

**North Level District Internal
Drainage Board**

Management Accounts

**FOR THE YEAR ENDED
31 March 2011
UNAUDITED**

North Level District Internal Drainage Board

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North Level District Internal Drainage Board

**INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR
ENDED 31 March 2011**

	<u>2009 - 2010</u>	<u>2010 - 2011</u>	<u>Notes</u>
	£	£	
INCOME			
Drainage rates	573,454	573,082	
Special Levies	672,058	695,996	2
Rents	26,725	31,385	
Income from investments	25,375	15,471	
DEFRA grants	0	0	
Development Levies & Commuted Sums	60,706	62,383	
Miscellaneous Income & Rechargeable works	50,551	134,814	
Contributions to Pumping Costs	7,240	9,046	
Total Income for the Year	1,416,109	1,522,177	
EXPENDITURE			
Capital works	405,782	258,547	
Maintenance of drains, banks etc.	540,347	471,072	
Maintenance and running costs of pumping	312,420	273,717	
Maintenance and refurbishment of properties	33,245	78,905	
Environment Agency - Precept	115,268	115,268	
Rechargeable works	40,233	113,549	
Establishment charges	64,027	56,202	3
Administrative staff salaries	149,600	128,033	4
Other expenses	28,687	13,693	5
(Profit)/Loss on operation of plant	-9,344	502	
(Profit)/Loss on operation of Oncost Fund	-35,788	7,700	
Total Expenditure for the Year	1,644,477	1,517,188	
Net Surplus /(Deficit) for the Year before			
Profit on disposal of fixed assets	-228,368	4,989	
Profit on disposal of fixed assets	479	24,109	
Net Operating Surplus /(Deficit) for the Year	-227,889	29,098	

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STATEMENT OF MOVEMENT ON THE GENERAL RESERVE 2010/11

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Surplus/(Deficit) for the year as per Income and Expenditure Account	-227,889	29,098
Transfer to General Reserve	293,186	244,880
Transfer from General Reserve	-175,988	-140,729
Contribution to /(from) General Reserve	-110,691	133,249
Opening Reserve	460,383	349,692
Closing Reserve	349,692	482,941

The movements on the General Reserve are detailed in Appendix 1

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Surplus/(Deficit) for the year as per Income and Expenditure	-227,889	29,098
Revaluation (Losses)/Gains During the Year	-640,190	-10,590
Total Recognised Gains/(Losses)	-868,079	18,508

The coloured boxes represent figures on the Annual Return as follows:

	Box 2
	Box 3
	Box 4
	Box 6

**BALANCE SHEET
FOR THE FINANCIAL YEAR ENDED 31 March 2011**

<u>FIXED ASSETS</u>	<u>2010</u>		<u>2011</u>		<u>Notes</u>
	£	£	£	£	
Tangible					
Pumping Stations and Depots and Equipment therein		5,950,965		5,950,965	8
Freehold Land		263,765		263,764	8
Other Freehold Property		598,705		598,705	8
Plant and Vehicles		503,020		451,666	8
		<u>7,316,455</u>		<u>7,265,100</u>	
Intangible		30,000		30,000	8
		<u>7,346,455</u>		<u>7,295,100</u>	
<u>CURRENT ASSETS</u>					
Stock and Works in Progress	28,176		52,376		9
Debtors and Prepayments	58,467		59,292		10
Bank and Cash	165,200		372,976		
Bank & Building Society Deposits	1,405,209		1,305,306		11
	<u>1,657,052</u>		<u>1,789,950</u>		
<u>CURRENT LIABILITIES</u>					
Creditors and Receipts in Advance	80,973		144,009		12
<u>NET CURRENT ASSETS</u>		<u>1,576,079</u>		<u>1,645,941</u>	
<u>NET ASSETS</u>		<u><u>8,922,534</u></u>		<u><u>8,941,041</u></u>	
<u>FUNDS and RESERVES</u>					
Capital Fund		277,554		242,022	Appendix 2
Revaluation Reserve		6,896,205		6,885,615	Appendix 3
Plant Renewals Fund		628,484		642,195	Appendix 4
Pumping Plant Replacement Fund		169,186		180,493	Appendix 5
Development Levies Fund		359,340		273,047	Appendix 6
Fixed Assets Funded from Revenue		215,630		215,630	
Oncost Fund		26,443		19,098	
Revenue Account		349,692		482,941	
		<u><u>8,922,534</u></u>		<u><u>8,941,041</u></u>	

The coloured boxes represent figures on the Annual Return as follows:

	Box 1		Box 7
	Box 8		
	Box 9		

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

General

This statement of accounts has been prepared in accordance with the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board.

Accounting Concepts

These accounts have been prepared in accordance with the following accounting concepts:-

Accruals
Relevance
Consistency
Reliability
Comparability
Understandability
Materiality and
Going Concern

Fixed Assets

Fixed assets are recognised as expenditure on the acquisition, creation or enhancement of existing fixed assets with estimated useful lives in excess of one year and are valued on the following bases:

Pumping Stations and Depots and Equipment therein are valued at market value by J. W. Castley FRICS FAAV.

Freehold Land is valued at market value by J. W. Castley FRICS FAAV.

Other Freehold Property is valued at market value by J. W. Castley FRICS FAAV.

Vehicles, plant and equipment are included at cost less depreciation to date.

The Intangible asset, being fishing rights, is valued at market value by J. W. Castley FRICS FAAV.

Office equipment, with a value of less than £5,000 is not capitalised. All other equipment is capitalised.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset.

Pumping Stations and Depots and Equipment therein are not depreciated as they are valued at market value.

Freehold Land is not depreciated.

Other Freehold Property is not depreciated as it is valued at market value.

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Plant and vehicles are depreciated on a reducing balance or straight line basis dependent on the nature of the asset. All plant and vehicles are considered to have useful economic lives in the region of 4 to 10 years.

Debtors and Creditors

The revenue accounts of the Board are maintained on an accruals basis. That is, sums due to or from the Board during the year are included whether or not the cash has actually been received or paid in the year. Bad debts are provided when there is a reasonable certainty that the debt will not be paid.

Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value.
Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and a proportion of fixed and variable overheads.

Capital Receipts

Capital receipts arise from the disposal of land and property. The profit (or loss) from such disposals is credited (charged) to the Income and Expenditure account.

Grants Received

Grants received are credited to the expenditure for which they have been received.

Leases

The Board owns a number of areas of land which are let out on agricultural tenancies. The rental income from these tenancies is shown in the period for which the rent is due.

Reserves

A number of specific Funds and Reserves are used for funding specific expenditure and related costs.

General Reserve (Revenue Account)

The Board's policy is to maintain this balance at approximately 25% of the annual income from ratepayers and special levies.

Revaluation Reserve

This reserve is used to reflect movements in the revaluations of fixed assets.

Plant Renewals Fund

This fund is designated for expenditure on replacement plant and equipment. A plant operation account is used to appropriate funds from the Revenue Account. The surplus or deficit on the Plant Operation Account is after charging depreciation.

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Pumping Plant Replacement Fund

This fund is designated for expenditure on refurbishment of pumping stations. An amount is appropriated annually from General Reserves to fund this expenditure.

Development Levies Fund

This fund is ring – fenced for specific works necessitated by development of buildings on previously open land. Development levies and commuted sums are credited to the Income and Expenditure Account and then appropriated therefrom.

Fixed Assets funded from Revenue Reserve.

This fund is designated for specific expenditure on land and property purchases and is funded by specific appropriations from the Revenue Account.

Capital Fund

This fund is designated for expenditure on general land and property purchases and the purchase of items which are not the replacement of existing equipment. It is funded from profits from the sale of land and property.

Capital Works

Capital works encompasses work on water-courses, pumping stations and properties. As the work constitutes part of the service provided by the Board and does not lead to future economic benefit, the cost of this work is charged to the Revenue account.

Pensions

Pension costs are accounted for on a defined contribution basis as it is not possible to identify the share of assets belonging to the Board in the Cambridgeshire County Council Superannuation Fund.

Internal Interest

In order to recognise the nature of the work of the IDB, interest received from bank and building society deposits during the year has been appropriated from the Revenue Account to each of the Funds. However no interest is credited to the Fixed Asset funded from the Revenue Fund.

Taxation

Drainage Boards are exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the accounts only to the extent that it is irrecoverable.

NOTES TO THE ACCOUNTS

2.SPECIAL LEVIES ON COUNCILS

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Peterborough City Council	237,600	248,863
Fenland District council	319,911	321,153
South Holland District Council	114,547	125,980
	<u>672,058</u>	<u>695,996</u>

3.ESTABLISHMENT CHARGES

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Printing, stationery and advertising	6,417	7,812
Office accommodation	3,015	2,596
Postages and telephone	8,949	7,717
Office furniture and equipment	3,156	1,059
General insurances	8,153	8,293
Bank charges	1,231	1,620
Miscellaneous expenditure	10,382	10,163
Computing facilities	22,724	16,942
	<u>64,027</u>	<u>56,202</u>

4.ADMINISTRATIVE STAFF COSTS

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Remuneration	113,109	95,510
National Insurance and Pensions contributions-existing staff	29,266	23,563
Pensions contributions-former staff	5,507	5,511
Travelling and subsistence expenses	0	2,231
Training	1,718	1,218
	<u>149,600</u>	<u>128,033</u>

5.OTHER EXPENSES

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Audit Fees (External)	10,027	3,000
Audit Fees (National Fraud Initiative)	500	0
Audit Fees (Internal)	2,335	1,600
Legal and Professional Fees	15,846	9,093
Bad Debts Recovered	0	0
	<u>28,708</u>	<u>13,693</u>

NOTES TO THE ACCOUNTS

6. AUDIT FEES and EXPENSES

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Fees paid to the Board's external auditor for audit services	10,027	3,000
NFI Fees paid to the Audit Commission	500	0
	<u>10,527</u>	<u>3,000</u>

7. REMUNERATION OF EMPLOYEES

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	No.	No.
The number of employees whose remuneration exceeds £50,000		
Remuneration Band		
£60,000 - £69,999		
£70,000 -£79,999	1	1

8. FIXED ASSETS

Tangible

	PUMPING STATIONS, DEPOTS AND EQUIPMENT THEREIN	FREEHOLD LAND	OTHER PROPERTY	PLANT AND VEHICLES	TOTAL
	£	£	£	£	£
COST/VALUATION					
As at 1st April 2010	5,950,965	263,765	598,705	963,161	7,776,596
Additions	0	0	10,590	133,016	143,606
Revaluations	0	0	-10,590	0	-10,590
Disposals		1	0	139,851	139,852
As at 31st March 2011	<u>5,950,965</u>	<u>263,764</u>	<u>598,705</u>	<u>956,326</u>	<u>7,769,760</u>
DEPRECIATION					
As at 1st April 2010	0	0	0	460,141	460,141
Charge for the year	0	0	0	92,342	92,342
Disposals	0	0	0	47,823	47,823
As at 31st March 2011	<u>0</u>	<u>0</u>	<u>0</u>	<u>504,660</u>	<u>504,660</u>
NET BOOK VALUE					
As at 31st March 2011	<u>5,950,965</u>	<u>263,764</u>	<u>598,705</u>	<u>451,666</u>	<u>7,265,100</u>
As at 31st March 2010	<u>5,950,965</u>	<u>263,765</u>	<u>598,705</u>	<u>503,020</u>	<u>7,316,455</u>

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Included in Pumping stations, depots and equipment therein are four pumping stations built between 1936 and 1938, two of which are now storage facilities, and ten pumping stations built between 1972 and 1988. Also included are a number of sluice gates built prior to 1930 and one built in the 1990's, along with a number of remote stations which were constructed in the early 1980's. All of these assets were included in the Board's accounts for the first time in 2000 at a valuation of £3,780,000. Also included in this category is a storage depot which was built in 2004 and included in the accounts of that year at an initial cost of £156,000.

The majority of the land shown in the land category, was acquired between 1834 and 1838 and the cost is not known but is believed to be in the region £10,000. Land purchased after 2003 has previously been included in the accounts at cost in the year in which it was acquired.

Other freehold property comprises Thorney offices and three houses. Two of the Board's freehold houses, tied to pumping stations, are let rent-free to current employees of the Board. The third house is let to a former employee of the Board, who is charged the market rent for the property.

Thorney offices were acquired from the Duke of Bedford's estate prior to 1926 and the houses were built between 1936 and 1938. Freehold property was first included in the Board's accounts in 1996 at an initial value of £315,000.

Pumping stations and depots and equipment therein, Freehold land and other Freehold property were valued on 31st March 2011 at market value by J. W. Castley FRICS FAAV, an external valuer.

Intangible

	FISHING RIGHTS	TOTAL
	<u>£</u>	<u>£</u>
COST/VALUATION		
As at 1st April 2010	30,000	30,000
Additions	0	0
Revaluations	0	0
Disposals	0	0
As at 31st March 2011	<u>30,000</u>	<u>30,000</u>
DEPRECIATION		
As at 1st April 2010	0	0
Charge for the year	0	0
Disposals	0	0
As at 31st March 2011	<u>0</u>	<u>0</u>
NET BOOK VALUE		
As at 31st March 2011	<u>30,000</u>	<u>30,000</u>
As at 31st March 2010	<u>30,000</u>	<u>£30,000</u>

Fishing rights have no cost and were valued on 31st March 2011 at market value by J. W. Castley FRICS FAAV, an external valuer.

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9.STOCKS AND WORK IN PROGRESS

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Stocks and Consumables	27,555	47,603
Work in Progress	621	4,773
	<u>28,176</u>	<u>52,376</u>

10.DEBTORS AND PREPAYMENTS

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Trade Debtors	23,431	10,440
Drainage Rate Debtors	536	358
HM Revenue and Customs (VAT)	20,400	19,790
Other amounts falling due within one year	14,100	28,704
	<u>58,467</u>	<u>59,292</u>

11.SHORT TERM INVESTMENTS

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Tipton and Coseley Building Society	250,000	0
Dudley Building Society	500,000	500,000
Santander	250,000	500,000
Loughborough Building Society	200,000	200,000
Saffron Walden Building Society	0	0
Barclays Bank	205,209	105,306
	<u>1,405,209</u>	<u>1,305,306</u>

12.CREDITORS AND RECEIPTS IN ADVANCE

	<u>2009 - 2010</u>	<u>2010 - 2011</u>
	£	£
Trade Creditors	68,264	83,782
Other Taxation and Social Security	667	538
Accruals	55	270
Income received in advance	9,987	57,419
Other Creditors	2,000	2,000
	<u>80,973</u>	<u>144,009</u>

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13.PENSION COMMITMENTS

The board contributed 19.3% (2010 - 18.2%) of superannuable employees' reckonable pay into the Cambridgeshire County Council Superannuation Fund. The cost for the period is accounted for as a defined contribution scheme and amounted to £105,695 for existing employees. Future commitments are likely to be in the region of £110,169 per annum and there were no outstanding amounts at the year end.

The Annual Report of the Cambridgeshire County Council's Superannuation Fund is available from: Cambridgeshire County Council, Superannuation Section, Shire Hall, Cambridge, CB3 OAP.

The Board has also committed to contributing to the pensions of certain former members of staff. During the year £10,794 was charged to the Profit and Loss Account for these contributions. The full £10,794 was outstanding at the year end. Future commitments are likely to be in the region of £11,000 per annum.

14.CAPITAL COMMITMENTS

The Board was committed to purchase plant and equipment costing £56,600 (2010 - £25,189) at the year end.

15.CONTINGENT LIABILITY

The Board had a contingent liability of £105 at the year end. The Board holds a deposit against possible future work. If the Board does not have to carry out this work, the deposit will be repaid with interest. The £105 represents the contingent interest.

16.RELATED PARTY TRANSACTIONS

There have been no material related party transactions in the current year or preceding year. All elected members of the Board pay drainage rates either as individuals, partners in partnerships, or as directors in limited companies; the exact nature of which can be found in the Rate book as at 1st. April 2010 and in the Register of Members Interests.

15 members of the Board are appointed by local councils. These councils are regarded as related parties and the Board had the following transactions with these bodies in 2010/11:-

	Income	Expenditure
Peterborough City Council	£237,600	nil
Fenland District Council	£319,911	nil
South Holland District	£114,547	nil

APPENDIX

1.DETAILED STATEMENT OF MOVEMENT ON THE GENERAL RESERVE 2010/11

	General Reserve	Capital	Plant Renewals	Pumping Plant	Development Levies	Oncost
	£	£	£	£	£	£
Investment Income	-12,439	2,407	5,450	1,467	3,115	
Pumping Plant Provision	-50,000			50,000		
Development Levies & Commuted Sums	-62,383				62,383	
Profit on Sale of Fixed Assets	-24,109	22,108	2,001			
Profit on Plant Operating	502	-6,762	6,260			
Oncost Fund	7,700					-7,700
Trf from General Reserve	-140,729	17,753	13,711	51,467	65,498	-7,700
Maintenance of Properties	43,174	-43,174				
Capital Expenditure	154,629	-3,635		-34,922	-116,427	355
Staff & Engineers Exps	47,077	-6,476		-5,238	-35,363	
Trf to General Reserve	244,880	-53,285	0	-40,160	-151,790	355

2.CAPITAL FUND

	DR £	CR £
Balance brought forward 01/04/10		277,554
Interest for the year		2,407
Depreciation on Assets funded by capital fund	6,762	
Purchases of Non-Capitalised items funded by capital fund	46,809	
Engineering Expenses	6,476	
Profit on Disposal of Land		22,108
Balance carried forward 31/03/11	242,022	
	<u>302,069</u>	<u>302,069</u>

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3. REVALUATION RESERVE

	DR	CR
	£	£
Balance brought forward 01/04/10		6,896,205
Decrease in value of French Drove house	10,590	
Balance carried forward 31/03/11	6,885,615	
	6,896,205	6,896,205

4. PLANT RENEWALS FUND

	DR	CR
	£	£
Balance brought forward 01/04/10		628,484
Interest for the year		5,450
Profit on Plant Operating Account		6,260
Profit on sale of fixed assets		2,001
Balance carried forward 31/03/11	642,195	
	642,195	642,195

5. PUMPING PLANT REPLACEMENT FUND

	DR	CR
	£	£
Balance brought forward 01/04/10		169,186
Revenue Account Provision		50,000
Interest for the year		1,467
<u>Expenditure</u>		
Tydd PS Refurbishment	28,156	
Denhams PS Refurbishment	6,766	
Engineering Expenses	5,238	40,160
Balance carried forward 31/03/11	180,493	
	220,693	220,653

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6.DEVELOPMENT LEVIES

		DR	CR
		<u>£</u>	<u>£</u>
Balance brought forward 01/04/10			359,340
Levies received during the year			52,949
Commutated sums received			9,434
Interest for the year			3,115
<u>Expenditure:-</u>			
Pipeline cleansing and inspections	3,053		
Culpins Drain Newborough	1,171		
Main Drain Phase 1	63,941	Note A	
Church Drain Pipeline Leverington	7,487		
Stewards House Drain Pipelines	2,020		
Gores Drain Pipelines	6,409		
Clough Sluice Refurbishment Parson Drove	5,897	Note B	
Mossops Pipeline	4,959	Note B	
Foul Anchor Sluice Refurbishment	25		
Moor West Drain Newborough	5,775		
Eye Parish Drain Phase 2	610		
Tanholt Scheme	15,080		
Admin Staff and Engineering Expenses	<u>35,363</u>		
		151,790	
Balance carried forward 31/03/11			273,048
		<u>424,838</u>	<u>424,838</u>

NOTE A: Net of contribution from Capital Fund of £3,280

NOTE B: Net of 45% grant received

7.CAPITAL WORKS FROM REVENUE

Teleporter Hours	5,636
Whitehall Drain	1,137
Faggot Making 2010/2011	3,334
Little Ramper Drain	247
East Counter Drain Fencing	4,692
New Drove Improvement Scheme	33,671
Proctors Drain	6,341
Engineering Expenses	<u>8,259</u>
	<u>63,317</u>