

# **The Parish Commissioners of Braddan**

**Financial statements for the year ended 31 March 2007**

# The Parish Commissioners of Braddan

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# **The Parish Commissioners of Braddan**

## **Statement of Commissioners' Responsibilities**

*For the year ended 31st March 2007*

The Commissioners are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority and of the surplus or deficit of the Authority for that year. In preparing those financial statements, the Commissioners are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are responsible and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departure discussed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Commissioners confirm that they have complied with the Accounts and Audit Regulations 1984 made under the Audit Act 1983.

The Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and to enable them to ensure that the financial statements comply with the Accounts and Audit Regulations 1984 made under the Audit Act 1983. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities.

**Independent Auditors' Report to the Commissioners of Braddan Parish Commissioners ("the Commissioners")**

We have audited the financial statements of Braddan Parish Commissioners for the year ended 31 March 2007 which comprise the General revenue account, Rates account, Housing account, Sinking fund set out on pages 4 to 13. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the Commissioners as a body, in accordance with Section 4 of the Audit Act 1983. Our audit work has been undertaken so that we might state to them those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Commissioners, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Commissioners and Auditors**

As described on page 1, the Commissioners are responsible for the preparation of the financial statements in accordance with the Audit Act 1983 and all other applicable enactments.

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

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

We read any other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements or inconsistencies within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Commissioners in the preparation of the accounts, and of whether the accounting policies are appropriate to the Commissioners' circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Fundamental uncertainties**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the legality of the Authority's pension arrangement with its employees. Whilst the legal position remains unresolved, the financial implications, if any, of these arrangements cannot be quantified but could result in additional liabilities for the Authority. Details of the circumstances relating to this fundamental uncertainty are described in note 7. Our Opinion is not qualified in this respect.

In addition, in forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible outcome to any potential legal action against the Authority which may arise, following the dismissal of the Clerk to the Commissioners. The future settlement of any litigation arising from this action could result in additional liabilities for the Authority. Without qualifying our opinion we draw attention to note 9 in the financial statements. The Commissioners are the defendant in a lawsuit. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has or can be made in the financial statements.

**Independent Auditors' Report to the Commissioners of Braddan Parish Commissioners ("the Commissioners")**

**Opinion**

In our opinion the financial statements for the year ended 31 March 2007 have been prepared in accordance with the regulations made under the Audit Act 1983, and comply with all other enactments applicable to the financial statements and proper accounting practices have been observed in their compilation.

A handwritten signature in black ink that reads "Moore Stephens". The signature is written in a cursive style with a large initial 'M'.

MOORE STEPHENS  
Chartered Accountants  
Douglas  
Isle of Man

14th July 2010

# The Parish Commissioners of Braddan

## General revenue account

for the year ended 31 March 2007

	2007	2006
	£	£
<b>Income</b>		
Rate receivable	901,665	826,811
<i>Other income</i>		
Bank interest	15,700	11,003
Search fees	11,520	10,988
Hall hire	6,761	5,223
Garage rents	13,922	13,840
Discount received	3,862	3,278
	<u>51,765</u>	<u>44,332</u>
<b>Total income</b>	<u><u>953,430</u></u>	<u><u>871,143</u></u>

The notes of pages 10 to 13 form part of these financial statements.

# The Parish Commissioners of Braddan

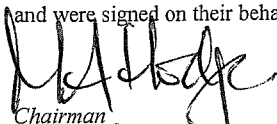
## General revenue account (continued)

for the year ended 31 March 2007

	Note	2007		2006	
		£	£	£	£
<b>Total income brought forward</b>			953,430		871,143
<b>Payments</b>					
Attendance and travelling allowances		11,420		16,415	
Salaries, administration and establishment expenses		364,430		300,415	
Pension		33,000		24,423	
Accountancy		32,682		21,498	
Community Warden		50,939		47,312	
Street lighting		26,365		35,192	
Refuse collection charge less recoveries		114,156		94,242	
Legal and professional fees		56,183		42,980	
Environmental and amenities less recoveries		126,157		65,198	
Litter		15,342		12,614	
Civic Amenity		56,875		32,410	
Waste		16,919		17,255	
Garage costs		733		500	
Election costs		4,418		-	
Bank interest and charges		6,628		4,492	
Car park		718		700	
Office equipment and maintenance		18,005		9,435	
Sundry expenses		1,235		7,101	
Sinking fund contribution		58,870		47,534	
Loan interest		84,113		75,388	
Memorial Hall repairs		6,575		4,206	
Technology investments		21,637		18,683	
Police Station - fitting out costs		5,036		5,786	
UMFC Clubhouse costs		-		3,846	
<b>Total payments</b>			<u>1,112,436</u>		<u>887,625</u>
<b>Deficit for the year</b>			<u>(159,006)</u>		<u>(16,482)</u>
Balance brought forward			(27,450)		24,248
Less: Provision for pension liabilities	7		-		(21,076)
Transfer to housing account	8		<u>(77,891)</u>		<u>(14,140)</u>
<b>Deficit carried forward</b>			<u><u>(264,347)</u></u>		<u><u>(27,450)</u></u>

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved by the Commissioners on  
and were signed on their behalf by:

  
Chairman

29/06/2010

29th June 2010

Clerk

  
29/6/10

## The Parish Commissioners of Braddan

### Rates account

for the year ended 31 March 2007

	Notes	£	2007 £	£	2006 £	£
Rates levied for the year				941,445		867,369
<i>Add:</i>						
Arrears brought forward				149		1,842
Cash Received in advance				(112,935)		-
				<u>828,659</u>		<u>869,211</u>
<i>Less:</i>						
Discounts		37,016			33,463	
Exempt and unoccupied properties		<u>2,764</u>			<u>7,036</u>	
				<u>39,780</u>		<u>40,499</u>
<b>Total rates collectable</b>				<u><u>788,879</u></u>		<u><u>828,712</u></u>
Rates received in the year:						
Rates collected				790,991		828,504
Arrears recovered				-		59
Rates received in advance				-		<u>112,935</u>
<b>Total rates received in the year</b>				<u>790,991</u>		<u>941,498</u>
<b>Balances outstanding carried forward:</b>						
Cash in advance					(112,935)	
Arrears	5	<u>(2,112)</u>			<u>149</u>	
				<u>(2,112)</u>		<u>(112,786)</u>
				<u><u>788,879</u></u>		<u><u>828,712</u></u>

The notes on pages 10 to 13 form part of these financial statements.



# The Parish Commissioners of Braddan

## Housing account

for the year ended 31 March 2007

	<i>Notes</i>	2007 £	2006 £
<b>Receipts</b>			
Rents collected		450,932	428,012
Rates recovered		74,381	69,407
Housing deficiency grant		<u>423,640</u>	<u>403,411</u>
		948,953	900,830
<b>Payments</b>			
Repairs, maintenance and insurance		228,202	156,655
Rates paid		74,381	69,563
Rent collection and administration		22,547	21,401
Loan interest		564,419	533,735
Sinking fund contribution		<u>137,295</u>	<u>133,616</u>
		1,026,844	914,970
<b>Deficit for the year</b>		<b>(77,891)</b>	<b>(14,140)</b>
<b>Transfer from General revenue account</b>	8	77,891	14,140
Balance at 1 April 2006		<u>-</u>	<u>-</u>
<b>Balance at 31 March 2007</b>		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 10 to 13 form part of these financial statements.

## The Parish Commissioners of Braddan

### Sinking fund

for the year ended 31 March 2007

	2007 £	2006 £
<b>Receipts</b>		
Bank financing	177,318	628,755
Bank interest received	73,044	65,642
Contribution from general revenue	58,870	47,534
Contribution from housing revenue	<u>137,295</u>	<u>133,616</u>
	446,527	875,547
<b>Payments</b>		
Authorised capital expenditure	(177,318)	(628,755)
Loans repaid	<u>(88,583)</u>	<u>(94,310)</u>
<b>Surplus for the year</b>	180,626	152,482
Balance at 1 April 2006	<u>1,533,231</u>	<u>1,380,749</u>
<b>Balance at 31 March 2007</b>	<u><u>1,713,857</u></u>	<u><u>1,533,231</u></u>

The notes on pages 10 to 13 form part of these financial statements.

# The Parish Commissioners of Braddan

## Statement of assets and liabilities

for the year ended 31 March 2007

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Tangible fixed assets	2	11,897,197	11,719,880
Leased assets	2	63,791	-
Sundry equipment	2	10,469	10,469
		<u>11,971,457</u>	<u>11,730,349</u>
<b>Current assets</b>			
Trade debtors		12,314	3,567
VAT debtor		60,373	117,350
DoLGE Housing deficiency due		214,779	95,109
Transfer balances		1,884	1,884
Civic Amenity recoveries due		7,341	37,724
Arrears of rates		-	149
Sundry debtors		21	21
Cash at bank	3	1,672,385	1,323,866
Petty cash		407	232
		<u>1,969,504</u>	<u>1,579,902</u>
<b>Current liabilities</b>			
Trade creditors		84,441	56,266
Sundry creditors		24,834	112,996
Lease liabilities less than 1 year		31,135	-
Arrears of rates		2,112	-
Pension Reserve fund		56,065	33,210
Loans outstanding	4	11,704,291	11,144,535
		<u>11,902,878</u>	<u>11,347,007</u>
<b>Net current assets</b>		<u>(9,933,374)</u>	<u>(9,767,105)</u>
<b>Long term liabilities</b>			
Lease liabilities more than 1 year	10	42,527	-
		<u>42,527</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>1,995,556</u></u>	<u><u>1,963,244</u></u>
Sinking funds: available for the redemption of debt			
Capital redemption reserve	6	1,713,857	1,533,231
Accumulated funds		522,046	433,463
Revaluation Reserve		(264,347)	(27,450)
		24,000	24,000
		<u><u>1,995,556</u></u>	<u><u>1,963,244</u></u>

The notes on pages 10 to 13 form part of these financial statements.

# The Parish Commissioners of Braddan

## Notes

(forming part of the financial statements for the year ended 31 March 2007)

### 1 Accounting policies

#### a) *Basis of preparation*

The financial statements have been prepared in accordance with the historical cost convention.

#### b) *Revenue account*

The accounts are prepared on the receipts and payments basis except that certain receipts and payments made shortly after the year end which relate to the year have, on a basis consistent with previous years, been included in the receipts and payments made in the year, and no account has been taken of accrued or prepaid revenue or expenditure.

#### c) *Capital account*

When capital payments are made out of borrowings, provision for the repayment of such borrowings is made by the transfer of amounts annually to a sinking fund. The period of repayment varies in accordance with the nature of the expenditure and is specified in the borrowing authority.

#### d) *Statement of assets and liabilities*

i) The Statement of Assets and Liabilities is prepared under the historical cost convention.

ii) Provision has been made for all accounts receivable or payable at the year end not referred to in the receipts and payments account.

#### e) *Rates account*

Rates are accounted for on a receivable basis. The rates are levied and collected by the Commissioners. Rates not collected in the year are carried forward as arrears to the next year. Subsequent collection of arrears from prior years are written back in the year of receipt.

#### f) *Fixed Assets*

Fixed assets are accounted for at cost and are not subject to an annual depreciation charge.

## The Parish Commissioners of Braddan

### Notes (continued)

(forming part of the financial statements for the year ended 31 March 2007)

2	<b>Tangible fixed assets</b>		
		2007	2006
		£	£
	Housing	10,133,437	10,133,407
	Garages	89,217	89,217
	Street lighting	459,956	373,984
	Amenities	188,819	184,787
	Hall offices and equipment	403,511	339,719
	Playgrounds	555,238	493,719
	Land	141,279	115,516
		<u>11,971,457</u>	<u>11,730,349</u>
3	<b>Cash at bank</b>		
		2007	2006
		£	£
	Current Account	<u>1,672,385</u>	<u>1,323,866</u>
4	<b>Loans outstanding</b>		
		2007	2006
		£	£
	Isle of Man Bank	<u>11,704,291</u>	<u>11,144,535</u>

The loan is unsecured, repayable on demand and bears interest at 1% above the Base Rate.

# The Parish Commissioners of Braddan

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2007)

5	<b>Rates levied for the year</b>		
		2007	2006
		£	£
	Rates levied at 200p (2006: 200p) in the £ on a certified ratable value of £450541 (2006: £425698)	923,609	851,396
	Adjustment as per Supplemental Lists	<u>17,836</u>	<u>15,973</u>
		<u>941,445</u>	<u>867,369</u>
	<b>Rate arrears</b>		
		2007	2006
		£	£
	Rate arrears	<u>(2,112)</u>	<u>149</u>

Arrears represent less than 0.1% (2006: less than 0.1%) of the rates levied.

6	<b>Capital redemption reserve fund</b>		
		2007	2006
		£	£
	Balance at 1 April 2006	433,463	339,153
	Schemes completed during year	<u>88,583</u>	<u>94,310</u>
	<b>Balance at 31 March 2006</b>	<u>522,046</u>	<u>433,463</u>

### 7 Pension costs

The Commissioners have received legal advice concerning the appropriateness of its pension arrangements with its employees and their entitlements to membership of the Isle of Man Local Government Pension Scheme. Membership of the scheme impacts on the applicability of the existing contractual relationships and may have financial implications.

The Public Inquiry established by the Department of Local Government and Environment into the matter was completed in December 2005. The Commissioners are now giving consideration to the implementation of the recommendations of the Report. No provision has been made in these financial statements regarding any additional contributions that may be necessary as a result of backdated contributions or as a result of any changes to contracts of employment.

### 8 Transfer from General revenue account

The transfer from the General revenue account represents the cost of repairs in excess of those recoverable under Housing deficiency grant which have been met by a transfer from General revenue.

### 9 Contingent Liability

In March 2007 the Clerk to the Commissioners was dismissed. Subsequent to the dismissal action has commenced against the Authority. Any future settlement of potential legal action could result in additional liabilities to the Authority.

# The Parish Commissioners of Braddan

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2007)

### 10 Deferred Liabilities/Finance Leases

The Authority holds the following values of assets under finance leases, accounted for as part of tangible fixed assets as follows:

	2007
	£
Value at 1st April 2006	-
Additions	73,662
Payments	-
	<hr/>
Value at 31 March 2007	<u>73,662</u>

Outstanding obligations to make payment under these finance leases (excluding finance costs) at 31 March 2007, accounted for as long term liabilities, are as follows:

	£
Obligations payable in 2007-08	31,135
Obligations payable between 2008-09 and 2011-12	<u>42,527</u>
	<u>73,662</u>