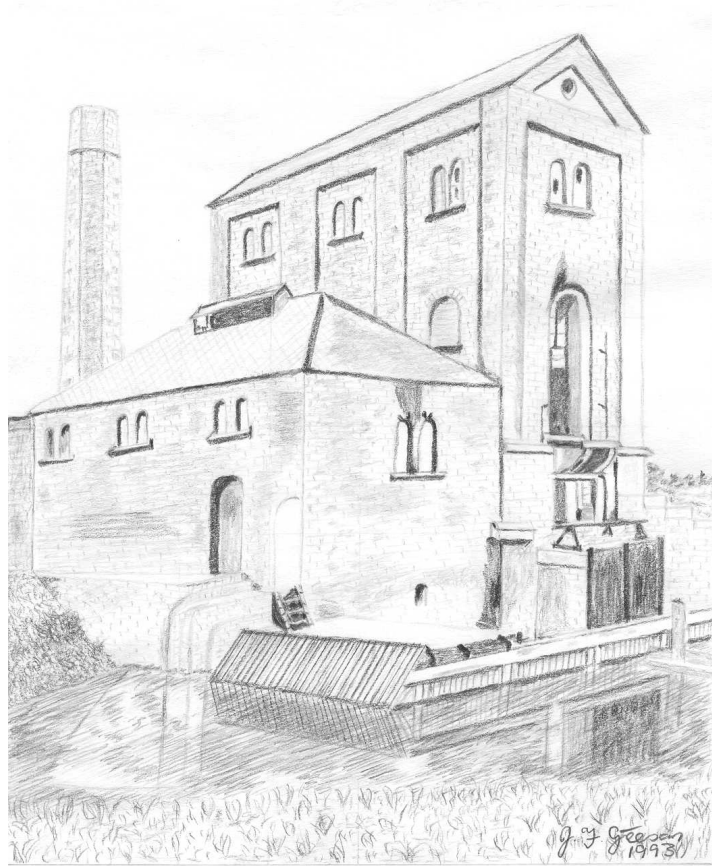


**NEWARK AREA
INTERNAL DRAINAGE BOARD
STATEMENT OF ACCOUNTS**



**FOR THE YEAR ENDING
31 MARCH 2009**

**NEWARK AREA INTERNAL DRAINAGE BOARD
OUTLINE STATEMENT OF ACCOUNTS**

CONTENTS

	Page
Annual Report	2 – 3
The Auditor’s Report	4 – 5
The Annual Governance Statement	6
Statement of Responsibilities for the Statement of Accounts	7
The Statement of Accounting Policies	8 – 9
The Income and Expenditure Account	10
The Statement on Movement of Reserves	11
The Statement of Total Recognised Gains and Losses	11
The Balance Sheet	12
Notes to the Accounts	13 - 15

NEWARK AREA INTERNAL DRAINAGE BOARD STATEMENT OF ACCOUNTS

Annual Report

The Newark Area IDB is an independent body created under land drainage statutes responsible for land drainage and flood alleviation works, other than on main rivers, in the Newark Area Internal Drainage District. Board Members are either elected by and represent the occupiers of land in the area or are appointed by Newark and Sherwood, West Lindsey, Bassetlaw and North Kesteven District Councils and Rushcliffe and Gedling Borough Councils.

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 the area.

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

This document is the statement of accounts of Newark Area IDB for the financial year ended 2008/2009 which are set out on pages 4 to 15. The accounts consist of:

- The Auditor's Report
- 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 and compares that cost with the finance provided by the local rate payer and others.

- The Statement of Movement on Reserves

This statement shows the changes in reserves during the reporting period.

- The Statement of Total Recognised Gains and Losses

This statement shows all gains and losses including those which are not included in the Income and Expenditure Account where applicable.

- 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

- Summary of Financial Performance

The Board's financial position improved in the year owing to some budgeted work not being completed. This included works on Government Grant Aid Schemes which were delayed.

The Board has ongoing capital expenditure and for 2008/2009 the total expenditure was £81,614. This included:

Pumping Station Monitoring Scheme	£52,434.85
Cuckstool P.S. Weedscreen Cleaner	£ 1,952.46
Flood Studies	<u>£27,227.06</u>
	£81,614.37

The Board has acquired the following major items of plant as part of a planned programme of vehicle and plant replacement:

Nissan Double Cab (Operations Manager)	£16,489.81
Tractor and Bucket (second hand)	<u>£13,910.00</u>
	£30,399.81

During the year the Board has continued to monitor the condition of the watercourses and assets under its control, to ensure the level of protection is maintained and improved were possible.

Independent auditor's report to the Members of the Newark Internal Drainage Board

Opinion on the financial statements

We have audited the accounting statements and related notes of the Newark Internal Drainage Board for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Movement on Reserves, the Statement of Total Recognised Gains and Losses and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of the Newark Internal Drainage Board in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Newark Internal Drainage Board and the Board's directors' as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board and auditor

The Board's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Accounts and Audit Regulations 2003, as amended, are set out in Governance and Accountability in Internal Drainage Boards in England: A Practitioner's Guide 2006, revised by the Association of Drainage Authorities in November 2007.

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

We report to you our opinion as to whether the Board's accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Accounts and Audit Regulations 2003, as amended, of the financial position of the Board and its income and expenditure for the year.

We review whether the governance statement reflects compliance with 'Governance and Accountability in Internal Drainage Boards in England: A guide for Practitioners 2006' published by the Association of Drainage Authorities. We report if it does not comply with proper practices specified by the Association of Drainage Authorities or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the governance statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

We read other information published with the Board accounting statements, and consider whether it is consistent with the audited Board accounting statements. This other information comprises the content of the Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Board accounting statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK 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 Board's accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Board in the preparation of the Board's accounting statements and related notes, and of whether the accounting policies are appropriate to the Board's 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 Board's accounting statements and related notes 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 Board accounting statements and related notes.

Qualified opinion

We cannot conclude that the Balance Sheet is free from material misstatement as a result of the following issues identified during our audit:

- the Board has included its Pumping Stations on the Balance Sheet at historic cost; we have been unable to verify the historic cost recorded in the accounts
- The Board has not provided depreciation on its operational property assets (including pumping stations)
- the Statement of Total Recognised Gains and Losses does not reconcile to the Balance sheet as a result of items posted directly to reserves as opposed to be treated as income and expenditure.

Further we are unable to conclude that the Income and Expenditure account is free from material misstatement as a result of the following issues identified during our audit:

- depreciation has not been properly charged on operationally property assets
- the Board has posted depreciation on plant and vehicle assets directly to reserves rather than to the Income and Expenditure Account

- the Board has capitalised a material amount of expenditure which we consider revenue in nature
- profit and loss on disposal of assets has not been recorded in the income and expenditure account
- the Board has not accounted for Pensions costs in accordance with accounting standards

Except for the failure to account for the items referred to above in accordance with relevant legal and regulatory requirements and the Accounts and Audit Regulations 2003, in our opinion the financial statements give a true and fair view of the state of the Board's affairs as at 31 March 2009 and of its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Board's Responsibilities

The Board is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Board for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. We report if significant matters have come to our attention which prevent us from concluding that the Board has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the Board's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

We have undertaken our audit in accordance with the Code of Audit Practice and identified the following:

- the Board's accounts opinion has been qualified as a result of non-compliance with requirements
- There is limited evidence of reporting financial and non-financial performance throughout the year
- the Board approved a Risk Management Strategy only in February 2009 and has not operated a risk register throughout the year.

Having regard to the relevant criteria for other local government bodies specified by the Audit Commission and published in 2009, we are satisfied that, in all significant respects Newark Internal Drainage Board made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009 except that it did not put in place arrangements for:

- planning its finances effectively to deliver its strategic priorities and secure sound financial health
- ensuring that its financial reporting is timely, reliable and meets the needs of internal users, stakeholders and local people
- managing its risks and maintaining a sound system of internal control.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Paul Winrow, Senior Statutory Auditor
For and on Behalf of Grant Thornton UK LLP
Byron House, Cambridge Business Park, Cowley Road, Cambridge, CB4 0WZ

20 May 2010

**NEWARK AREA INTERNAL DRAINAGE BOARD
STATEMENT OF ACCOUNTS**

THE ANNUAL GOVERNANCE STATEMENT

We acknowledge as the members of the Newark Area 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 2009, 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 statement of accounts

This annual governance statement is approved by the board and recorded in the board minutes for 21st May 2009

Signed on behalf of Newark Area Internal Drainage Board

28/052010

Signed by Chairman: R.N.J.S. Price

Signed by Clerk and Engineer to the Board: S.J. Broadhead

**NEWARK AREA INTERNAL DRAINAGE BOARD
STATEMENT OF ACCOUNTS**

**THE STATEMENT OF RESPONSIBILITIES
FOR THE STATEMENT OF ACCOUNTS**

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 Engineer to the Board.
- b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Clerk and Engineer to the Board's Responsibilities

The Clerk and Engineer to the Board 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 2009.

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

- a) selected suitable accounting policies and then applied them consistently;
- b) made judgement(s) and estimates that were reasonable and prudent;
- c) 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 on Accounting for Larger IDBs.
- d) applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future.

The Clerk and Engineer 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 Engineer to the Board

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 2009 and its income and expenditure for the year then ended.

Signed:

Name: S J Broadhead
Designation: Clerk and Engineer to the Board
Date: 28/05/10

Certificate of the Chairman of the Board

I confirm that these accounts have been approved by the Newark Area Internal Drainage Board at a meeting held on 21.05.09

Signed:

Name: R N J S Price
Designation: Chairman of the Board
Date: 28/05/10

**NEWARK AREA INTERNAL DRAINAGE BOARD
STATEMENT OF ACCOUNTS
STATEMENT OF ACCOUNTING POLICIES**

General

1. 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.

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

- Accruals
- Relevance
- Consistency
- Reliability
- Comparability
- Understand-ability
- Materiality and
- Going Concern.

Fixed assets

3. 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.

4. All fixed Assets are valued on the following basis

Land and buildings are included in the balance sheet at historic value

Vehicles, plant and equipment are included at cost less depreciation

5. Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to the Income and Expenditure Account.

6. Depreciation has been provided for, using the straight line method on Plant and Equipment with a purchase cost in excess of £5,000.

Stocks and work in progress

7. Stock is valued at purchase price

Government grants and subsidies

8. Grants are credited to the revenue account and accruals made as appropriate.

Operating Leases

9. The Board has no operating or finance leases.

Provisions

10. Reserve for Replacement of Plant – The Board’s policy is to charge its operational accounts for the use of plant. This charge includes an element for depreciation and ensures that sufficient funds are available to replace plant when required.

Pensions

11. The Board pays an employer's contribution as outlined below on employees pensionable pay into the Nottinghamshire County Council Superannuation Fund: -

1.4.08 – 31.3.09 17.4%

The contribution rate is set by the fund's Actuary.

The Pension Liability of the Board is included in the Balance Sheet for the first time this year and in support of the Actuary's figures the FRS17 report is attached to this Statement of Accounts.

The Annual Report of the NCC Superannuation Fund is available from: -

Pensions Section, Nottinghamshire County Council, County Hall, West Bridgford, Nottingham. NG2 7QP

Internal Interest

12. Interest is allocated to the General Revenue Account.

Post balance sheet events

13. 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. There were no such events.

Taxation

14. Drainage Boards are exempt from Income, Corporation and Capital Gains Taxes. Only recoverable Value Added Tax is included in the accounts.

Exceptional items, extraordinary items and prior year adjustments

15. 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

16. 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

**Newark Area Internal Drainage Board
Statement of Accounts
Year Ending
31st March**

Income and Expenditure Account

		31st March 2009	31st March 2008
	Note	£	£
Income			
Rate		266,351	251,785
Special Levies	1	620,026	598,861
Property Income		12,193	11,956
Rechargeable Works		128,552	50,085
Foreign Water Grant		74,614	157,169
Investment Income		18,476	27,849
Other General	2	58,670	31,466
TOTAL INCOME		1,178,883	1,129,170
Expenditure			
Flood Defence Levy		139,882	133,952
Pumping Stations		73,624	81,514
Depots		13,361	14,587
Joint Admin and Finance		269,233	227,404
Labour Force Wages	4	236,338	215,444
Pensions (Employers)	3	66,254	56,105
General Admin and Expenditure	5	22,239	24,559
Miscellaneous Expenditure		130,868	121,632
Property		12,751	17,950
Plant & Machinery Operating Costs		104,272	99,764
TOTAL EXPENDITURE		1,068,822	992,911
		110,061	136,259
Purchase of Capital Assets		124,887	40,611
Surplus/(Deficit)	-	14,826	95,648
Signed:			
Name: S.J. Broadhead			
Designation: Clerk and Engineer			
Date: 28/05/10			

Newark Area Internal Drainage Board Statement on the Movement of 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 page 10. The Statement separates the movements between revenue and capital reserves. The movement on the pensions reserve is shown on the balance sheet.

	Plant Renewals Fund	General Revenue Account	Pensions Reserve	Total
	£	£	£	£
B/Fwd 1.4.08	43,085	407,580	1,460,000	1,910,665
Net Surplus/Deficit for the year	36,915	- 14,825	- 161,000	- 138,910
	80,000	392,755	1,299,000	1,771,755

Statement of 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/deficit generated on the Income and Expenditure it includes re-measurement of the net liability to cover the cost of retirement benefits.

	2009	2008
	£	£
Surplus/Deficit on the I & E Account for the Year	- 14,826	95,648
Actuarial gains and losses on Pension Fund Assets and Liabilities	223,000	- 18,000
Total Recognised Gains and Losses for the Year	208,174	77,648

**Newark Area Internal Drainage Board
Statement of Accounts
Year Ending 31st March**

Balance Sheet

		31st March 2009		31st March 2008	
	Note	£		£	£
Fixed Assets	8		1,196,478		1,521,400
Current Assets					
Stock		13,918		13,617	
Debtors	9	44,724		16,678	
Bank and Cash	10	455,056		512,549	
		513,698		542,844	
Current Liabilities					
Creditors	11	40,943		55,264	
Net Current Assets			472,755		487,580
			1,669,232		2,008,980
Creditors Due after 1 yr.					
Loans			-		-
Pension Liability			1,299,000		1,460,000
			2,968,232		3,468,980
Represented by					
Capital Discharged	12		1,196,478		1,521,400
Reserve for Replacement of Plant			80,000		80,000
Pensions Reserve			1,299,000		1,460,000
Revenue Fund Balance			392,755		407,580
			2,968,232		3,468,980

Signed:

Name: S.J. Broadhead

Designation: Clerk and Engineer

Date: 28/05/10

**Newark Area Internal Drainage Board
Statement of Accounts
Year Ending 31st March**

Notes to the Accounts

	31st March 2009	31st March 2008
	£	£
Note 1 Special Levies		
Newark & Sherwood D C	441,582	426,389
Rushcliffe B C	97,530	94,081
Melton B C	14,757	14,313
West Lindsey d C	26,041	25,212
Bassetlaw D C	1,426	1,377
North Kesteven D C	23,251	22,517
Gedling B C	15,439	14,972
Total	620,026	598,861
Note 2 Grant Received		
Pumping Station Monitoring Scheme	31,500	
Cuckstool WS	3,778	
Flood Studies	13,118	
Total	48,395	NIL
Note 3 Pension Fund Contributions (see item 11 on Statement of Accounting Policies)		
Employers Contribution	66,254	56,105
Note 4 Remuneration of Employees		
Remuneration £50,000 - £59,000	1	1
Note 5 Audit Fees and Expenses		
Fees Paid to External Auditors	4,950	4,730
Note 6 There were no No Related Party Transactions		
Note 7 There were no Post Balance Sheet Events		

**Newark Area Internal Drainage Board
Note 8 Tangible Fixed Assets**

Item*	B/fwd	Additions	Disposals	Depreciation	Balance
	01.04.08				31.03.09
Pumping Stations	766,170	4,539			770,709
Capital Assets (Schemes etc.)	2,584	81,614			84,199
Property	41,987				41,987
Plant and Vehicles	629,723	36,915	2,550	364,504	299,583
Miscellaneous - Tools etc	54,809	1,767	56,576		-
Office Equipment	26,128	52	26,179		-
	1,521,400	124,887	85,305	364,504	1,196,478
Plant and equipment is valued at cost less depreciation.					
Land and Property is valued at historic cost.					
*Detailed information on the Capital Accounts					

Newark Area Internal Drainage Board
Statement of Accounts
Year Ending 31st March

Notes to the Accounts

	31st March 2009	31st March 2008
	£	£
Note 8 Fixed Assets		
(see attached sheet)		
Pumping Stations/Capital Assets	854,908	768,754
Property	41,987	41,987
Plant and Vehicles	299,583	629,723
Office Equipment	-	26,128
Miscellaneous	-	54,809
Total	1,196,478	1,521,400
Note 9 Debtors		
Postage Account	89	82
DEFRA Account		
Collectors		
Summons Costs	305	105
Sundry Debtors	37,295	3,178
Ratepayers	2,044	2,166
R/Works		
Advances to Officers and Servants	442	1,590
VAT	4,549	9,557
Total	44,724	16,678
Note 10 Cash at Bank and in hand		
Bank	454,953	512,561
Petty Cash	18	61
Floats	85	85
Total	455,056	512,708
Note 11 Creditors		
Sundry Creditors	24,030	39,820
Wages and Salaries	16,420	15,104
Salaries and Travelling		
Rates	493	340
Total	40,943	55,264
Note 12 Capital Discharged		
Loans redeemed	- 323,416	323,416
Grants	- 548,444	500,049
Revenue	- 73,143	446,461
Capital Receipts Applied	- 127,526	127,526
Reserves Applied	- 123,948	123,948
Total	- 1,196,478	1,521,400