

UPPER WITHAM INTERNAL DRAINAGE BOARD

STATEMENT OF ACCOUNTS

**FOR THE YEAR ENDED
31ST MARCH 2008**

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INTRODUCTION

The Board's accounts for the financial year 2007/08 are set out on Pages 8, 9 and 10. They consist of the statements explained below.

- **The Revenue Account** (Page 8)

This statement shows the net expenditure on the major functions and services for which the Board is responsible, and the sources and amounts of income received by the Board.

- **The Balance Sheet** (Page 9)

This is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal, its long-term indebtedness, and the fixed and net current assets employed in its operations.

The accounts are supported by the Statement of Accounting Policies which follow this Introduction (Page 1) and various notes to the accounts. (Pages 11, 12 and 13).

- **Plant and Vehicles Account** (Page 10)

This statement shows the purchases and sales made by the Board during the year together with other income from investment of the fund balance and the surplus from operating the plant revenue account.

STATEMENT OF RESPONSIBILITIES

The Board is required:-

- a) 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. In this Board, that officer is the Clerk and Finance Officer to the Board.
- b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Clerk and Finance Officer to the Board's Responsibilities.

The Clerk and Finance Officer to the Board is responsible for the preparation of the Board's Statement of Accounts which is required to present fairly the financial position of the Board at the accounting date and its income and expenditure for the financial year ended 31st March.

In preparing this statement of accounts, the Clerk and Finance Officer to the Board has:-

- a) selected suitable accounting policies and then applied them consistently;
- b) made judgments and estimates that were reasonable and prudent;
- c) complied with generally accepted accounting practice.

The Clerk and Finance Officer to the Board has also:-

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

Certificate of the Clerk and Finance Officer to the Board

This statement of accounts is that upon which the auditor should enter his certificate and opinion. It presents fairly the financial position of the Board at 31st March 2008 and its income and expenditure for the year then ended.

Signed:

Name: M.J. Tomlinson

Designation: Clerk and Finance Officer to the Board

Date: 30th June 2008

THE ANNUAL GOVERNANCE STATEMENT

We acknowledge as the Members of the Upper Witham Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts, and confirm, to the best of our knowledge and belief, with respect to the Board's statement of accounts for the year ended 31 March 2008 that:-

1. We have approved the statement of accounts which have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the board to conduct its business or on its finances.
4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.
5. We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.
6. We have maintained throughout the year an adequate and effective system of internal audit of the board's accounting records and control systems and carried out a review of its effectiveness.
7. We have taken appropriate action on all matters raised in previous reports from the internal and external audit.
8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the board and where appropriate have included them in the statement of accounts.

The annual governance statement is approved by the board and recorded as Board Minute reference 49/08 dated 7th July 2008.

I confirm that these accounts were approved by the Upper Witham Internal Drainage Board at a meeting held on 17th May 2010.

Signed on behalf of Upper Witham Internal Drainage Board

Signed by Chairman:.....

Signed by Clerk & Finance Officer:.....

Date.....

UPPER WITHAM INTERNAL DRAINAGE BOARD

ACCOUNTING POLICIES

1.0 FIXED ASSETS

All fixed assets are shown in the balance sheet at their historic cost value except for pumping stations which are shown at their insurance value.

1.1 Land.

Land is often purchased at the start of an improvement scheme.

A land register is maintained but much of the land purchased in the past now forms the banks and beds of open ditches. There are thirteen pumping stations and their sites, which are owned by the Board. These sites are shown in the balance sheet at their historic cost. All the land and property of the Board has now been registered, on a voluntary basis, with the local Land Registry.

1.2 Office and Premises.

In August 2006 the Board purchased new offices at J1 The Point, Weaver Road, Lincoln LN6 3QN and these were occupied from 2nd January 2007 and have an insurance value of £350,000. The Board's former offices, 37/39 St. Catherine's, Lincoln were sold in December 2007 after tenders were invited.

1.3 Workshop and Depot.

The Board's Workshop and Depot are situated at Meadow Lane, North Hykeham. Major refurbishment or additions are capitalized and a further concrete apron was added in 2006/07. All repairs and maintenance expenses are met from revenue. The revenue expenses of the Workshop and Depot are placed as an overhead to the Wages account and shown as a note to the Revenue Account (see Page 8). The insured value of the Depot is £275,000.

1.4 Plant and Vehicles.

The Board own a variety of plant and equipment and the major items are set out in pages 14 and 15 attached. Road vehicles are insured for a written down value of £534,244.

1.5 Office Equipment.

Purchases of all office equipment has been met by revenue contributions and all items are included in the Board's Office Inventory.

1.6 Other Fixed Assets.

The Board, as a result of many improvement schemes over the past years own pumping station, buildings and pumps together with pipes and culverts, weedscreen cleaners and telemetry systems.

There are fifteen pumping stations as highlighted and set out on page 11 of the enclosed report. For insurance purposes these pumping stations are valued at £1.03m. Two stations are owned by the Environment Agency. The contents of the pumping stations which includes pumping equipment is insured for a value of £0.333m.

In general the Board finance the acquisition of all assets on a "pay as you go" basis. Although in the event of major improvement programmes or severe flood events loan facilities could be taken out to meet the ensuing costs.

1.7 Depreciation.

The Board do not provide depreciation for any of its fixed assets. Page 10 sets out the Plant and Vehicle Account. The rechargeable rates of the various plant and vehicles are designed to recover sufficient funds to replace the current plant and vehicle establishment over a period of time and are shown on pages 14 and 15.

Excavators are generally replaced after seven years, motor vehicles after four years. The Land Rover and Lorry and other plant and equipment are replaced on a needs basis.

1.8 Deferred Charges - PWLB Loan

During August 2006 the Board took out a five year maturity fixed rate loan of £100,000 to assist in the purchase of the new administrative offices. The loan bears an interest rate of 4.85% fixed for the term of the loan. This was repaid in December 2007 after the sale of 37/39 St. Catherines, Lincoln.

2.0 CURRENT ASSETS & LIABILITIES

2.1 Wages oncost account.

Wages are allocated to the various nominal accounts with an on-oncost applied to all working time. The Wages account is designed to break even but yearly losses or profits will invariably arise owing to actual expenses differing from those that have been estimated. The Wages account was under recovered to the value of over £7,000 in 2007/08.

2.2 Stores Account.

Items making up the Stocks and Stores of the Board are largely held at the Board's Depot. Some sand bags are held at Pumping Stations.

All stock enters the stores account at cost but on some commodities a handling charge of between 5-10% is added to the cost of the item. e.g. Fuels:- All fuels have a 5% handling charge added to their basic cost. Issues are made on the basis of First in First Out (FIFO).

2.3 Postages Account.

This reflects the actual amount held within the Board's franking machine.

2.4 Debtors and Creditors.

The Board's accounts are, as far as possible, maintained on an income and expenditure basis. That is, sums due to, or from the Board, during the financial year are included whether or not cash has actually been received or paid in the year.

2.5 Interest.

Interest received from the investment of balances is credited proportionately to the Revenue Account and the Plant and Vehicles Fund based on the level of balances at the previous year end.

2.6 Investments.

The Board invest any surplus monies via fixed interest deposits usually over terms of 1, 2 or 3 months using the money market facility provided through the Board's bankers, Lloyds/TSB Plc. During 2007/08 the Board agreed to deposit up to £250K with any of the top ten Building Societies.

2.7 Bank Accounts.

The Board use the services of Lloyds/TSB Bank Plc and have two bank accounts.

The Business Call Account acts as a deposit account receiving interest at a nominal rate on any in hand balances. The second account is the Ordinary Account which acts as a current account.

An arrangement has been made with the bank that they clear funds above £14,000 daily into the Business Call Account and feed money into the Ordinary Account from the Business Call Account should it fall below £14,000. In return, the Board, for maintaining a balance of £14,000 on the current account receive its banking services free of charge.

2.8 Contingent Gains.

The Board are proactive in development areas and sometimes carry out works in advance of development. At the present time there are schemes which have incurred expenditure in advance of development. See Table 7 on Page 12. When development finally does take place, income should be recovered from the developers and this will then extinguish the expenditure that the Board has already made.

3.0 SPECIAL LEVIES

The Board receive a special levy from the five district councils which have ratable property within the Board's area. See Table 1 on Page 11.

4.0 PENSIONS.

The Board, as an admitted body to the Lincolnshire County Council Pension Fund pay employers contributions to the Lincolnshire County Council. The employers contribution has, with effect from 1st April 2006 been 25.7% of employees pensionable pay.

Salaried Employees contribute 6% of their pensionable pay to the fund and manual employees 5%. However, all employees appointed after 1st April 2000 pay at the rate of 6%.

The annual report of the Lincolnshire County Council's Superannuation Fund is available for inspection at the Board's Offices.

M.J. Tomlinson.
Clerk/Finance Officer.

Upper Witham Internal Drainage Board

Revenue Account 2007/08

Income			
	<i>Note</i>	2007/08	2006/07
		£	£
District Council Special Levies	1	621,584	600,380
Agricultural Rates		191,533	186,000
Rechargeable Schemes		6,225	26,128
Rechargeable Works		61,763	58,236
New Works and Improvements		48,000	32,340
Interest on Revenue Balance		5,142	7,257
E.A. - Highland Water Contributions		93,738	94,316
Miscellaneous		490,679	2,414
Reservoir Windfall		3,573	0
PWLB Loan		0	100,000
Grant Aid		403	22,193
TOTAL INCOME		1,522,640	1,129,264
Expenditure			
Environment Agency (Precept)		171,766	168,416
New Works and Improvements		68,771	49,753
Rechargeable Schemes		4,787	16,149
Drain Maintenance Work	2	341,896	323,774
Pumping Station Costs	3	139,220	128,749
Rechargeable Works		61,763	58,236
Office & Buildings Expenses		35,280	40,614
Clerk & Engineers Expenses		265,707	223,183
Members Expenses		5,020	6,126
Revenue Contributions to Capital Outlay		0	314,628
Loan Repayment		100,000	0
TOTAL EXPENDITURE		1,194,210	1,329,628
Surplus/(Deficit)		328,430	(200,364)

Running Expenses of the Workshop & Depot £15,532 (£17,819).

Signed:

Name: M.J. Tomlinson

Designation: Clerk and Finance Officer to the Board

Date: 30th June 2008

UPPER WITHAM INTERNAL DRAINAGE BOARD

BALANCE SHEET as at 31st March 2008

	Note	2007/08		2006/07	
		£	£	£	£
Fixed Assets	4		2,488,772		1,152,324
Current Assets					
Investments		300,000		0	
Wages a/c		7,224		0	
Stores and Postages		21,100		14,392	
Debtors	5	58,931		103,944	
Cash at Bank and in Hand		121,153		88,642	
		508,408		206,978	
Creditors	8	27,550		42,076	
Net Current Assets			480,858		164,902
			2,969,630		1,317,226
Represented By					
Capital Discharged			2,488,772		1,052,324
PWLB – Loans Outstanding			0		100,000
Fund Balances and Reserves					
Plant & Vehicles Renewal Fund	6		93,058		105,534
Revenue Reserve	6		387,800		59,368
			2,969,630		1,317,226

- a) **Fixed Assets** are shown in the Balance Sheet at their historic cost value except Pumping Stations which are shown at insurance values.
- b) The Board operate fifteen pumping stations, (see Table 3, Page 11) thirteen of which are owned by the Board. Prior to 2007/08 the Pumping Stations and associated equipment had not been included within Fixed Assets.
- d) The insured value of plant and vehicles is £534,244.

3. The Board have a contingent gain of £46,263. (See Table 7, Page 12.)

Signed:

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Date: 30th June 2008

Upper Witham Internal Drainage Board

Plant and Vehicles Account 2007/08

Income	2007/08	2006/07
<u>Plant Sales</u>	£	£
Deutz 450A Tractor (F37 KFW)	0	5,000
Marston 8 Ton Dump Trailer (P38)	0	3,132
Komatsu PC150 Excavator	18,600	
Trailors x 3	1,058	
Plant Revenue Account Surplus	52,761	50,541
Interest on Balances	9,140	3,500
TOTAL INCOME	81,559	62,173
Expenditure		
<u>Purchase of Plant</u>		
Komatsu Excavator: VX08 BXP	92,244	0
Honda Mower: HRH536 19"	697	0
Outdoor Motor for YAK Boat	535	0
Echo Strimmer	560	0
McCormick MTX150 Tractor (FX56 FUR)	0	34,500
Bigab Trailer	0	18,533
Salix CM190 Flail Mower	0	12,750
2 No Bigab Bodies	0	3,740
Peugeot 800 Van (FY06 XGG)	0	7,960
Funyak 3.5 Boat	0	1,118
Belle Poker & Pressure Washer	0	1,373
TOTAL EXPENDITURE	94,036	79,974

Signed:

Name: M.J. Tomlinson

Designation: Clerk and Finance Officer to the Board

Date: 30th June, 2008

Upper Witham Internal Drainage Board

Notes to the Accounts

1. Special Levies		
	2007/08	2006/07
	£	£
City of Lincoln Council	345,326	333,310
North Kesteven District Council	141,122	136,544
South Kesteven District Council	92,630	89,644
West Lindsey District Council	34,962	33,664
Newark & Sherwood District Council	7,544	7,218
	621,584	600,380

2. Drain Maintenance		
	2007/08	2006/07
	£	£
Mechanical Roding	138,746	126,473
Hand Roding (Contract)	33,502	33,545
Flail Mowing	39,283	43,322
Chemical Spraying	1,871	1,148
Weed Boat Control	4,478	4,588
Routine Maintenance	63,239	91,035
Culverts & Fencing	43,829	12,413
Floodbanks & Slips	15,790	9,749
Conservation, Stewardship Schemes	4,680	6,347
Income	-3,522	-4,846
	341,896	323,774

3. Pumping Stations		
	2007/08	2006/07
	£	£
AUBOURN – E.A.	2,096	3,830
BROXHOLME	3,996	4,256
BURTON	21,472	17,855
DECOY	3,801	2,467
FEN LANE	4,225	2,565
HYKEHAM	4,510	3,266
INGLEBY	13,417	15,844
OXPASTURE	20,074	20,058
PYEWIPE	25,745	20,161
SAXILBY	4,322	3,159
THORPE	3,783	2,642
TORKSEY	12,960	16,083
SAND SYKE – E.A.	2,904	2,410
BOULTHAM	12,563	6,676
COULSON ROAD	5,735	7,477
Income	-2383	0
	139,220	128,749

Upper Witham Internal Drainage Board

4. Fixed Assets				
	Balances 31.3.2007	Additions	Disposals	Balances 31.3.2008
	£	£	£	£
Pumping Stations	0	1,363,000	0	1,363,000
Freehold Land	12,344	0	0	12,344
Offices & Dwelling Lincoln	22,718	0	22,718	0
Depot North Hykeham	75,613	0	0	75,613
Plant & Vehicles	732,895	94,037	112,088	714,844
Offices J1 The Point	308,754	14,217	0	322,971
	1,152,324	1,471,254	134,806	2,488,772

5. Debtors		
	2007/08	2006/07
	£	£
Sundry Debtors	23,096	62,388
Customs and Excise (VAT)	18,191	9,710
Drainage Rates	1,094	1,456
Environment Agency - Highland Water	16,550	30,390
Wages a/c	7,224	0
	66,155	103,944

6. Fund Reserves and Balances				
	Balances 31.3.2007	Additions	Withdrawals	Balances 31.3.2008
	£	£	£	£
Plant & Vehicle Fund	105,535	81,559	94,036	93,058
Revenue Reserve	59,370	328,430	0	387,800
	164,905	409,989	94,036	480,858

7. Contingent Gains				
Scheme No.	Balances 1.4.2007	Expenditure 2007/08	Income 2007/08	Balances 31.3.2008
	£	£	£	£
R11	46,263	0	0	46,263
R35	4,572	2,147	6,719	0
R38	0	2,640	2,640	0

Upper Witham Internal Drainage Board

8. Creditors		
	2007/08	2006/07
	£	£
Sundry Creditors	27,550	36,030
D.E.F.R.A. - Grant in Aid	0	5,342
Wages Account	0	704
	27,550	42,076

Establishment

Number of Employees (FTE's)

Staff	5.14	5.14
Manual	10.0	10.0

Employee Costs

	2007/08	2006/07
	£	£
Gross Salaries	161,144	156,007
Gross Wages	192,352	182,760
Employers Pension Contributions	81,950	78,976
Employers National Insurance Contributions	28,170	27,033
	463,616	444,776

Upper Witham Internal Drainage Board

PLANT & VEHICLES - 31st MARCH 2008

		Date Purchased	Purchase Price	Unit Rate 2007/08
			£	p
Miscellaneous Equipment				
7001	Baromix Concrete Mixer	2005	420	430
7002	Punt	1995	973	610
7003	Honda 19" Lawn Mower HRH 536HX	2007	697	300
7004	Fun Yak 3.5 Boat + 4hp Engine	2006	1,653	900
7006	Stihl Chain Saw 15"	2000	242	380
7007	Stihl Chain Saw 20"	1988	261	380
7009	MSG Welder (Petrol)	1992	1,395	600
7010	Stihl TS400 Disc Cutter	2003	395	675
7011	Stihl HT75 Telescopic Pruner	1992	550	380
7012	Power Spray	1998	495	360
7013	Stihl Strimmer FS120	2002	300	270
7014	Stihl Strimmer FS120	2002	300	270
7015	Stihl HS80 Hedge Trimmer	2004	295	270
7016	Echo Strimmer	2007	560	350
7019	1 No. 20' Steel Unit	1992	550	0
Tractors and Equipment				
7029	Bigab Trailer Unit & 2 Bodies	2007	22,273	800
7030	W941 KVL J. Deere Tractor	2000	32,513	1000
7032	McConnell Flail Mower	1992	5,635	600
7033	Trailer No. 1	1973	305	380
7034	McCormick Tractor FX56 FVR	2006	34,500	1400
7035	Salix CM190 Flail Mower	2006	12,750	520
7039	Y657 OFE J. Deere Tractor	2001	41,750	1060
Vehicles				
7041	R408 KTL Leyland Daf Lorry	1998	43,992	106
7042	FY06 XGG Peugeot LX800 Van	2006	7,960	34
7043	Y654 SCT Peugeot D800 Van	2001	9,226	34
7044	FY53 YSJ Citroen Van	2003	8,697	34
7045	S316 DFW Land Rover & Gas Oil Tank	1999	18,883	77
7046	Land Rover Trailer & Crane	1990	3,417	47
7047	Land Rover Tipping Trailer	1998	2,880	42
7048	Fuel Bowser	2005	3,281	10
Carried Forward			257,148	

Upper Witham Internal Drainage Board

PLANT & VEHICLES - 31st MARCH 2008

		Date Purchased	Purchase Price	Unit Rate 2007/08
			£	p
Brought Forward			257,148	
Excavators				
7060	KX06 ABK Atlas 1305M	2006	74,000	1515
7061	Komatsu 210LC	2008	92,244	1620
7066	Y864 OVL Atlas 1304M	2001	74,694	1515
7068	FN03 HFM JCB JS130 Tracked	2003	61,900	1515
7069	FJ05 CVN JCB JS160 Tracked	2005	76,700	1515
Weedcutters				
7073	Herder (Spare)	1985	3,065	430
7074	3m Weedcutting Bucket	2002	3,038	430
7075	Weedcutter	2005	3,585	430
7076	Herder (2 metre)	1988	3,658	430
7077	3m Weedcutting Bucket	2005	3,451	430
7078	Weedcutting Bucket	2004	3,394	430
7079	Weedcutting Bucket	2003	3,185	430
Pumps				
7080	Drysdale 8"	1950	167	1200
7082	Benford 3" ET10JL029	1996	3,296	500
7083	Alcon 4"	1992	2,561	600
7084	Belle Poker & Pressure Washer	2006	1,373	600
Other				
7092	Herder Saw	1992	2,171	570
7093	Berky Hedgecutter	1997	4,860	570
7094	Berky Hedgecutter	2002	5,295	570
7095	Berky Hedgecutter	2005	5,880	570
	Wirewatchers		3,520	
	Quickhitches x 2		3,300	
			693,335	
	2 metre Weedrake			
	120/33 3 No. Atlas Rakes)			
	110/14 4 No. Trench Buckets)			
	115/16 1 No. General Purpose Bucket)			
	117 1 No. Atlas 12" Digging Bucket)		17,759	
	118 1 No. Atlas Ripper Hook)			
	123 1 No. Atlas Crane Hook)			
	124 1 No. Atlas Slubbing Bucket)			
	Forklift	2005	3,750	
			714,844	

AUDIT REPORT AND OPINION