

**BUCKINGHAM & RIVER OUZEL
INTERNAL DRAINAGE BOARD**

STATEMENT OF ACCOUNTS

**FOR THE YEAR ENDED
31ST MARCH 2010**

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ANNUAL REPORT

The Buckingham and River Ouzel Internal Drainage Board is an independent body created under land drainage statutes responsible for flood defence works, other than on main rivers in the Bedfordshire and River Ivel drainage district. Board Members are either elected by and represent the occupiers of land in the area or are nominated by the District Councils in the area.

The Board secures income mainly from drainage levies on farmers and other occupiers and from special levies on local authorities. The Board also pays levies to the Environment Agency to fund works on main rivers that protect our area.

The Board consists of 12 elected members and 13 nominated members.

The Bedford Group of Internal Drainage Boards

The Board's activities are administered by the Bedford Group of Internal Drainage Boards; which also comprises the Bedfordshire and River Ivel IDB and the Alconbury and Ellington IDB.

This Board and the Bedfordshire and River Ivel Board share a direct labour force and engineering/admin staff, together with a plant pool and a stock account.

The Alconbury and Ellington Board joined the Group on 1st April 2004. All their maintenance works are carried out by Contractors and they pay the other two Boards an annual fee towards administration costs.

For legal, accounting and taxation purposes the Bedfordshire and River Ivel IDB is the lead board; being responsible for the employment of all staff, the maintenance of bank accounts and items such as insurance and plant.

All costs such as labour, plant, materials, contractors and consultancy fees are paid from the Group account and are then recharged back to the Boards.

The Group account maintains the Stock and Work in Progress control accounts together with Creditors, Debtors and Nominal ledger accounts

The joint administration costs are apportioned between the Bedfordshire and River Ivel and the Buckingham and River Ouzel Boards on the basis of their assessable rateable values; which for this Board is currently 40% and the Bedfordshire and River Ivel 60%. The Alconbury and Ellington Board's contribution towards administration costs is apportioned between the other two Boards by the same percentage.

At the end of each quarter The Board makes payments to the Group account to clear any balances outstanding and to make an advance payment for the following quarter.

This document is the statement of accounts of the Buckingham and River Ouzel Internal Drainage Board for the financial year ended 2009/2010 which are set out on pages 3 to 19. The accounts consist of:

The Annual Governance Statement

The Statement of Responsibilities

This statement identifies the officer who is responsible for the proper administration of the Board's financial affairs.

The Statement of Accounting Policies

This statement details the legislation and source of accounting principles on which the financial statements are prepared

The Income and Expenditure Account

This statement shows the gross expenditure, income and net expenditure on the major activities for which the Board is responsible.

The Statement of Movement on Reserves

This statement shows the changes in reserves

The Statement of Total Recognised Gains and Losses

This statement shows the Board's aggregate change in net worth.

The Balance Sheet

This statement 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; and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board

Notes to the Accounts

The notes show breakdowns, where relevant, of items of income and expenditure and provide additional information as required.

The Annual Governance Statement

We acknowledge as the members of the Buckingham and River Ouzel Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2010, that:

1. We have approved the statement of accounts which has 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 accounting statements.

This annual governance statement is approved by the board and recorded as board minute reference.....

Date.....

Signed by: Chair..... Date.....

Signed by: Clerk..... Date.....

Statement of Responsibilities for the Statement of Accounts

The Board 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. In this Board that officer is the Responsible Financial Officer.

To manage its affairs to secure economic efficient and effective use of its resources and safeguard its assets

The Responsible Financial Officer's Responsibilities:

The Responsible Financial Officer is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2010.

In preparing this statement of accounts, the Responsible Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- compiled the accounts in accordance with the Financial Reporting Standard for Smaller Entities 2007 issued by the Accounting Standards Board and had regard to the guidance published by the Association of Drainage Authorities.
- applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future.

The Responsible Financial Officer has:

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

Certificate of the Responsible Financial Officer

This statement of accounts is that upon which the auditor should enter his certificate and opinion. It provides a true and fair view of the financial position of the Board at 31 March 2010 and its income and expenditure for the year then ended.

Finance Officer..... Date.....

Certificate of the Chairman of the Board

I confirm that these accounts have been approved by the Buckingham and River Ouzel Internal Drainage Board at a meeting held on.....

Chairman..... Date.....

STATEMENT OF ACCOUNTING POLICIES

General

This statement of accounts has been prepared in accordance with the Financial Reporting Standard for Smaller Entities 2007 (FRSSE) issued by the Accounting Standards Board. In preparing the statements regard has been had to the Guidance published by the Association of Drainage Authorities.

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

- Accruals
- Relevance
- Consistency
- Reliability
- Comparability
- Understandability
- Materiality and
- Going Concern.

Debtors and Creditors

The revenue accounts of the Board and the Group are maintained on an accruals basis, whereby sums due or owing during the year are included whether or not the cash has actually been received or paid in the year. An exception to this principle relates to electricity, postage, insurance premiums and other small or similar payments which are charged at the date of the invoice rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Fixed assets

Fixed Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets with a value in excess of £5,000 and with estimated useful lives in excess of one year are capitalised on an accruals basis in the accounts.

All fixed assets are valued on the following basis:

Vehicles, plant and equipment are included at cost less depreciation. There are some older assets that have been fully depreciated and are now included at their recoverable amount. This recoverable amount is the insurance value of the asset and this is estimated on an annual basis by the Board's Works Manager, Mr R Spendlove.

Disposals are written off at cost less depreciation. Any surplus/deficit arising is charge/credited to the income and expenditure account.

The useful lives of the various assets held on the asset register are as follows:

Excavators and Plant: 7 years

Motor Vehicles: 5 years

Depreciation is charged using the straight line method.

Depreciation is charged in the year of purchase but not the year of sale.

In the original 2008/2009 Financial Statements depreciation was shown as part of a balancing figure from the changes in the Group plant fund, the group fixed assets and the Board's individual assets. These accounts have been amended to show depreciation as a separate item and the 2008/2009 comparator has also been amended. This has been done in conjunction with changes to the Plant Operations Account (see below)

Office equipment and IT hardware and software are not capitalised and the full cost is taken to the revenue account in the year of purchase.

Plant Operations Account

Historically the Bedford Group has maintained a Plant Operations Fund through which the cost of all plant purchased, serviced and repaired is charged. The individual Boards are then recharged using an hourly plant rate depending on the items used and any balance left at the yearend has been used to purchase new plant and equipment.

This has previously been dealt with through the Group Memorandum Accounts but the Financial Statements have been revised and a prior period adjustment made to change this to include the yearend surplus within the Income and Expenditure Statement.

This Boards share of the plant fund balance is currently 40% and is based on the valuation of the plant held at the inception of the fund. This has been agreed by the group as the basis in which the fund would be divided should the fund have to be liquidated.

Labour Operations Account

The Group operates a workforce charge out scheme.

Basic and overtime pay are charged directly to the contract, with an additional percentage being added to cover all labour overheads, such as holiday and sick pay.

Any surplus/deficit between income and expenditure is charged to the Board based on the cost of hours worked on contracts throughout the year, and is payable at the year end.

The overhead recovery rate is currently 100% and is reviewed annually.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost or net realisable value.

Government grants and subsidies

Government grants and contributions have been credited to the income and expenditure account on an accruals basis.

Operating Leases

Rentals payable, net of benefits received or receivable, under operating leases are charged to expenditure on a straight-line basis over the term of the lease.

Provisions

The Board can set aside provisions where there is a definite liability, but the amount and timing of settlement is not known. Details are given as notes to the accounting statements. There are no provisions at present.

Post balance sheet events

Any material post balance sheet events, which did not exist at the date of the balance sheet, have been disclosed as a separate note to the accounts.

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.

Exceptional items, extraordinary items and prior year adjustments

There are no material exceptional or extraordinary items to disclose in the accounts. There are no material prior period adjustments in the accounts.

Discontinued operations

The Board had no material operations which it acquired or which were discontinued in the year and therefore no separate disclosure is required in respect of the revenue and balance sheet accounts.

Reserves

Occupiers Rate Fund – The Boards balances allow for fluctuations in the Precepts payable to the Environment Agency, and for its own emergency works.

Capital Development Account – Contributions from developers are set aside for future works arising from development and associated increases in impermeable area which impacts on the Boards Drainage District.

Revaluations Reserve – This reserve is for the changes in values on the Board's fixed assets which have not been realised in the income and expenditure account.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31ST MARCH 2010

	Note	2008/2009 £ Re-stated	2009/2010 £
INCOME			
Agricultural Rates Issued by the Board		54,259	55,938
Special Levies Issued by the Board	1	481,975	516,574
Capital Development Income	2	0	37,017
Admin Charged on Capital Income	3	0	3,398
E. Agency Highland Water Contributions	4	127,570	110,599
Consent Application Fees		4,397	3,250
Interest Received	5	46,675	11,694
Sundry Income		716	370
Labour Operations Account Surplus	15	7,663	0
Plant Operations Account Surplus	6	10,625	14,668
Profit on Disposal of Fixed Assets		1,490	0
Total Income for the Year		735,370	753,508
EXPENDITURE			
Capital Works	7	32,116	46,162
Precept Contributions		80,712	99,198
Maintenance of Watercourses	8	272,626	238,485
Administrative and Engineering Staff Costs	9	177,305	187,924
Group Administration Costs	10	49,598	41,511
Board Expenses	11	4,036	9,609
Labour Operations Account Deficit	15	0	5,336
Fixed Asset Depreciation	14	24,811	26,402
Total Expenditure for the Year		641,204	654,626
Surplus for the Year		94,166	98,882
Prior Period Adjustment 05/06-07/08		-24,133	
Net Surplus for the Year		70,033	98,882
Capital Development Fund		10,786	9,030
Occupiers Rate Fund		59,247	89,852
Prior Period Adjustments:			
Reduction in Asset Values		-8,664	
Removal of Group Plant Fund Balance		6,228	
Cost of Asset Additions		-81,577	
Plant Fund Contributions Taken out		18,000	
Interest on Plant Fund Account		2,442	
Plant Operations surplus		39,438	
		-24,133	

BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010

	Notes	2008/2009 Re-stated	Movement	2009/2010
		£	£	£
Fixed Assets				
Group Assets	14	99,081	2,932	102,013
		99,081	2,932	102,013
Current Assets				
Ratepayers Due	12	6,765	-1,173	5,592
Group Account		0	0	0
Cash at Bank and in Hand		76,871	91,764	168,635
Short Term Investments		1,134,689	13,081	1,147,770
		1,218,325	103,672	1,321,997
Total Assets		1,317,406	106,604	1,424,010
Less Current Liabilities				
Group Account (chq in transit)		10,000	-10,000	0
Group Account		4,724	17,081	21,805
Cherwell Levy Prepayment		0	41	41
Total Liabilities		14,724	7,122	21,846
Net Assets		1,302,682	99,482	1,402,164
Fund Balances and Reserves				
Occupiers Rate Fund		900,254	89,852	990,106
Capital Development Fund	13	384,428	9,030	393,458
Asset Revaluation Reserve		18,000	600	18,600
		1,302,682	99,482	1,402,164

Statement on the Movement on Reserves

This statement brings together all movements on reserves during the year in addition to Those which have not been recognised in the Income and Expenditure Account.

	Occupiers Rate Fund £	Capital Development Fund £	Revaluations Reserve £	Total £
Balance b/f at 1 April 2009	900,254	384,428	18,000	1,302,682
Net surplus for the year	89,852	9,030		98,882
Revaluation of Plant and Equipment			600	600
Movement in Reserves	89,852	9,030	600	99,482
Bal c/f at 31st March 2010	990,106	393,458	18,600	1,402,164

Statement of Total Recognised Gains and Losses

This statement brings together all recognised gains and losses of the Board for the year And shows the aggregate increase in net worth. In addition to the surplus generated on the Income and Expenditure Account it includes gains and losses in relation to the revaluation of fixed assets.

	2008/2009 £	2009/2010 £
Surplus on the Income and Expenditure Account	70,033	98,882
Surplus/deficit on the revaluation of fixed assets	6,000	600
Total Recognised Gains and Losses for year	76,033	99,482

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

NOTE	2008/2009 £	2009/2010 £
1 Special Levies Issued by the Board		
Milton Keynes Council	261,974	285,181
Aylesbury Vale District Council	21,650	22,120
Central Bedfordshire Council	186,997	197,606
South Northants District Council	11,275	11,587
Cherwell District Council	79	80
	<u>481,975</u>	<u>516,574</u>
2 Capital Development/Maintenance Income		
Bucks Villages Strategic Flood Reviews GIA	0	19,180
Hockliffe	0	1,324
Ridgemont Balancing Ponds	0	16,514
	<u>0</u>	<u>37,017</u>
3 Admin Charged on Capital Income		
Hockliffe	0	252
Ridgemont Balancing Ponds	0	3,145
	<u>0</u>	<u>3,398</u>
4 Environment Agency Highland Water Contributions		
Maintenance Works	107,159	92,903
16% Administration Contribution	20,411	17,696
	<u>127,570</u>	<u>110,599</u>
5 Interest Received		
Broughton Brook Works	3,315	889
Broughton Brook - Milton Keynes	1,082	292
Ridgemont	1,351	359
Stoke Hammond	2,348	628
Eaton Bray & Edlesborough	129	35
Crawley Crossing	2,478	668
Hockliffe	376	101
Pitstone	418	113
Stoke Lyne	1,872	500
Loughton Brook	214	58
Cranfield	89	24
Minor Works	463	109
Milton Keynes (Hodge Lea)	99	27
Eggington Brook	152	41

	Revenue Account	32,289	7,850
		<u>46,675</u>	<u>11,694</u>
6	Plant Operations Account		
	Plant Hours Charged to Boards	98,086	88,466
	Less: Maintenance, Fuel, Insurance and New Equipment Purchases up to £5000	-71,523	-51,795
	Surplus for Year	<u>26,563</u>	<u>36,671</u>
	Bucks and Ouzel @ 40%	<u>10,625</u>	<u>14,668</u>
7	Capital Works		
	Lower Weald	21,720	0
	Strategic Flood Reviews	8,796	36,009
	Minor Works	1,600	10,153
		<u>32,116</u>	<u>46,162</u>
8	Maintenance of Watercourses		
	Dredging and Clearing	178,401	151,527
	Flailing and Weedcutting	19,048	13,946
	Fencing & Revetment	7,971	4,190
	Emergency and Miscellaneous Work	14,323	9,342
	Maintenance of Structures	1,535	112
	Compensation Payments	0	79
	External Works Contributions	11,823	6,346
	Environmental Assessment	0	1,643
	Asset/Watercourse Surveys/Modelling	11,475	25,156
	Depot Rental/Spare truck Costs	5,616	7,816
	Works Supervisor	22,434	18,328
		<u>272,626</u>	<u>238,485</u>
9	Engineering and Administration Staff Costs		
	Staff Salaries, Travel and Subsistence	147,330	156,442
	Employers National Insurance	11,731	11,461
	Employers Superannuation	18,244	20,021
		<u>177,305</u>	<u>187,924</u>
10	Group Administration Costs		
	Rent and Rates	13,394	13,921
	Insurances	7,634	7,349
	Premises Repairs and Maintenance	100	357
	Lighting and Heating	1,090	1,209
	Cleaning	1,141	1,527

Security and Fire Equipment	528	290
Telephones	2,485	2,576
Postage	1,217	1,437
Stationery and Printing	1,749	1,228
Telemetry Equipment	176	376
New Computer Equipment	1,509	1,386
Software Purchases and Licenses	11,156	6,601
Office Equipment/Maintenance and Supplies	584	1,141
Staff Training, Conferences and Seminars	2,564	1,479
Personnel, Health and Safety Consultancy	2,074	2,274
Engineers Specialist Equipment	170	126
Joint Committee Expenses	272	347
Subscriptions and Periodicals	148	150
External Audit	2,400	0
Internal Audit	271	1,040
Legal and Professional Fees	3,418	2,134
Bank Charges	158	153
Miscellaneous Expenses	590	604
Staff Advertising and Recruitment Costs	1,291	0
Environmental Strategy	183	249
Tours/Publicity/Visits	456	385
New office/Depot Accomodation Project	440	1,014
Miscellaneous Income	-2,400	-2,400
Alconbury & Ellington Administration Charges	-5,200	-5,440

	49,598	41,511
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11 Board Expenses

Rates Collection Costs and Advertising	117	126
ADA Subscriptions and Conference Fees	2,601	2,821
Election Expenses	718	0
Board Meeting Expenses	350	280
External Audit Fees	0	1,970
Biodiversity Action Plans	0	3,702
Uninsured Cost of Ex Employee Negligence Claim	0	460
Chairmans Allowance (£250.00)	250	250

	4,036	9,609
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12 Ratepayers Due

Bal B/F	5,072	6,765
Agricultural Rates and Levies Issued	538,186	573,277
Adjustments made during year	-1,952	-765
Agricultural Rates and Levies Paid	-534,541	-573,685

	6,765	5,592
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13 Capital Development Account

Broughton Brook Works

Bal B/F	86,093	88,908
Investment Interest	3,315	889
Less Expenditure	-500	-500
Bal C/F	<u>88,908</u>	<u>89,297</u>

Broughton Brook - Milton Keynes

Bal B/F	28,116	29,198
Investment Interest	1,082	292
Bal C/F	<u>29,198</u>	<u>29,490</u>

Stoke Hammond

Bal B/F	60,969	62,817
Investment Interest	2,348	628
Less Expenditure	-500	-500
Bal C/F	<u>62,817</u>	<u>62,945</u>

Eaton Bray & Edlesborough

Bal B/F	3,348	3,477
Investment Interest	129	35
Bal C/F	<u>3,477</u>	<u>3,512</u>

Hockliffe

Bal B/F	9,777	10,153
Investment Interest	376	102
Developer Contribution	0	1,324
Bal C/F	<u>10,153</u>	<u>11,579</u>

Crawley Crossing

Bal B/F	64,361	66,839
Investment Interest	2,478	668
Bal C/F	<u>66,839</u>	<u>67,507</u>

Pitstone

Bal B/F	10,850	11,268
Investment Interest	418	113
Bal C/F	<u>11,268</u>	<u>11,381</u>

Stoke Lyne

Bal B/F	48,623	49,995
Investment Interest	1,872	500
Less Expenditure	-500	-500

Bal C/F	49,995	49,995
Lower Weald		
Bal B/F	0	0
Less Expenditure	-21,720	0
Revenue Contribution	21,720	0
Bal C/F	0	0
Ridgemont Balancing		
Bal B/F	35,087	35,938
Investment Interest	1,351	359
Developer Contribution		16,514
Less Expenditure	-500	-1,000
Bal C/F	35,938	51,811
Loughton Brook		
Bal B/F	5,569	5,783
Investment Interest	214	58
Bal C/F	5,783	5,841
Cranfield		
Bal B/F	2,308	2,397
Investment Interest	89	24
Bal C/F	2,397	2,421
Milton Keynes (Hodge Lea)		
Bal B/F	2,570	2,669
Developer Contribution	0	0
Investment Interest	99	27
Bal C/F	2,669	2,696
Eggington Brook		
Bal B/F	3,958	4,110
Investment Interest	152	41
Bal C/F	4,110	4,151
Minor Works		
Bal B/F	12,013	10,876
Investment Interest	463	109
Less Expenditure	-1,600	-10,153
Bal C/F	10,876	832

Strategic Flood Reviews

Bal B/F	0	0
Less expenditure	-8,796	-36,008
Revenue Contribution	8,796	16,828
Environment Agency GIA		19,180

	<u>0</u>	<u>0</u>
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Total Capital Development Fund

384,428	393,458
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14 Fixed Assets**Group Fixed Assets (40%)**

Bal B/F	85,575	99,081
Disposals	-2,800	0
Additions	35,117	28,734
Revaluations	6,000	600

Depreciation	-24,811	-26,402
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Bal C/F	<u>99,081</u>	<u>102,013</u>
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15 Labour Operations Account

Group Labour Operations Income	371,699	319,468
Group Labour Operations Expenditure	353,415	333,889

Nett Surplus/Deficit for Year	<u>18,284</u>	<u>-14,421</u>
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2008/2009 Combined Boards Contribution - 41.91%	<u>7,663</u>	
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2009/2010 Combined Boards Contribution - 37.00%		<u>-5,336</u>
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