt provision has increased to £152,284 (£91,557 in 2020).**

One of the main purposes of the Finance and Staff Resource Lead Member Committee is to improve finance management of the Commissioners' affairs and increased transparency through reporting the Commissioners' financial position monthly to the Board at their public meetings. This allows the timely interventions by the Board when required to address expenditure and income issues which are not in accordance with the Commissioners' budget expectations. This management has allowed:

1. The authority to incorporate inflationary cost increases within their current budget and **retained the existing 257 pence in the pound general rate and to restrict increases to the refuse rate to those levied on the Commissioners by the Energy from Waste Facility and the Western Civic Amenity site. This resulted in a £10 per household increase to £196 per dwelling for the year ending 31 March 2021.**
2. The Commissioners reserves had increased to £958,009 at the end of March 2019. The £483,662 increase in reserve during the three year term of this Board has permitted investment in the final two years of this Board's term in a new playground at the Swimming Pool with a budget of £359,850; renovation of the Market Street Toilets with a budget of £20,000 and works at St Peter's Gardens with a budget of £69,500. The Commissioners agreed £404,350 of funding from these projects could be financed from the Commissioners' reserve. However, through managing the Commissioners' accounts and the use of £108,943 capital receipt reserve after the completion of all these works by the 31 March 2020 the reserve was only reduced by £208,088 to £749,921. In real terms, during the term of the Board the reserves have increased from £628,855 (including £153,855 Capital receipt reserve) to £794,833 (including £44,912 Capital receipt reserve) as detailed on page 17.

# Peel Town Commissioners

Year ended 31 March 2021

## Explanatory Foreword - continued

3. The employment of season workers to assist in summer maintenance activities including providing additional weeding, grass cutting and street cleaning works in the town centre.
4. The authority to operate their services within their allocated budget provision and to provide £121,305 infrastructure work resulting in a **£16,344 deficit** during the year ending 31 March 2021 as detailed within the Statement of Movement on Reserves on page 17. The authority **decreased its overall reserve to £640,978 excluding the £108,943 transferred from the Capital receipt reserve (£657,322 in 2020)** as shown on page 17 for the year ending 31 March 2021. Total reserve is £749,921 after this transfer. On 31 July 2021 the authority reported an operating surplus of £12,111 to their external auditor. This was modified to the deficit reported above following an unforeseen request for £31,680 funding from Western Civic Amenity Site Board in September 2021 to settle a 2016 invoice.

During the financial year ending 31 March 2021 the authority's main priority has changed significantly to deal with the impact of the Covid 19 pandemic. Its two priorities during this twelve month period have changed to:

- The authority has been required to manage the cost effective delivery of the projects it had a contractual obligation to complete during the covid pandemic.
- The prudent management of the authority's expenditure to protect the Authority's reserves from a significant loss of income associated with the covid restrictions and an increase in the number of debtors directly attributable to rate payers and social housing tenants' inability to pay for the services provided by the Commissioners during the pandemic.

This has resulted in the following:

1. The Campsite 2020/21 **income was reduced by £98,980 from £116,679 in 2019 to £17,699** through covid border restrictions and the cancellation of the TT and Festival of Motorsport events. This loss of income, at short notice, after the rates were set in January 2020 were largely **met by a reduction of £51,134 in staffing costs, £8,425 in campsite costs and £27,481 in event costs.**
2. The installation of the new playground works at the swimming pool were delayed with formal opening taking place in August 2020.
3. The **overall rate debt has increased from £91,557 to £152,284. The bad rate debt provision has increased from £1,533 to £59,972.**
4. The **overall rent debt for Commissioner housing has increased from £50,957 to £69,696. The bad rent debt provision has increased from £15,819 to £16,988.**

### Social Housing

The Commissioners own 380 social housing units including the 23 new social houses at Beary Close in Slieau Whallian View purchased in 2018 for £3,300,000. The Commissioners have successfully concluded a three year pilot for the management of 20 Department of Infrastructure social houses in Peel. This resulted in the agreement of a further one year management contract in February 2020 at a revised fee of £12,500 per annum based on the cost savings achieved in the original three year term of this agreement. In the year ended 31 March 2021 the authority:

- **Let 20 social housing properties to tenants.**
- **The Isle of Man deficiency payment (subsidy) was £296,344 (£276,618 in 2020)** as detailed within the Comprehensive Income and Expenditure Statement on page 16.

# Peel Town Commissioners

Year ended 31 March 2021

## Explanatory Foreword - continued

- **The overall housing maintenance reserve increased to £386,017** (£285,164 in 2020) as detailed within the Statement of Movement on Reserves Housing Maintenance Reserve Balance on page 17. This is earmarked for maintenance works to the exterior of properties at Reayrt Aalin.

### Investments, Capital Expenditure, and Borrowing

**During the year no external investments were made.**

**The total capital expenditure in the year was £ 173,177.** This can be broken down as follows:

Land and Property £54,167  
Plant and Equipment £119,010

The financing for this expenditure was as follows:

Repair allowance £121,305  
General Revenue £51,872

The unused capital receipts is currently £44,912 (£153,855 in 2020). The accruals at the year end in respect of capital expenditure totalled £40,841 retention for the Beary Close housing scheme which was scheduled for payment in 2019 and £4,628 retention for the new playground scheduled for repayment in 2021. The retention on the Beary Close housing scheme has not been paid to date following the identification of remedial works to new property boilers to permit adequate rapid accessibility for maintenance works.

### Pension Liability

The net liability on the Isle of Man Local Government Superannuation Scheme attributable to Peel Town Commissioners is £2,259,000 (£1,388,000 in 2020).

**The pension liability has increased by £871,000 on the previous year.**

### Future Strategic Intention

The ongoing delivery of the Board's objectives by:

- Not increasing the town rate;
- The delivery of new facilities including a Town playground to increase visitors to Peel Swimming Pool and the Camping Park;
- The construction of business units adjacent to the Peel Food Park;
- The development of new events to encourage new visitors to Peel;
- The provision of attractive pedestrian links between the Promenade and Michael Street and improved maintenance regimes in the Town centre;
- The provision of attractive easy to clean public conveniences in the Town;
- The development of tourism hub at the Town Hall; and
- The development of a social housing committee with neighbouring western local authorities to reduce operating costs and waiting time for the provision of social housing in the West of the Island.

# Peel Town Commissioners

Year ended 31 March 2021

## Explanatory Foreword - continued

### Events Since Balance Sheet Date

**No events are reported which will impact the accounts for the year ended on 31 March 2021.**

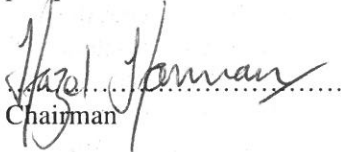
### Risks and Uncertainties

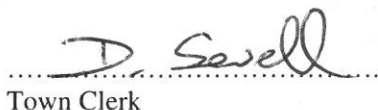
The internal audit has not recorded any risks which need urgently addressing by the authority.

New social housing policies must be fully reviewed before implementation to ensure they do not adversely impact on deficiency payment subsidy or increase the liability for rate payers to fund social housing improvements. For example, the 2018/19, one off, reduction in the Commissioners' housing surplus (reserve) to partially offset the deficiency payment must not be repeated.

The ongoing travel restrictions in 2021 associated with preventing the spread of Covid-19 will result in reduced tourism on the Isle of Man which will have a significant impact on the Commissioners' campsite income; Leece Museum donations and viability for a number of Commissioners' events. This will have an impact on the deferred income for the 2021/22 financial year including the repayment of campsite fees received during the 2020/21 financial year.

The reinstatement of restrictions in 2021 to prevent the spread of Covid 19 on the Island resulted in the postponement of the Local Authority elections in April 2021 until July 2021.

  
.....  
Chairman

  
.....  
Town Clerk

# Peel Town Commissioners

Year ended 31 March 2021

## 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; and
- 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 preparing this Statement of Accounts, the Responsible Financial Officer has:

- selected suitable accounting policies and then applied them consistently; and
- made judgements and estimates that were reasonable and prudent.

The Responsible Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

# Peel Town Commissioners

Year ended 31 March 2021

## **Independent auditor's report to the Members of Peel Town Commissioners**

### ***Opinion***

We have audited the financial statements of Peel Town Commissioners for the year ended 31 March 2021 which comprise the Comprehensive Income and Expenditure account, the Statement of the Movement on Reserves, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **In our opinion, the financial statements:**

- give a true and fair view of the state of the authority's affairs as at 31 March 2021 and of its comprehensive income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Accounts and Audit Regulations 2018 made under the Audit Act 2006.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Conclusions relating to going concern***

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Responsible Financial Officer's use of the going concern basis of accounting in the preparation of the statement of accounts is not appropriate; or
- the Responsible Financial Officer has not disclosed in statement of accounts any identified material uncertainties that may cast significant doubt about the authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the statement of accounts are authorised for issue.

# Peel Town Commissioners

Year ended 31 March 2021

## **Independent auditor's report to the Members of Peel Town Commissioners – continued**

### ***Other information***

The Responsible Financial Officer is responsible for the other information. The other information comprises the information included in this report, other than the statement of accounts and our auditor's report thereon. Our opinion on the statement of accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### ***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:

- any transaction effected by or on accounts 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.

### ***Responsibilities of Responsible Financial Officer***

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 9, the Responsible Financial Officer is responsible for the preparation of the Statement of Accounts and for being satisfied that they give a true and fair view, and for such internal control as the Responsible Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing statement of accounts, the Responsible Financial Officer is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the authority intends to cease operations or have no realistic alternative but to do so.



# Peel Town Commissioners

Year ended 31 March 2021

## **Independent auditor's report to the Members of Peel Town Commissioners - continued**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the statement of accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these statement of accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities for non-compliance with key laws and regulations affecting the authority and identified the Accounts & Audit Regulations 2018 and the Audit Act 2006 as the primary legislation affecting the entity. We reviewed board minutes to consider whether any activity in the authority is required to be disclosed under the legislation as well as designing tests to ensure the statement of accounts include all the necessary disclosures required.

We considered the opportunities and incentives that may exist within the authority for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the authority's figures to meet budget. We discussed these risks with Responsible Financial Officer, designed audit procedures to test the timing of commercial revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

A further description of our responsibilities for the audit of the statement of accounts is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



# Peel Town Commissioners

Year ended 31 March 2021

## Independent auditor's report to the Members of Peel Town Commissioners - continued

### Use of our report

This report is made solely to the authority's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### Crowe Isle of Man Audit LLC

#### Chartered Accountants

6th Floor, Victory House

Prospect Hill

Douglas

Isle of Man

IM1 1EQ

**Date:**

# Peel Town Commissioners

Year ended 31 March 2021

## Statement of Internal Control

### Introduction

Regulation 6 of the Accounts and Audit Regulations 2018 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 Authority and the Responsible Financial Officer

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

The Authority 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 Authority.

In discharging this responsibility, the Authority 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.

- ***Authority meetings***

The Authority meets monthly and consists of a Chairman and 6 other Authority members. The Authority 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 Authority.

# Peel Town Commissioners

Year ended 31 March 2021

## Statement of Internal Control (continued)

### 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 Authority. During the year ended 31 March 2021, the Authority has reviewed and restructured its staff resources to strengthen its internal finance control and corporate governance procedures to further enhance the oversight of the authority's financial affairs.

### 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 period ended 31 March 2021.

All risks identified in the prior year identified by the internal auditor were mitigated. No high risk observations were identified in the report in relation to the year ended 31 March 2021.

The RFO has met with the Authority to discuss the detailed findings of the report with a view to implementing, where practical, the key recommendations of the Internal Auditor. The internal audit has not recorded any risks which need urgently addressing by the authority.

Signed)   
(Chairman)

(Signed)   
(Responsible Finance Officer)

(Dated) 29 October 2021

# Peel Town Commissioners

## Comprehensive Income and Expenditure Statement

for the year ended 31 March 2021

Statement of net expenditure		Gross Expenditure £	Income £	2020/21 Net Expenditure £	2019/20 Net Expenditure £
Continuing operations:					
Employee costs		575,316	-	575,316	626,450
Premises		174,108	135,021	39,087	(1,072)
Agency and contracted services		625,705	37,103	588,602	516,869
Recharges		22,702	37,741	(15,039)	(17,982)
Central and technical		232,577	116,828	115,749	138,897
Vehicle costs		16,596	-	16,596	16,755
Depreciation		104,191	-	104,191	59,495
Net current service cost of pensions	17	23,000	-	23,000	36,000
<b>Net cost of General Fund services</b>		<b>1,774,375</b>	<b>326,693</b>	<b>(1,447,682)</b>	<b>(1,375,412)</b>
Housing services	8	1,362,843	2,060,316	697,473	714,594
Deficiency receivable	8	-	296,344	296,344	276,618
<b>Net cost of services</b>		<b>3,137,218</b>	<b>2,683,353</b>	<b>(453,865)</b>	<b>(384,200)</b>
Rates income				1,526,642	1,486,289
Interest and investment income				682	3,379
Interest payable and finance charges				(451,783)	(539,689)
Net pension interest cost	17			(31,000)	(36,000)
<b>Surplus on provision of services</b>				<b>590,676</b>	<b>529,779</b>
<b>Other Comprehensive Income and Expenditure</b>					
Remeasurement of net pension liability				(817,000)	244,000
<b>Total comprehensive income and expenditure</b>				<b>(226,324)</b>	<b>773,779</b>

# Peel Town Commissioners

## Statement of Movement on Reserves for the year ended 31 March 2021

	Notes	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £	Housing maintenance reserve £	Capital receipts reserve £	Earmarked reserves £
<b>Total comprehensive income and expenditure</b>	1	590,676	-	-	(817,000)	-	-	-
Depreciation and impairment of fixed assets	17	104,190	(342,534)	(398,638)	-	636,983	-	-
Net charges made for retirement benefits		54,000	-	-	(54,000)	-	-	-
Loan fund principal repayments		(77,818)	1,128,162	-	-	(1,050,344)	-	-
Fixed assets financed from General Fund		(121,305)	173,178	-	-	(51,873)	-	-
Transfer to Housing Revenue Account		(566,087)	-	-	-	566,087	-	-
Transfer from Capital Receipts Reserve		108,943	-	-	-	-	(108,943)	-
Balance brought forward		92,599	958,806	(398,638)	(871,000)	100,853	(108,943)	-
Balance carried forward		657,322	10,025,295	20,185,181	(1,388,000)	285,164	153,855	18,741
		749,921	10,984,101	19,786,543	(2,259,000)	386,017	44,912	18,741

# Peel Town Commissioners

## Statement of Movement on Reserves for the year ended 31 March 2020

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £	Housing maintenance reserve £	Capital receipts reserve £	Earmarked reserves £
<b>Total comprehensive income and expenditure</b>	529,779	-	-	244,000	-	-	-
Depreciation and impairment of fixed assets	59,497	(294,842)	(398,179)	-	633,524	-	-
Net charges made for retirement benefits	72,000	-	-	(72,000)	-	-	-
Loan fund principal repayments	(73,772)	1,044,359	-	-	(970,587)	-	-
Fixed assets financed from General Fund	(406,967)	485,434	-	-	(78,467)	-	-
Transfer to Housing Revenue Account	(481,224)	-	-	-	481,224	-	-
Transfer between reserves							
	(300,687)	1,234,951	(398,179)	172,000	65,694	-	-
Balance brought forward	958,009	8,790,344	20,583,360	(1,560,000)	219,470	153,855	18,741
<b>Balance carried forward</b>	<b>657,322</b>	<b>10,025,295</b>	<b>20,185,181</b>	<b>(1,388,000)</b>	<b>285,164</b>	<b>153,855</b>	<b>18,741</b>

# Peel Town Commissioners

## Balance Sheet


as at 31 March 2021

	Notes	2021 £	2020 £
Tangible fixed assets	1	45,001,910	45,569,906
<b>Current assets</b>			
Debtors	3	368,595	258,773
Cash at bank and short term investments		1,245,232	1,394,849
		<u>1,613,827</u>	<u>1,653,622</u>
<b>Current liabilities</b>			
Bank overdraft	5	-	(3,135,818)
Short term borrowing	5	(1,064,243)	(1,022,417)
Creditors	4	(649,356)	(773,663)
		<u>(1,713,599)</u>	<u>(4,931,898)</u>
<b>Net current liabilities</b>		<u>(99,772)</u>	<u>(3,278,276)</u>
<b>Total assets less current liabilities</b>		<u>44,902,138</u>	<u>42,291,630</u>
<b>Long-term liabilities</b>			
Liability relating to defined benefit pension scheme	17	(2,259,000)	(1,388,000)
Long term borrowing	5	(12,931,904)	(10,966,072)
<b>Total assets less liabilities</b>		<u>29,711,234</u>	<u>29,937,558</u>
Revaluation reserve		19,786,543	20,185,181
Accumulated surpluses		1,154,678	961,227
Pensions reserve		(2,259,000)	(1,388,000)
Capital adjustment account		10,984,101	10,025,295
Usable capital receipts		44,912	153,855
		<u>29,711,234</u>	<u>29,937,558</u>

The financial statements were approved by the Authority on behalf by:

and were signed on their

  
Chairman

  
RFO

# Peel Town Commissioners

## Cash Flow Statement

for the year ended 31 March 2021

	Notes	2021 £	2020 £
Net surplus on provision of services		<b>590,676</b>	529,779
Adjustments to net surplus on provision of services for non-cash movements	11	<b>573,668</b>	1,121,113
Adjustments for items included in net surplus on provision of services that are investing and financing activities		<b>454,888</b>	530,206
Net cash flows from Operating Activities		<b>1,619,232</b>	2,181,098
Net cash flows from Investing Activities	12	<b>(185,799)</b>	(468,183)
Net cash flows from Financing Activities	13	<b>1,552,091</b>	(1,577,870)
		<b>1,366,292</b>	(2,046,053)
Net increase in cash and cash equivalents		<b>2,985,524</b>	135,045
Cash & cash equivalents at the beginning of the reporting period	14	<b>(2,286,397)</b>	(2,421,442)
Cash & cash equivalents at the end of the reporting period	14	<b>699,127</b>	(2,286,397)



# Peel Town Commissioners

## Statement of Accounting Policies

### 1. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Audit Act 2006 and the Accounts and Audit Regulations 2018. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain land and buildings as specified in the accounting policies below.

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

### 2. Going concern

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a World pandemic. The COVID-19 pandemic has not had a significant, immediate impact on the authority's operations but the board is aware that if the current situation becomes prolonged then this may change. The primary impact of the pandemic on the authority is the potential impact on cash flow. However, after reviewing the budget of the authority, the board have a reasonable expectation that the authority has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

### 3. Income

#### (a) Rates receivable

Rates income for the year credited to the Comprehensive Statement of Income and Expenditure is the accrued income for the year, adjusted for discounts, exempt and uninhabitable properties.

#### (b) Rentals

Rent revenue, including campsite income, is measured at fair value of the consideration received or receivable and represents the amount receivable for the services rendered.

#### (c) Housing deficiency

Housing deficiency is accounted for on an accruals basis and represents amounts due for the period in respect of the shortfall in housing income over housing receipts in the year.

### 4. Accruals of income and expenditure

The 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.

### 5. 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.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### 6. Tangible fixed assets

Tangible fixed assets have physical substance and are held by the Authority for the provision of services or for administrative purposes on a continuing basis.

#### (a) Recognition

Expenditure on the acquisition or creation of tangible fixed assets and subsequent expenditure that adds to, replaces part of, or services tangible fixed assets, is capitalised on an accruals basis where:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the Authority; and
- The cost can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense to the relevant service when it is incurred.

#### (b) Measurement (Valuation Bases)

All assets are initially measured at cost. The initial cost includes all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Borrowing costs are not capitalised.

Subsequent to initial recognition, assets are then carried on the Balance Sheet using the following measurement bases:

- Assets under construction – historic cost.
- Social Housing and all other tangible fixed assets are measured at current value which is determined as the amount that would be paid for the asset in its existing use ("existing use value" – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate.

For non-property assets that have short useful lives or low values (or both) depreciated historical cost basis is used as a proxy for current value.

#### (c) Revaluation

A class of assets included in the Balance Sheet at current value (fair value for Surplus assets) may be revalued on a rolling basis provided revaluation of the class of assets is completed within five years.

The valuations are undertaken with sufficient regularity to ensure that their carrying amount is not materially different from current value (fair value for Surplus assets). All valuations are undertaken by a qualified valuer, using a professional valuer contracted to the Authority.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### **6. Tangible fixed assets - continued**

#### **(c) Revaluation - continued**

Short-life assets, such as vehicles and computer equipment are not revalued but are measured at depreciated historic cost as a proxy for fair value.

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains. When assets are subject to revaluation losses they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

#### **(d) Impairment**

Assets are subject to an annual impairment review at the end of each financial year for evidence of reductions in value. Where indications exist and the reduction is material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### **6. Tangible fixed assets - continued**

#### **(e) Depreciation**

Depreciation is provided for on all Tangible Fixed Assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (e.g. freehold land and community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on a straight-line basis by allocating the cost (or re-valued amount) of the asset over the number of years that the asset is expected to be of useful benefit as follows:

Land – not depreciated

Property and Dwellings (including associated Housing Revenue Account assets) – 50 years

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

Vehicles, plant and equipment - 5 years

The useful life of an asset is estimated on a realistic basis and is regularly reviewed as part of the revaluation process. Where the useful life of a fixed asset is revised, depreciation is charged over the revised life of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where an item has major components whose cost is significant in relation to the total cost of the asset, the components are depreciated separately.

#### **(f) Disposals**

Income from the disposal of fixed assets is accounted for on an accruals basis. Capital receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance other capital expenditure, when they are credited to the Capital Adjustment Account.

### **7. Investment Property**

Investment Properties are those that are used solely to earn rentals or for capital appreciation purposes. Properties that are used to facilitate the delivery of services are not Investment Properties.

Investment properties are measured initially at cost and subsequently at fair value. The assets are not depreciated but are subject to five yearly revaluation reviews according to market conditions at the year-end. All valuations are undertaken by a qualified valuer. Gains and losses on revaluation and disposal are posted to the Comprehensive Income and Expenditure Statement. These unrealised gains and losses are reversed out in the Statement of Movement on Reserves to the Revaluation reserve. Proceeds on the sale of such assets would be reversed out to the Capital Adjustment account.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### **8. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

### **9. Government Grants and Contributions**

Government grants and other third party contributions / donations are accounted for on an accruals basis and recognised when the conditions attached to the payments have been met and there is reasonable assurance that they will be received.

#### **(a) Revenue Grants**

Amounts due to the Authority are credited to the Comprehensive Income and Expenditure Statement when the conditions attached to the grants or contributions are satisfied. Amounts advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or non-specific Grant Income.

#### **(b) Housing Deficiency**

Housing deficiency is accounted for on an accruals basis and represents an amount due in respect of the shortfall of housing income over housing expenditure in the year in accordance with the housing deficiency scheme operated by the Department of Infrastructure.

### **10. Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **11. Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### **12. Employee benefits**

The Authority provides a range of benefits to employees, including paid holiday arrangements and a defined benefit pension plan.

#### **(a) Short term benefits**

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

#### **(b) Defined benefit pension plan**

The Authority participates in the Local Government Superannuation Scheme administered by Douglas Borough Council in accordance with the Isle of Man Local Government Superannuation Scheme Regulations. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The Authority and its employees pay contributions into the scheme and these contributions are calculated at a level intended to balance the pensions liabilities with investment assets. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the Authority's defined benefit obligation at the end of the reporting date less the fair value of the plan assets attributable to the Authority's members at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the administering Authority engages independent actuaries to calculate the obligation of the Authority. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Comprehensive Income and Expenditure Statement. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net pension liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

# Peel Town Commissioners

## Statement of Accounting Policies (Continued)

### 13. Provisions

Provisions are made for any liability of uncertain timing where there is a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged to the Comprehensive Income and Expenditure Statement in the year that the obligation arises and are based on the best estimate of the amount that is likely to settle the obligation.

### 14. Reserves

Reserves include earmarked reserves set aside for specific policy purposes and balances which 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 Maintenance Reserve:** set up to hold surplus monies received from housing rents less expenditure incurred.

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

**Earmarked Reserves:** set up to hold surplus monies received on specific earmarked reserves less expenditure incurred.

The following 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:** 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.

**Pensions reserve:** The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those benefits.

# Peel Town Commissioners

## Significant Judgements and Estimates

### (a) Judgements

In applying the accounting policies set out above the Authority has had to make assumptions and form judgments about transactions which are complex in nature and where there is uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- The Authority operates a rolling 5 year revaluation programme for assets held on the Balance Sheet at revalued amount. This means that not all assets are revalued formally every year. However a desktop review is undertaken of the assets that were not formally revalued during the year, taking into account factors such as changes to building cost indices since the asset's last revaluation and the impact of revaluations in year for similar assets. As a result it is judged that the potential difference in value that would result from formal revaluation is not material in the context of the overall carrying value of the assets, and therefore the risk of material misstatement to the Balance Sheet is low.
- Property, Plant and Equipment assets are judged to be held for their service potential rather than future resale value and therefore the Authority does not allocate residual values to assets when calculating depreciation. This could lead to the potential overstatement of depreciation and the understatement of asset carrying values in the Balance Sheet. The calculation of depreciation, however, does not affect the amount to be collected from Government in terms of deficiency.
- The Authority has judged that amounts held on deposit or invested for periods of less than three months are sufficiently liquid as to be classed as cash equivalents. Judgement is also required as to whether the primary purpose of holding such investments is for meeting short term cash commitments (in which case the investment is classified as a cash equivalent) or for investment return (in which case the investment remains classified as a short term investment).

### (b) Estimates

The Authority is required to disclose those estimates and assumptions which it has made in the preparation of its accounts for which there is the potential for a material adjustment within the next financial year.

- Pension Liability - The estimation of the net pension liability depends on a number of complex and inter-related actuarial assumptions and judgements, i.e. the rate of inflation, rate of increase in salaries, age of retirement, rate of increase in pensions, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide expert advice about the assumptions to be applied. As a result there is inevitably some uncertainty concerning the value of the net pension liability in the financial statements. Changes in the assumptions can give rise to major changes in the liability within the year and across years, i.e. actuarial gains and losses.



# Peel Town Commissioners

## Notes to the financial statements for the year ended 31 March 2021

### 1. Tangible fixed assets

	Land and Property £	Vehicles Plant and equipment £	Investment Property £	Total £
<b>Cost/valuation</b>				
At 31 March 2020	43,441,282	448,141	2,620,000	46,509,423
Additions in the year	54,167	119,010	-	173,177
<b>At 31 March 2021</b>	<b>43,495,449</b>	<b>567,151</b>	<b>2,620,000</b>	<b>46,682,600</b>
<b>Depreciation</b>				
At 31 March 2020	667,455	272,062	-	939,517
Charge for year	671,831	69,342	-	741,173
<b>At 31 March 2021</b>	<b>1,339,286</b>	<b>341,404</b>	<b>-</b>	<b>1,680,690</b>
<b>Net Book Value</b>				
At 31 March 2021	42,156,163	225,747	2,620,000	45,001,910
At 31 March 2020	42,773,827	176,079	2,620,000	45,569,906

### Valuation of fixed assets

The Authority plans to fully revalue its fixed assets every five years. Valuations have been carried out by Black Grace Cowley Limited, Chartered Surveyors as at 31 March 2019.

The basis for valuation is set out in the statement of accounting policies.

### Historical cost of revalued fixed assets

Included within the above are assets with a historical cost as follows:

Land and Property - £18,011,832 (2020: £17,957,665)

Investment Property - £1,500 (2020: £1,500)

Within Land and Property are Social Housing Land and Property with a historical cost of £17,130,975 (2020: £17,079,102).

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 2. Assets held

Operational assets	Number at 31 March 2020	Changes 2020/21	Number at 31 March 2021
<b>Social Housing Dwellings</b>	357	-	357
<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	12	-	12
<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

### 3. Debtors and prepayments

	2021 £	2020 £
Amounts falling due in one year (net of bad debt provisions):		
Trade and sundry debtors	122,085	123,927
Housing rents	68,155	35,138
VAT	38,929	1,168
Prepayments	86,483	43,004
Amounts due from Central Government	29,202	22,833
Amounts due from other local authorities	23,741	32,703
	<b>368,595</b>	<b>258,773</b>

Debtor balances are shown net of provisions for bad or doubtful debts as follows:

	2021 £	2020 £
Trade debtors	62,540	52,540
Ratepayers	152,275	91,556
Housing rents	16,988	15,819

# Peel Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 4. Creditors

	2021 £	2020 £
Central government	235,959	351,280
Trade creditors	83,408	73,390
Housing rents	30,411	28,380
Sundry creditors and accruals	299,578	320,613
	<u>649,356</u>	<u>773,663</u>

Within the amount due to Central Government is a liability of £87,170 (2020: £87,170) in respect of amounts repayable in respect of tarmacing work undertaken a number of years ago.

### 5. Long term borrowing

Loans outstanding may be analysed as follows:

	2021 £	2020 £
<b><i>Falling due within one year:</i></b>		
Commercial loans and overdrafts	<u>1,064,243</u>	<u>4,158,235</u>
<b><i>Falling due after more than one year:</i></b>		
Commercial loans	<u>12,931,904</u>	<u>10,966,072</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. In the year, an overdraft for £3,135,818 was converted into a loan repayable over 27 years.

Any monies borrowed on temporary overdraft facilities with HSBC Bank incur interest at 1.2% above GBP Libor. 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.

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 6. General Rate Account

	2021	2020
	£	£
Total rates levied for the year	1,067,476	1,054,492
<i>Add:</i>		
Due from Treasury re prior year	22,024	18,686
Arrears brought forward	62,143	58,902
	<u>84,167</u>	<u>77,588</u>
<i>Less:</i>	1,151,643	1,132,080
Discounts	(32,517)	(34,341)
Collection charge	(10,123)	(10,455)
Exempt and unoccupied properties	(15,265)	(13,109)
	<u>(57,905)</u>	<u>(57,905)</u>
Irrecoverable amounts and re-rating adjustments	542	1,006
	<u>1,094,280</u>	<u>1,075,181</u>
<b>Total rates collectable</b>	<b>1,094,280</b>	<b>1,075,181</b>
Rates received in the year:		
Current year rates	920,862	952,739
Arrears collected	15,472	19,589
Balance from Treasury re previous year	22,024	18,686
	<u>958,358</u>	<u>991,014</u>
<b>Total rates received in the year</b>	<b>958,358</b>	<b>991,014</b>
<b>Balances outstanding carried forward:</b>		
Due from Treasury re current year	26,184	22,024
Arrears - current year	62,526	21,823
- previous years	47,212	40,320
	<u>135,922</u>	<u>84,167</u>
	<u>1,094,280</u>	<u>1,075,181</u>
	2021	2020
	£	£
General rates levied for the year	1,067,476	1,054,493
Less: Discounts, exempt/uninhabitable properties & refunds	(47,782)	(47,450)
Per Comprehensive Income and Expenditure Statement	<u>1,019,694</u>	<u>1,007,043</u>

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 7. Refuse Rate Account

	£	2021 £	£	2020 £
Total refuse rates levied for the year		527,044		495,814
<i>Add:</i>				
Due from Treasury re prior year	12,770		7,631	
Arrears brought forward	29,413	42,183	29,745	37,376
<i>Less:</i>		569,227		533,190
Discounts	(15,999)		(15,600)	
Collection charge	(5,144)		(4,993)	
Exempt and unoccupied properties	(4,097)		(968)	
		(25,240)		(21,561)
Irrecoverable amounts and re-rating adjustments		204		369
<b>Total refuse rates collectable</b>		<b>544,191</b>		<b>511,998</b>
Refuse rates received in the year:				
Current year refuse rates	465,251		450,949	
Arrears collected	9,145		11,235	
Balance due from Treasury re previous year	12,770		7,631	
<b>Total refuse rates received in the year</b>		<b>487,166</b>		<b>469,815</b>
<b>Balances outstanding carried forward:</b>				
Due from Treasury re current year	14,479		12,770	
Arrears - current year	22,074		10,535	
- previous years	20,472		18,878	
		57,025		42,183
		<b>544,191</b>		<b>511,998</b>
			2021 £	2020 £
Refuse rates levied for the year			527,044	495,814
Less: Discounts, exempt/uninhabitable properties & refunds			(20,096)	(16,568)
Per Comprehensive Income and Expenditure Statement			<b>506,948</b>	<b>479,246</b>

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 8. Housing Revenue Income and Expenditure

	2021 £	2020 £
<b>Income</b>		
Dwelling rents (including rates)	2,060,316	2,086,253
Housing Deficiency Receivable	296,344	276,618
	<u>2,356,660</u>	<u>2,362,871</u>
Total income		
<b>Expenditure</b>		
Repairs and maintenance	290,217	305,493
Supervision and management	97,063	96,984
Rents, rates, taxes and other charges	338,580	335,658
Depreciation & impairment charges	636,983	633,524
	<u>1,362,843</u>	<u>1,371,659</u>
Net cost of Housing Services before interest and loan repayments	<u>993,817</u>	<u>991,212</u>

Included within rents, rates, taxes and other charges above is £338,580 of rates charged in respect of the Commissioners social housing properties. This amount is also included within dwelling rents (including rates) within the Housing Revenue Income and Expenditure Account, in addition to rates income within the Comprehensive Income and Expenditure Account.

#### Dwelling rent income

Dwelling rent income is the total rent due for the year after voids, write-offs, refunds etc. Voids represent 1.07% of the rental debit for the year (2020: 0.5%).

	2021 £	2020 £
<b>Rent arrears</b>		
Rent arrears	52,708	35,138
Rent arrears as a percentage of gross rent income	<u>2.99%</u>	<u>1.99%</u>

Arrears written off during the year amounted to £Nil (2020: £Nil) and an increase of £1,169 (2020: £2,131) was made in the provision for bad and doubtful rental debts. As at 31 March 2021 the provision stood at £16,988 (2020: £15,819).

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 8. Housing Revenue Income and Expenditure - continued

#### 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 is calculated as follows:

	2021 £	2020 £
Opening balance payable	(264,110)	(83,421)
Deficiency grant required	296,344	276,618
Payments received from Department of Infrastructure	(181,023)	(457,307)
Closing balance payable	<u>(148,789)</u>	<u>(264,110)</u>

### 9. 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	2020/21 Number of Employees Leavers in year	Total	2019/20 Number of Employees Leavers in year
£50,000 - £74,999	1	0	1	0

#### Key management compensation

Key management personnel are those persons having Authority and responsibility for planning, directing and controlling the activities of the Authority. Compensation paid in the year totalled £74,375 (2020: £74,166).

#### Members' allowances

During the year the Authority paid £1,163 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2020: £1,263). As at 31 March 2021, an amount of £Nil (2020: £513) was due in this respect.

# Peel Town Commissioners

## Notes to the financial statements (Continued)

*for the year ended 31 March 2021*

### **10. 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 – it is responsible for providing the statutory framework within which the Authority operates. The Authority required deficiency funding of £296,344 (2020: £276,618) from Central Government. At the year end the Commissioners owed £148,789 (2020: £264,110) in respect of this requirement.

An amount of £23,741 (2020: £32,702) 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 £23,741 (2020: £32,702) was due from Peel & Western District Housing Committee in this respect.

Peel Town Commissioners invoiced £842 (2020: £1,510) during the year to Western Local Authority Swimming Pool Board in respect of refuse. The Commissioners paid £10,401 (2020: £10,232) to Western Swimming Pool Board in respect of swimming pool contributions.

Peel Town Commissioners paid £149,148 (2020: £117,498) during the year to Western Civic Amenity Site. No amounts were due as at 31 March 2020 or 2021, although an invoice was received post year end for 2017 costs amounting to £31,680.

Ian Davidson was billed £Nil (2020:£Nil) in respect of campsite bookings. A balance of £915 (including VAT) (2020: £915) was owed in this respect at 31 March 2020 and 2021.

All Members 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. With the exception of the above disclosures:

Officers of the Authority – no related party transactions arose in relation to officers of the Authority

Members of the Authority – During the year, the Commissioners invoiced £491 (2020: £1,088) to Harbour Lights and £826 (2020: £436) to Castle Bay Seafoods Limited in respect of refuse collection services provided. At the year end £938 (2020: £938) was owed by Harbour Lights to the Commissioners.

In addition, rent of £8,670 (2020: £8,500) was invoiced to Castle Bay Seafoods Limited in respect of the rental of a property from the Commissioners. At the year end £Nil (2020: £1,415) was due to the Commissioners.

One separate individual member of the Authority acts as a director of each of the above entities.



# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 11. Cash flow statement – Operating activities

The following table provides a breakdown of the main elements within the adjustment for the non-cash movements figure shown in the cash flow statement:

	2021	2020
	£	£
Depreciation, impairment & revaluation losses for non-current assets	741,174	693,019
(Decrease)/increase in creditors	(111,683)	269,474
(Increase)/decrease in debtors	(106,598)	86,620
Difference between FRS102 pension cost and contributions paid (note 17)	54,000	72,000
	<u>573,668</u>	<u>1,121,113</u>

### 12. Cash flow statement – Investing activities

	2021	2020
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	<u>(185,799)</u>	<u>(468,183)</u>

### 13. Cash flow statement – Financing activities

	2021	2020
	£	£
Repayments of short-term and long-term borrowing	(1,128,162)	(1,044,359)
Loan financing received in year	3,135,818	-
Increase in short term deposits	(677)	(3,305)
Bank interest received	682	3,379
Loan interest paid	(455,570)	(533,585)
	<u>1,552,091</u>	<u>(1,577,870)</u>

### 14. Cash flow statement – cash & cash equivalents

	2021	2020
	£	£
Cash at Bank and in hand	699,127	849,421
Short term deposits	<u>546,105</u>	<u>545,428</u>
Cash at bank per Balance Sheet	1,245,232	1,394,849
Bank overdraft	-	(3,135,818)
Short term deposits	<u>(546,105)</u>	<u>(545,428)</u>
Cash & cash equivalents per Cash Flow Statement	<u>699,127</u>	<u>(2,286,397)</u>

# Peel Town Commissioners

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

### 15. Audit fees

During the year the Authority incurred external audit fees of £8,850 (2020: £8,850).

### 16. Total rateable value

The total rateable value of the Town at 31 March 2021 is £415,019 (2020: £411,938) with a 257p rate being charged (2020: 257p). In addition a refuse charge of £196 (2020: £186) per household was levied for the year.

### 17. Post employment benefits

The Authority operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by Douglas Borough Council as the Administering Authority. The Authority has committed to a funding plan with the Administering Authority, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the Administering Authority to reduce the funding deficit where necessary.

A comprehensive actuarial valuation of the Local Government Superannuation Scheme, using the projected unit credit method, was carried out at 31 March 2021 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2021	31 March 2020
Rate of increase in salaries	3.60%	2.70%
Rate of increase in pensions	2.80%	1.90%
Rate for discounting scheme liabilities	2.00%	2.35%

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 mortality assumptions used were as follows:

	31 March 2021 Years	31 March 2020 Years
Longevity at the age of 65 for current pensioners		
• Men	21.2	21.1
• Women	24.2	24.1
Longevity at the age of 65 for future pensioners		
• Men	22.5	22.5
• Women	25.6	25.5

# Peel Town Commissioners

## Notes to the financial statements (Continued) for the year ended 31 March 2021

### 17. Post-employment benefits (continued)

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Net liability £
At 1 April 2020	3,440,000	4,828,000	(1,388,000)
Benefits paid	(131,000)	(131,000)	-
Plan participants contributions	22,000	22,000	-
Employer contributions	89,000	-	89,000
Current service cost	(10,000)	102,000	(112,000)
Interest income/(expense)	81,000	112,000	(31,000)
Remeasurement gains/(losses)			
• Actuarial gains	-	1,327,000	(1,327,000)
• Return on plan assets excluding interest income	510,000	-	510,000
At 31 March 2021	<u>4,001,000</u>	<u>6,260,000</u>	<u>(2,259,000)</u>

Total cost recognised as an expense (No amounts were included in the cost of assets in either year):

	2021 £	2020 £
Current service cost	23,000	36,000
Interest cost	31,000	36,000
	<u>54,000</u>	<u>72,000</u>

The local Authority's share of the fair value of plan assets was split:

	2021 %	2020 %
Equity instruments	54	46
Bonds	32	37
Property	14	16
Cash	-	1
<b>Total</b>	<u>100</u>	<u>100</u>

The local Authority's share of the return on plan assets was:

	2021 £	2020 £
Interest income	81,000	89,000
Return on plan assets less interest income	510,000	(272,000)
Total return on plan assets	<u>591,000</u>	<u>(184,000)</u>

# Peel Town Commissioners

## Notes to the financial statements (Continued) *for the year ended 31 March 2021*

### 18. Capital commitments

The estimated commitments for capital expenditure that had started, or legal contracts entered into are:

	<b>31 March 2021</b>	31 March 2020
	<b>£</b>	£
Vehicles and equipment	<b>Nil</b>	96,581

# Peel Town Commissioners

## Detailed Income and Expenditure Account for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
<b>Employee costs</b>				
Office salaries	239,890		283,936	
Attendants	28,079		50,743	
Grass cutting	44,662		32,004	
Gardening	12,292		45,268	
Cleaning	14,394		27,149	
Admin – Foreman	939		1,330	
Commercial properties	23,016		19,413	
General properties	16,802		50,670	
Works	34,812		33,691	
Public functions	6,055		28,216	
Refuse	1,518		1,309	
Drainage	116		1,614	
Ward library	13,935		14,089	
Leece museum	38,930		37,018	
Unallocated re covid, illness etc	99,876		-	
		<b>575,316</b>		<b>626,450</b>
<b>Premises related costs</b>				
Playground costs	16		1,412	
Amenity areas	22,624		26,732	
Skateboard/BMX costs	200		300	
Beach costs	5,329		10,511	
Campsite costs	15,981		24,406	
Phillip Christian Centre costs	1,967		7,513	
Ward library costs	4,053		9,219	
Leece Museum costs	3,857		6,551	
Bowls and tennis costs	2,729		12,016	
Swimming pool contributions	10,401		10,232	
Commercial property costs	7,677		6,280	
Street lighting costs	63,339		61,606	
Repairs to commissioners land	-		6,292	
Seats, bins, flags, signs, clocks etc	2,130		1,613	
Mill Road yard costs	2,217		3,019	
Clothing	3,405		2,987	
Replacement equipment	1,553		3,147	
Repairs to toilets	23,396		38,883	
Shelters, CCTV, road repairs	3,234		6,846	
		<b>174,108</b>		<b>239,565</b>

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# Peel Town Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
<b>Premises related income</b>				
Commercial rents	52,279		49,997	
Campsite fees	17,699		116,679	
Leece museum	-		4,532	
Shell tipping fees	3,000		3,000	
Garage rents	46,997		52,991	
Peel Hill rents	6,909		5,757	
Car park fees	7,464		5,866	
Miscellaneous income	673		1,815	
		135,021		(240,637)
		39,087		(1,072)
<b>Agency and contracted services costs</b>				
Refuse disposal	252,721		242,099	
Refuse contract	175,193		176,022	
Wheelie bin purchase	5,407		3,060	
Amenity site charges	149,148		117,498	
Street cleaning	43,416		42,678	
		625,705		581,357
<b>Agency and contracted services income</b>				
Commercial refuse income	37,103		64,488	
		(37,103)		(64,488)
		588,602		516,869
<b>Recharge costs</b>				
Drainage recharge costs	50		1,094	
Westlands	17,817		28,425	
Housing pilot scheme costs	4,835		3,195	
		22,702		32,714
<b>Recharge income</b>				
Westlands	24,241		32,702	
Grass cutting	1,000		1,000	
Housing pilot scheme income	12,500		16,994	
		(37,741)		(50,696)
		(15,039)		(17,982)

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# Peel Town Commissioners

## Detailed Income and Expenditure Account (continued) for the year ended 31 March 2021

	2021	2021	2020	2020
	£	£	£	£
<b>Central and technical</b>				
Public function fireworks	5,490		5,726	
Civic Sunday	-		902	
Peel Day	-		14,509	
Carnival Day	4,896		5,000	
Christmas costs	6,987		14,823	
Other public function costs	17,976		21,870	
Rates payable	1,202		1,811	
Audit fees	8,943		9,059	
Accountancy fees	22,378		16,749	
Legal and professional fees	15,966		60,369	
Website costs	5,577		7,886	
Contract costs			12,198	
Printing, stationery, photocopier etc	1,814		2,642	
Postage	712		2,444	
Insurance	23,647		18,414	
Attendance allowances	1,163		1,263	
Honorarium	450		650	
Town Hall maintenance	248		782	
Computer costs	18,924		24,508	
Telephone	4,632		5,355	
Staff training	-		305	
Miscellaneous	6,278		4,132	
Registrars costs	55		(22)	
Rate collection costs	15,267		15,448	
Rates provision for bad debts	59,972		1,533	
Other bad debt provisions	10,000		24,820	
		232,577		273,176
<b>Central and technical income</b>				
Admin allowance	97,063		96,984	
Rates commission	-		4,000	
Search fees	14,502		13,900	
Hire of Boardroom	438		725	
Registrars fees	2,363		4,481	
Public function income	114		13,289	
Other income	2,348		900	
		(116,828)		(134,279)
		115,749		138,897
<b>Motor vehicle expenses</b>				
Tax and licences	2,147		1,988	
Petrol and diesel	5,806		7,966	
Repairs	8,643		6,801	
		16,596		16,755

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