

Peel Town Commissioners

Statement of Accounts

For the year ended 31 March 2022

Peel Town Commissioners

Year ended 31 March 2022

<i>Contents</i>	<i>Page</i>
Members, Officers and Advisors	3-4
Explanatory Foreword	5-8
Statement of Responsibilities for the Statement of Accounts	9
Report of the Independent Auditor	10-12
Statement on Internal Control	13-14
Comprehensive Income and Expenditure Statement	15
Statement of Movement on Reserves	16-17
Balance Sheet	18
Cash Flow Statement	19
Statement of Accounting Policies	20– 26
Significant Estimates and Judgements	27
Notes to the financial statements	28 – 39
The following pages do not form part of the audited financial statements	
Detailed Income and Expenditure Account	40 - 42

Peel Town Commissioners

Year ended 31 March 2022

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. The Covid 19 pandemic postponed local elections which took place on 22 July 2021. The elected representatives until this election 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

From 1 August 2021 the Board members for the year ended 31 March 2022 were:

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

At the year ending 31 March 2022 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 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

Peel Town Commissioners

Year ended 31 March 2022

Members, Officers and Advisors - continued

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 2022

Explanatory Foreword

Introduction

This Statement provides a summary of Peel Town Commissioners financial performance for the year ended 31 March 2022. This was the first six months of a new Board's tenure in which they were required operate within the financial constraints established in the Commissioners' January 2021 budget by their predecessors. For continuity the Board's main objectives remained 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 2022:

1. **The total rates in Peel is £1,527,042 (£1,526,642 in 2021) as stated on page 16.**
2. **The total rate arrears is £111,537 (£152,284 in 2021). An amount of £137,539 (£40,663 in 2021) was due from Treasury as stated on pages 32 and 33.**
3. **The bad debt provision in respect of rates has decreased to £111,539 (£152,275 in 2021) on page 30.**

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 retain the existing £196 refuse rate for the year ending 31 March 2022.**
2. The Commissioners managed an increase in their reserves between 2016 and 2019 to a value of £958,009 at the end of March 2019. This permitted investment in a new playground at the Swimming Pool; renovation of the Market Street Toilets; and works at St Peter's Gardens during the year ending 31 March 2021. The part funding of these projects from reserve saw the Commissioners' reserves valued at £749,921 and the Capital receipt reserve valued at £44,912 on 31 March 2021. During the year ending 31 March 2022 the Commissioners have invested in the purchase of land and workshop adjacent to the Town Hall valued at £150,000 and bringing the road sweeping service under the Commissioners' direct control through the purchase of a £90,000 road sweeper. These purchases were achieved without further reductions in reserve and at 31 March 2022 the Commissioners' reserve had increased slightly by £24,629 to 774,550 (749,921 in 2021) and the Capital receipt reserve remained at £44,912 (44,912 in 2021).

Peel Town Commissioners

Year ended 31 March 2022

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 £150,000 purchase of land and £127,500 for new equipment resulting in a **£24,629 surplus** during the year ending 31 March 2022 as detailed within the Statement of Movement on Reserves on page 17.

During the financial year ending 31 March 2022 the authority continued to put in place plans to mitigate the impact of the Covid 19 pandemic on the Commissioners' income and expenditure. Its three priorities during this twelve month period changed to:

- The authority needed to mitigate the loss of income from the Commissioners' campsite caused by the cancellation on the 2021 TT; the cancellation of the 2021 Manx Festival of Motorsport and the continued imposition of boarder travel restrictions.
- The authority needed to reduce the expenditure at tourist attractions through working with outside agencies to reduce operating costs.
- 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 had 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. To mitigate this trend in 2021/22 the Commissioners invested in promoting the campsite for staycation by providing fully serviced pitches and changing their pricing structure encouraging frequent visits by Isle of Man residents. **During the financial year ending 31 March 2022 the campsite income increased to £97,053 (£17,699 in 2021)** which is comparable with financial years when the TT and Manx Festival of motorsport have taken place.
2. In the absence of further Covid 19 pandemic employment lockdowns the Commissioners' staff have undertaken debt recovery work for services the Commissioners provide the **overall rate debt has decreased to £111,539 from £152,284 as stated on page 32 and 33. The bad rate debt provision has decreased to £111,539 from £152,275. The overall rent debt for Commissioner housing has decreased to £49,474 to £52,708 on page 34. The bad rent debt provision has increased to £15,497 from £16,988 on page 34.**
3. **The expenditure for the Leece Museum has reduced by £28,187 to £14,600 (£42,787 in 2021).**

Social Housing

The Commissioners own/manage 357 social housing units. The Commissioners have successfully concluded a four year pilot for the management of 20 Department of Infrastructure social houses in Peel. In the year ended 31 March 2022 the authority:

- **Let 19 social housing properties to tenants.**
- **The Isle of Man deficiency payment (subsidy) was £136,350 (£296,344 in 2021)** as detailed within the Comprehensive Income and Expenditure Statement on page 16.

Peel Town Commissioners

Year ended 31 March 2022

Explanatory Foreword - continued

- **The overall housing maintenance reserve decreased by £9,615 to £376,402** (£386,017 in 2021) 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 £405,546. This can be broken down as follows:

Land and Property £278,039
Plant and Equipment £127,507

The financing for this expenditure was as follows:

Repair allowance £63,543
General Revenue £342,003

The unused capital receipts is currently £44,912 (£44,912 in 2021). 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. The retention for the new playground has not been paid because two items of equipment sustained minor damage during construction and require replacement.

Pension Liability

The net liability on the Isle of Man Local Government Superannuation Scheme attributable to Peel Town Commissioners is £1,889,000 (£2,259,000 in 2021) on page 39.

The pension liability has decreased by £370,000 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 2022

Explanatory Foreword - continued

Events Since Balance Sheet Date

No events are reported which will impact the accounts for the year ended on 31 March 2022.

Risks and Uncertainties

The internal audit has not recorded any risks which need urgently addressing by the authority.
There are no other material risks and uncertainties to report.

Vailey J Heaton MBE D. Small
Chairman Town Clerk

Peel Town Commissioners

Year ended 31 March 2022

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 2022

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 2022 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 2022 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

In auditing the Statement of Accounts, we have concluded that the Responsible Financial Officer's use of the going concern basis of accounting in the preparation of the Statement of Accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the Statement of Accounts are authorised for issue.

Our responsibilities and the responsibilities of the Responsible Financial Officer with respect to going concern are described in the relevant sections of this report.

Peel Town Commissioners

Year ended 31 March 2022

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.

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 this gives rise to a material misstatement in the Statement of Accounts themselves. 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 2022

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 the key laws and regulations affecting the Authority and identified the Account and Audit Regulations 2018 and the Audit Act 2006 as the primary legislation affecting the entity. We reviewed the board minutes to consider whether there have been any activity in the Authority which is required to be disclosed under the legislation as well as design tests to ensure the financial statements include all the necessary disclosures required by the legislation and regulation.

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 the 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. This description forms part of our Auditor's report.

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 2022

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 on-going 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 2022

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 2022, 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 2022.

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 2022.

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 Vivian Heaton MBE (Signed) D. Sewell
(Chair) (Responsible Finance Officer)

(Dated) 14 October 2022

Peel Town Commissioners

Comprehensive Income and Expenditure Statement

for the year ended 31 March 2022

Statement of net expenditure		Gross Expenditure £	Income £	2021/22 Net Expenditure £	2020/21 Net Expenditure £
Continuing operations:					
Employee costs		519,550	-	519,550	575,316
Premises		207,164	213,830	(6,666)	39,087
Agency and contracted services		603,713	55,229	548,484	588,602
Recharges		23,684	32,906	(9,222)	(15,039)
Central and technical		151,343	117,970	33,373	115,749
Vehicle costs		19,732	-	19,732	16,596
Depreciation		133,135	-	133,135	104,191
Net current service cost of pensions	17	57,000	-	57,000	23,000
Net cost of General Fund services		1,715,321	419,935	(1,295,386)	(1,447,682)
Housing services	8	1,468,876	2,167,352	698,476	697,473
Deficiency receivable	8	-	136,350	136,350	296,344
Net cost of services		3,184,197	2,723,637	(460,560)	(453,865)
Rates income				1,527,042	1,526,642
Interest and investment income				4	682
Profit on sale of asset				542	-
Write back of liability	4			87,170	-
Interest payable and finance charges				(411,388)	(451,783)
Net pension interest cost	17			(44,000)	(31,000)
Surplus on provision of services				698,810	590,676
Other Comprehensive Income and Expenditure					
Remeasurement of net pension liability				471,000	(817,000)
Total comprehensive income and expenditure				1,169,810	(226,324)

Peel Town Commissioners

Statement of Movement on Reserves for the year ended 31 March 2022

	Notes	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £	Housing maintenance reserve £	Capital receipts reserve £	Earmarked reserves £
Total comprehensive income and expenditure		698,810	-	-	471,000	-	-	-
Depreciation and impairment of fixed assets	1	133,135	(375,716)	(398,638)	-	641,219	-	-
Net charges made for retirement benefits	17	101,000	-	-	(101,000)	-	-	-
Loan fund principal repayments		(35,019)	1,065,890	-	-	(1,030,871)	-	-
Fixed assets financed from General Fund		(342,003)	405,546	-	-	(63,543)	-	-
Profit on sale of assets		(542)	542	-	-	-	-	-
Write back of parking liability		(87,170)	87,170	-	-	-	-	-
Transfer to Housing Revenue Account		(443,579)	-	-	-	443,579	-	-
		<u>24,632</u>	<u>1,183,432</u>	<u>(398,638)</u>	<u>370,000</u>	<u>(9,616)</u>	<u>-</u>	<u>-</u>
Balance brought forward		749,921	10,984,101	19,786,543	(2,259,000)	386,017	44,912	18,741
Balance carried forward		<u>774,553</u>	<u>12,167,533</u>	<u>19,387,905</u>	<u>(1,889,000)</u>	<u>376,401</u>	<u>44,912</u>	<u>18,741</u>

Peel Town Commissioners

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

	General revenue reserve £	Capital adjustment account £	Revaluation reserve £	Pensions reserve £	Housing maintenance reserve £	Capital receipts reserve £	Earmarked reserves £
Total comprehensive income and expenditure	590,676	-	-	(817,000)	-	-	-
Depreciation and impairment of fixed assets	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)	-
	92,599	958,806	(398,638)	(871,000)	100,853	(108,943)	-
Balance brought forward	657,322	10,025,295	20,185,181	(1,388,000)	285,164	153,855	18,741
Balance carried forward	749,921	10,984,101	19,786,543	(2,259,000)	386,017	44,912	18,741

Peel Town Commissioners

Balance Sheet

as at 31 March 2022

	Notes	2022 £	2021 £
Tangible fixed assets	1	44,633,102	45,001,910
Current assets			
Debtors	3	535,584	368,595
Cash at bank and short term investments		1,114,315	1,245,232
		<u>1,649,899</u>	<u>1,613,827</u>
Current liabilities			
Short term borrowing	5	(1,052,101)	(1,064,243)
Creditors	4	(582,700)	(649,356)
		<u>(1,634,801)</u>	<u>(1,713,599)</u>
Net current assets/(liabilities)		15,098	(99,772)
		<hr/>	<hr/>
Total assets less current liabilities		44,648,200	44,902,138
Long-term liabilities			
Liability relating to defined benefit pension scheme	17	(1,889,000)	(2,259,000)
Long term borrowing	5	(11,878,155)	(12,931,904)
		<u>(13,767,155)</u>	<u>(15,190,904)</u>
Total assets less liabilities		30,881,045	29,711,234
		<hr/>	<hr/>
Revaluation reserve		19,387,905	19,786,543
Accumulated surpluses		1,169,695	1,154,678
Pensions reserve		(1,889,000)	(2,259,000)
Capital adjustment account		12,167,533	10,984,101
Usable capital receipts		44,912	44,912
		<u>30,881,045</u>	<u>29,711,234</u>

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

and were signed on their

Vivsey Heaton MBE

Chairman

D. Sewell

RFO

Peel Town Commissioners

Cash Flow Statement

for the year ended 31 March 2022

	Notes	2022 £	2021 £
Net surplus on provision of services		698,810	590,676
Adjustments to net surplus on provision of services for non-cash movements	11	645,797	573,668
Adjustments for items included in net surplus on provision of services that are investing and financing activities		410,066	454,888
Net cash flows from Operating Activities		<u>1,754,673</u>	<u>1,619,232</u>
Net cash flows from Investing Activities	12	(409,633)	(185,799)
Net cash flows from Financing Activities	13	(1,475,957)	1,552,091
		<u>(1,885,590)</u>	<u>1,366,292</u>
Net (decrease)/increase in cash and cash equivalents		<u>(130,917)</u>	<u>2,985,524</u>
Cash & cash equivalents at the beginning of the reporting period	14	699,127	(2,286,397)
Cash & cash equivalents at the end of the reporting period	14	<u>568,210</u>	<u>699,127</u>

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

After reviewing the budget of the Authority, the board have a reasonable expectation that the Authority has adequate resources including the continuation of support from Central Government, to continue in operational existence for the foreseeable future.

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 2022

1. Tangible fixed assets

	Land and Property	Vehicles Plant and equipment	Investment Property	Total
Cost/valuation	£	£	£	£
At 31 March 2021	43,495,449	567,151	2,620,000	46,682,600
Additions in the year	278,039	127,507	-	405,546
Disposals	-	(10,180)	-	(10,180)
At 31 March 2022	43,773,488	684,478	2,620,000	47,077,966
Depreciation				
At 31 March 2021	1,339,286	341,404	-	1,680,690
Charge for year	680,664	93,690	-	774,354
Disposals	-	(10,180)	-	(10,180)
At 31 March 2022	2,019,950	424,914	-	2,444,864
Net Book Value				
At 31 March 2022	41,753,538	259,564	2,620,000	44,633,102
At 31 March 2021	42,156,163	225,747	2,620,000	45,001,910

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 - £18,289,871 (2021: £18,011,832)

Investment Property - £1,500 (2021: £1,500)

Within Land and Property are Social Housing Land and Property with a historical cost of £17,194,518 (2021: £17,130,975).

Peel Town Commissioners

Notes to the financial statements (Continued)

for the year ended 31 March 2022

2. Assets held

Operational assets	Number at 31 March 2021	Changes 2021/22	Number at 31 March 2022
Social Housing Dwellings	357	-	357
Other Land and Buildings			
Car parks	9	-	9
Depots	1	-	1
Public Conveniences	4	-	4
Public Offices	1	-	1
Recreational properties	5	-	5
Miscellaneous properties	6	-	6
Vehicles, Plant and Equipment			
Vehicles	12	-	12
Infrastructure Assets			
Parks and open spaces	7	-	7
Non-Operational assets			
Commercial properties	4	-	4
Retail properties	3	-	3
Garages	62	-	62

3. Debtors and prepayments

	2022 £	2021 £
Amounts falling due in one year (net of bad debt provisions):		
Trade and sundry debtors	243,253	122,085
Housing rents	73,434	68,155
VAT	55,147	38,929
Prepayments	133,686	86,483
Amounts due from Central Government	4,359	29,202
Amounts due from other local authorities	25,705	23,741
	<u>535,584</u>	<u>368,595</u>

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

	2022 £	2021 £
Trade debtors	68,816	62,540
Ratepayers	111,539	152,275
Housing rents	15,497	16,988

Peel Town Commissioners

Notes to the financial statements (Continued) for the year ended 31 March 2022

4. Creditors

	2022 £	2021 £
Central government	47,172	235,959
Trade creditors	211,980	83,408
Housing rents	30,822	30,411
Sundry creditors and accruals	292,726	299,578
	<u>582,700</u>	<u>649,356</u>

Within the prior year amount due to Central Government was a liability of £87,170 in respect of amounts repayable in respect of tarmacing work undertaken prior to 2011. The Board have considered this liability and concluded that this is no longer payable. As such, this amount has been written back in the current year.

5. Long term borrowing

Loans outstanding may be analysed as follows:

	2022 £	2021 £
<i>Falling due within one year:</i>		
Commercial loans and overdrafts	<u>1,052,101</u>	<u>1,064,243</u>
<i>Falling due after more than one year:</i>		
Commercial loans	<u>11,878,155</u>	<u>12,931,904</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 of £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 2022

6. General Rate Account

	2022		2021	
	£	£	£	£
Total rates levied for the year		1,067,188		1,067,476
<i>Add:</i>				
Due from Treasury re prior year	26,184		22,024	
Arrears brought forward	109,738	135,922	62,143	84,167
<i>Less:</i>		1,203,110		1,151,643
Discounts	(30,364)		(32,517)	
Collection charge	(10,955)		(10,123)	
Exempt and unoccupied properties	(17,558)		(15,265)	
		(58,877)		(57,905)
Irrecoverable amounts and re-rating adjustments		214		542
Total rates collectable		1,144,447		1,094,280
Rates received in the year:				
Current year rates		878,548		920,862
Arrears collected		63,214		15,472
Balance from Treasury re previous year		26,184		22,024
Total rates received in the year		967,946		958,358
Balances outstanding carried forward:				
Due from Treasury re current year	98,452		26,184	
Arrears - current year	31,311		62,526	
- previous years	46,738		47,212	
		176,501		135,922
		1,144,447		1,094,280
		2022		2021
		£		£
General rates levied for the year		1,067,188		1,067,476
Less: Discounts, exempt/uninhabitable properties & refunds		(47,922)		(47,782)
Per Comprehensive Income and Expenditure Statement		1,019,266		1,019,694

Peel Town Commissioners

Notes to the financial statements (Continued) for the year ended 31 March 2022

7. Refuse Rate Account

	2022	2021
	£	£
Total refuse rates levied for the year	526,126	527,044
<i>Add:</i>		
Due from Treasury re prior year	14,478	12,770
Arrears brought forward	42,546	29,413
	<u>57,024</u>	<u>42,183</u>
<i>Less:</i>		
Discounts	(13,475)	(15,999)
Collection charge	(5,283)	(5,144)
Exempt and unoccupied properties	(4,876)	(4,097)
	<u>(23,634)</u>	<u>(25,240)</u>
Irrecoverable amounts and re-rating adjustments	(4,146)	204
Total refuse rates collectable	<u>555,370</u>	<u>544,191</u>
Refuse rates received in the year:		
Current year refuse rates	447,427	465,251
Arrears collected	20,889	9,145
Balance due from Treasury re previous year	14,479	12,770
	<u>482,795</u>	<u>487,166</u>
Total refuse rates received in the year	482,795	487,166
Balances outstanding carried forward:		
Due from Treasury re current year	39,087	14,479
Arrears - current year	15,978	22,074
- previous years	17,510	20,472
	<u>72,575</u>	<u>57,025</u>
	<u>555,370</u>	<u>544,191</u>
	2022	2021
	£	£
Refuse rates levied for the year	526,126	527,044
Less: Discounts, exempt/uninhabitable properties & refunds	(18,350)	(20,096)
Per Comprehensive Income and Expenditure Statement	<u>507,776</u>	<u>506,948</u>

Peel Town Commissioners

Notes to the financial statements (Continued) for the year ended 31 March 2022

8. Housing Revenue Income and Expenditure

	2022 £	2021 £
Income		
Dwelling rents (including rates)	2,167,352	2,060,316
Housing Deficiency Receivable	136,350	296,344
Total income	2,303,702	2,356,660
Expenditure		
Repairs and maintenance	393,708	290,217
Supervision and management	98,088	97,063
Rents, rates, taxes and other charges	335,861	338,580
Depreciation & impairment charges	641,219	636,983
	1,468,876	1,362,843
Net cost of Housing Services before interest and loan repayments	834,826	993,817

Included within rents, rates, taxes and other charges above is £335,861 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 (2021: 0.5%).

	2022 £	2021 £
Rent arrears		
Rent arrears	49,474	52,708
Rent arrears as a percentage of gross rent income	2.82%	2.99%

Arrears written off during the year amounted to £Nil (2021: £Nil) and a decrease of £1,491 (2021: £1,169 increase) was made in the provision for bad and doubtful rental debts. As at 31 March 2022 the provision stood at £15,497 (2021: £16,988).

Peel Town Commissioners

Notes to the financial statements (Continued) for the year ended 31 March 2022

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:

	2022 £	2021 £
Opening balance payable	(148,789)	(264,110)
Deficiency grant required	136,350	296,344
Payments received from Department of Infrastructure	(34,733)	(181,023)
Closing balance payable	(47,172)	(148,789)

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	2021/22 Number of Employees	Total	2020/21 Number of Employees
		Leavers in year		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 £75,851 (2021: £74,375).

Members' allowances

During the year the Authority paid £1,250 to its Members in respect of their attendance at meetings, undertaking duties and responsibilities (2021: £1,163). As at 31 March 2022, an amount of £Nil (2021: £Nil) was due in this respect.

Peel Town Commissioners

Notes to the financial statements (Continued)

for the year ended 31 March 2022

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 £136,350 (2021: £296,344) from Central Government. At the year end the Commissioners owed £47,172 (2021: £148,789) in respect of this requirement.

An amount of £21,422 (2021: £23,741) was invoiced post year end 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 £Nil (2021: £Nil) was due from Peel & Western District Housing Committee in this respect as the invoice has only been accrued.

Peel Town Commissioners invoiced £1,362 (2021: £842) during the year to Western Local Authority Swimming Pool Board in respect of refuse. The Commissioners paid £10,382 (2021: £10,401) to Western Swimming Pool Board in respect of swimming pool contributions.

Peel Town Commissioners were charged £120,907 (2021: £149,148) in the year by Western Civic Amenity Site. No amounts were due as at 31 March 2021 or 2022, although an invoice was received post 2021 year end for 2017 costs amounting to £31,680. This remains unpaid as at 31 March 2022 with a total balance owed of £39,150 at 31 March 2022 (2021: £Nil).

Ian Davidson was billed £Nil (2021:£Nil) in respect of campsite bookings. A balance of £915 (including VAT) (2021: £915) was owed in this respect at 31 March 2021 and 2022.

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 £1,102 (2021: £491) to Harbour Lights and £1,117 (2021: £826) to Castle Bay Seafoods Limited in respect of refuse collection services provided. At the year end £1,868 (2021: £938) was owed by Harbour Lights to the Commissioners.

In addition, rent of £9,292 (2021: £8,670) was received from Castle Bay Seafoods Limited in respect of the rental of a property from the Commissioners. At the year end £Nil (2021: £Nil) 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 2022

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:

	2022	2021
	£	£
Depreciation, impairment & revaluation losses for non-current assets	774,354	741,174
Profit on sale of assets	(542)	-
(Decrease) in creditors	(62,027)	(111,683)
(Increase)/decrease in debtors	(166,988)	(106,598)
Difference between FRS102 pension cost and contributions paid (note 17)	101,000	54,000
	<u>645,797</u>	<u>573,668</u>

12. Cash flow statement – Investing activities

	2022	2021
	£	£
Purchase of assets (Fixed assets, investment property, intangible assets)	(410,175)	(185,799)
Proceeds on sale of assets	542	-
	<u>(409,633)</u>	<u>(185,799)</u>

13. Cash flow statement – Financing activities

	2022	2021
	£	£
Repayments of short-term and long-term borrowing	(1,065,891)	(1,128,162)
Loan financing received in year	-	3,135,818
Increase in short term deposits	-	(677)
Bank interest received	4	682
Loan interest paid	(410,070)	(455,570)
	<u>(1,475,957)</u>	<u>1,552,091</u>

14. Cash flow statement – cash & cash equivalents

	2022	2021
	£	£
Cash at Bank and in hand	568,210	699,127
Short term deposits	546,105	546,105
	<u>1,114,315</u>	<u>1,245,232</u>
Cash at bank per Balance Sheet		
Bank overdraft		-
Short term deposits	(546,105)	(546,105)
	<u>568,210</u>	<u>699,127</u>
Cash & cash equivalents per Cash Flow Statement		

Peel Town Commissioners

Notes to the financial statements (Continued)

for the year ended 31 March 2022

15. Audit fees

During the year the Authority incurred external audit fees of £8,850 (2021: £8,850).

16. Total rateable value

The total rateable value of the Town at 31 March 2022 is £415,285 (2021: £415,019) with a 257p rate being charged (2021: 257p). In addition a refuse charge of £196 (2021: £196) 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 2022 by independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	31 March 2022	31 March 2021
Rate of increase in salaries	4.00%	3.60%
Rate of increase in pensions	3.20%	2.80%
Rate for discounting scheme liabilities	2.60%	2.00%

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 2022 Years	31 March 2021 Years
Longevity at the age of 65 for current pensioners		
• Men	21.2	21.2
• Women	24.2	24.2
Longevity at the age of 65 for future pensioners		
• Men	22.6	22.5
• Women	25.7	25.6

Peel Town Commissioners

Notes to the financial statements (Continued) for the year ended 31 March 2022

17. Post-employment benefits (continued)

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Net liability £
At 1 April 2021	4,001,000	6,260,000	(2,259,000)
Benefits paid	(121,000)	(121,000)	-
Plan participants contributions	20,000	20,000	-
Employer contributions	82,000	-	82,000
Current service cost	(10,000)	129,000	(139,000)
Interest income/(expense)	80,000	124,000	(44,000)
Remeasurement gains/(losses)			
• Actuarial gains	-	(245,000)	245,000
• Return on plan assets excluding interest income	226,000	-	226,000
At 31 March 2022	<u>4,278,000</u>	<u>6,167,000</u>	<u>(1,889,000)</u>

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

	2022 £	2021 £
Current service cost	57,000	23,000
Interest cost	44,000	31,000
	<u>101,000</u>	<u>54,000</u>

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

	2022 %	2021 %
Equity instruments	50	54
Bonds	35	32
Property	15	14
Cash	-	-
Total	<u>100</u>	<u>100</u>

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

	2022 £	2021 £
Interest income	80,000	81,000
Return on plan assets less interest income	226,000	510,000
Total return on plan assets	<u>306,000</u>	<u>591,000</u>

Peel Town Commissioners

Notes to the financial statements (Continued) *for the year ended 31 March 2022*

18. Capital commitments

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

	31 March 2022	31 March 2021
	£	£
Vehicles and equipment	38,203	Nil

Peel Town Commissioners

Detailed Income and Expenditure Account for the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Employee costs				
Office salaries	233,617		239,890	
Attendants	31,507		28,079	
Grass cutting	64,134		44,662	
Gardening	4,939		12,292	
Cleaning	13,167		14,394	
Admin – Foreman	266		939	
Commercial properties	26,016		23,016	
General properties	46,735		16,802	
Works	10,063		34,812	
Public functions	13,725		6,055	
Refuse	-		1,518	
Drainage	-		116	
Ward library	14,805		13,935	
Leece museum	2,539		38,930	
Unallocated re covid, illness etc	58,037		99,876	
		519,550		575,316
Premises related costs				
Playground costs	1,968		16	
Amenity areas	21,878		22,624	
Skateboard/BMX costs	3,097		200	
Beach costs	5,839		5,329	
Campsite costs	21,183		15,981	
Phillip Christian Centre costs	785		1,967	
Ward library costs	13,372		4,053	
Leece Museum costs	12,517		3,857	
Bowls and tennis costs	3,157		2,729	
Swimming pool contributions	10,382		10,401	
Commercial property costs	5,104		7,677	
Street lighting costs	71,534		63,339	
Seats, bins, flags, signs, clocks etc	3,114		2,130	
Mill Road yard costs	7,239		2,217	
Clothing	2,770		3,405	
Replacement equipment	576		1,553	
Repairs to toilets	20,952		23,396	
Shelters, CCTV, road repairs	1,697		3,234	
		207,164		174,108

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Peel Town Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2022

	2022 £	2022 £	2021 £	2021 £
Premises related income				
Commercial rents	51,189		52,279	
Campsite fees	97,053		17,699	
Leece museum	456		-	
Shell tipping fees	3,000		3,000	
Garage rents	50,696		46,997	
Peel Hill rents	5,757		6,909	
Car park fees	5,654		7,464	
Miscellaneous income	25		673	
		213,830		135,021
		(6,666)		39,087
Agency and contracted services costs				
Refuse disposal	260,876		252,721	
Refuse contract	175,233		175,193	
Wheelie bin purchase	18,999		5,407	
Amenity site charges	120,908		149,148	
Street cleaning	27,697		43,416	
		603,713		625,705
Agency and contracted services income				
Commercial refuse income	55,229		37,103	
		(55,229)		(37,103)
		548,484		588,602
Recharge costs				
Drainage recharge costs	11		50	
Westlands	18,959		17,817	
Housing pilot scheme costs	981		4,835	
Other recharge costs	3,733		-	
		23,684		22,702
Recharge income				
Westlands	21,489		24,241	
Grass cutting	1,000		1,000	
Housing pilot scheme income	10,417		12,500	
		(32,906)		(37,741)
		(9,221)		(15,039)

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Peel Town Commissioners

Detailed Income and Expenditure Account (continued) for the year ended 31 March 2022

	2022	2022	2021	2021
	£	£	£	£
Central and technical				
Public function fireworks	6,655		5,490	
Peel Day	8,615		-	
Carnival Day	5,057		4,896	
Christmas costs	18,197		6,987	
Other public function costs	21,082		17,976	
Rates payable	(1,119)		1,202	
Audit fees	8,850		8,943	
Accountancy fees	13,629		22,378	
Legal and professional fees	7,780		15,966	
Website costs	7,930		5,577	
Printing, stationery, photocopier etc	1,646		1,814	
Postage	2,132		712	
Insurance	18,394		23,647	
Election expenses	6,634		-	
Attendance allowances	1,250		1,163	
Honorarium	-		450	
Town Hall maintenance	253		248	
Computer costs	25,977		18,924	
Telephone	5,893		4,632	
Staff training	1,785		-	
Miscellaneous	4,944		6,278	
Registrars costs	47		55	
Rate collection costs	16,239		15,267	
Rates provision for bad debts	(36,803)		59,972	
Other bad debt provisions	6,276		10,000	
		151,343		232,577
Central and technical income				
Admin allowance	98,087		97,063	
Search fees	14,777		14,502	
Hire of Boardroom	300		438	
Registrars fees	3,447		2,363	
Public function income	104		114	
Other income	1,255		2,348	
		(117,970)		(116,828)
		33,373		115,749
Motor vehicle expenses				
Tax and licences	2,111		2,147	
Petrol and diesel	11,149		5,806	
Repairs	6,472		8,643	
		19,732		16,596

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