

STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2016

Kettlewell House Austin Fields Industrial Estate Kings Lynn Norfolk PE30 1PH



STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2016

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NOTE ACCOUNTING POLICIES

1 FINANCIAL REPORTING STANDARDS, REGULATION AND GUIDANCE

- (i) The Board has not elected to prepare a full Statement of Accounts required by larger public bodies (Category 1 Authorities), as provided for in the Local Audit and Accountability Act 2014.
- (ii) The Board has completed this Statement of Accounts in accordance with the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board (other than in respect of the note required for the defined benefit pension scheme) and has prepared an Annual Return which all Category 2 Authorities are required to do, in accordance with Regulation 11 of the Accounts and Audit Regulations 2015 based on these Accounts. The Board is a Category 2 Authority.
- (iii) The Annual Return has been prepared in accordance with proper practices that are set out in Sections 1 to 4 of the Guidance published by the Association of Drainage Authorities on 30 March 2016. This Statement of Accounts therefore includes the Accounting Statement reported in Section 2 of the Annual Return, which has been reconciled to the Income and Expenditure Account and Balance Sheet stated herein.

2 ACCOUNTING CONCEPTS

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

Going Concern Prudence Accruals

3 FIXED ASSETS

- (i) Fixed Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets. Most assets with estimated useful economic lives in excess of one year and a value of £5,000 or above are capitalised on an accruals basis in the Accounts.
- (ii) All fixed Assets are valued on the following basis:

Land and buildings are included in the balance sheet at lower of net current replacement cost and net realisable value, net of accumulated depreciation. Net current replacement cost is assessed as:

Non-specialised operational properties - existing use value

Specialised operational properties - depreciated replacement cost

Vehicles, plant and equipment are included at cost less depreciation

For the purposes of Box 9 in Section 2 of the audited Annual Return, Fixed Assets are recorded at Net Book Value.

- (iii) Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to Exceptional Items in the Income and Expenditure Account.
- (iv) Depreciation has been provided for using the straight line method.
- (v) The useful lives of the various assets held on the Fixed Asset Register are as follows:



NOTE ACCOUNTING POLICIES

Motor Vehicles and Equipment: 3 years Excavators and Tractors: 5 years Specialist Plant and Equipment: <= 10 years Fixed Pumping Plant: 20 years Land: not depreciated Pumping Stations: 10 years Buildings: 50 years

4 STOCKS AND WORK IN PROGRESS

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

5 GOVERNMENT GRANTS AND SUBSIDIES

Government grants and contributions have been credited to the Income and Expenditure Account on an accruals basis.

6 PENSIONS

- (i) The Board participates in the Local Government Pension Scheme, a defined benefit scheme operated by Norfolk County Council. The Board has paid a contribution of 20.5% on employees pensionable pay into the pension fund for 2015/16.
- (ii) The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Income and Expenditure Account in order to spread the cost over the service lives of employees in the scheme. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.
- (iii) The Board's pension liability has been calculated by the fund actuary as set out in the accompanying report entitled: 'Actuarial Valuation as at 31 March 2016 for FRS17 Purposes'.

7 TAXATION

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

8 EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

- (i) There are no material exceptional or extraordinary items to disclose in the Accounts.
- (ii) Profits or losses on the disposal of fixed assets are shown separately on the face of the Income and Expenditure Account prior to the Operating Net Surplus/(Deficit).

9 INCOME RECOGNITION

Income is recognised at the time of invoicing. In the case of Drainage Rates this is on the 1st April annually.

10 FINANCE LEASES

There are no longer any Finance Leases held on any items of plant/equipment.



NOTE ACCOUNTING POLICIES

11 RESERVES

The Board holds Reserves as itemised below. The adequacy of these Reserves is reviewed by the Board annually. The purpose of these Reserves can be noted in the Board's Capital Financing and Reserves Policy:

http://www.wlma.org.uk/uploads/BIDB_Capital_Financing_and_Reserves_Policy.pdf

This policy is reviewed by the Board triennially.

- (i) General Reserve
- (ii) Development Reserve
- (iii) Plant Reserve
- (iv) Capital Works Reserve
- (v) Revaluation Reserve
- (vi) Pension Reserve

Broads Drainage Board

From: 01 April 2015

To:	31 March 2016	Year Ended:	31 March 2016				
Notes	Income and Expenditure Account	Y-T-E Budge £		Y-T-D Variance £	Annual Budget £	Pojected Out-Turn £	Projected Variance £
	Income:						
	Occupiers Drainage Rates	263,282	2 263,282	0	263,282	263,282	0
1	Special Levies issued by the Board	606,421	606,421	0	606,421	606,421	0
	Grants Applied	1,775,000	93,525	-1,681,475	1,775,000	93,525	-1,681,475
	Rental Income	1,000	936	-64	1,000	936	-64
2	Highland Water Contributions	147,000	186,039	39,039	147,000	186,039	39,039
3	Income from Rechargeable Works	71,230	136,660	65,430	71,230	136,660	65,430
	Develepment Contributions	(0 0	0	0	0	0
	Investment Interest	4,000	4,908	908	4,000	4,908	908
4	Other Income	69,040	0 130,182	61,142	69,040	130,182	61,142
5	Net Surplus on Operating Accounts	(0 0	0	0	0	0
	Total Income	£2,936,973	3 £1,421,953	-£1,515,020	£2,936,973	£1,421,953	-£1,515,020
	Less Expenditure:						
6	Capital Works	1,922,000	0 142,099	1,779,901	1,922,000	142,099	1,779,901
7	Environment Agency Precept	143,984	4 143,985	-1	143,984	143,985	-1
8	Maintenance Works	819,061	655,761	163,300	819,061	655,761	163,300
	Development Expenditure	(7,368	-7,368	0	7,368	-7,368
	Interest Payments	2,500	0 1,447	1,053	2,500	1,447	1,053
9	Administration Charges	131,575	5 124,619	6,956	131,575	124,619	6,956
3	Cost of Rechargeable Works	70,000	126,919	-56,919	70,000	126,919	-56,919
5	Net Deficit on Operating Accounts	(0 10,152	-10,152	0	10,152	-10,152
	Total Expenditure	£3,089,120) £1,212,350	£1,876,770	£3,089,120	£1,212,350	£1,876,770
	Profit/(Loss) on disposal of Fixed Assets	(0 0	0	0	0	0
10	Net Surplus/(Deficit)	-£152,147	7 £209,603	£361,750	-£152,147	£209,603	£361,750

Period To:

12



From: 01 April 2015

31 March 2016

To:

10:		rear Endeu:	ST Warch 2010		
Notes	Balance Sheet as at 31-3-2016		Opening Balance £	Movement This Year £	Closing Balance £
11	Fixed Assets:				
	Land & Buildings		44,247	149,180	193,427
	Plant & Equipment		130,133	37,048	167,181
	Pumping Stations		180,475	-36,095	144,380
	·		354,855	150,133	504,988
	Current Assets:				
12	Bank Current Accounts		-41,658	278,737	237,079
	Stock		914	-14	900
13	Debtors Control Account		76,815	-71,815	5,000
14	Work in Progress		0	45,313	45,313
15	Short Term Investments		1,300,000	-200,000	1,100,000
16	Special Levies Due		0	0	0
17	Ratepayers Due		5,777	-4,601	1,176
18	Prepayments		, 1	-1	0
	Prepayments (WMA)		56,938	-34,390	22,548
	Accrued Interest		2,186	-2,186	0
	VAT Due		52,342	-19,161	33,181
			1,453,315	-8,118	1,445,197
	Less Current Liabilities:				
	Creditors Control Account		42,167	41,016	83,183
19	Grants Unapplied		194,195	-63,295	130,900
	Accruals		8,631	-5,362	3,269
	Payroll Control		0	0	0
	Sundry Debtors paid in advance		0	10,000	10,000
20	Loans Due Less Than 1 Year		7,350	0	7,350
			252,343	-17,641	234,702
	Net Current Assets		1,200,972	9,523	1,210,495
	Less Long Term Liabilities:				
28	Net Pension Liability/(Asset)		123,000	-69,000	54,000
20	Loans Due More Than 1 Year		13,852	-13,852	0
			136,852	-82,852	54,000
	Net Assets		£1,418,975	£242,508	£1,661,483
21	Reserves:				
	Earmarked				
22	General Reserve		860,754	142,871	1,003,625
23	Development Reserve		108,119	-7,368	100,751
20	Plant Reserve		305,827	0	305,827
24	Capital Works Reserve		34,500	74,100	108,600
2.	ouplui Wonte Receive		1,309,200	209,603	1,518,803
	Non-Distributable		.,,	,	.,,
25	Revaluation Reserve		232,775	-36,095	196,680
26	Pension Reserve		-123,000	69,000	-54,000
_0			109,775	32,905	142,680
	Total Reserves		£1,418,975	£242,508	£1,661,483
			~1,410,313	~~~2,000	~1,001,+03

Period To:

Year Ended:

12

31 March 2016

P J CAMAMILE CHIEF EXECUTIVE



From: 01 April 2015

To: 31 March 2016

Period To: 12 Year Ended: 31 March 2016

Note Notes to the Accounts

1 Special Levies collected from constituent Billing Authorities were as follows:

	Y-T-D Budget	Y-T-D Actual
Broadland District Council	155,165	155,165
Great Yarmouth Borough Council	175,481	175,481
North Norfolk District Council	273,356	273,356
South Norfolk District Council	2,419	2,419
	606,421	606,421

2 The Highland Water Claim for 2015/16 is now due to be paid by the Environment Agency (EA) to the Board in September, following the recent changes made to the timetable (previously the payment was made in two installments - one in May and one in December).

3 A profit of £9,741.00 has been made on Rechargeable Works.

4 Other Income for this year is made up as follows:

	Y-T-D Budget	Y-T-D Actual
WMA Income	66,040	129,731
Sundry Income/Wayleaves	2,334	76
Summons Costs	666	375
	69,040	130,182

5 The Net Operating Surplus/(Defict) for this year to date is made up as follows:

	Y-T-D Budget	Y-T-D Actual
Labour Operations Account	0	-7,852
Mobile Plant Operations Account	0	-2,300
	0	-10,152

Detailed operating surpluses/(deficits) for the Labour Operations Account and each item of Mobile Plant are shown in the Labour and Plant Operations Reports, which can be made available to members on request. Staff Costs included in the Labour Operations Account amounted to £173,066.

- 6 The gross cost and net cost of each capital scheme is detailed on the schedule of capital works and approved by the Board annually, which is managed by the Project Engineer and can be made available to Members on request.
- 7 The EA Precept due for 2015/16 is payable to the EA on 31 May and the other half is payable to them on 30 November.
- 8 The detailed maintenance operations in each sub catchment is approved by the Board annually and shown on the schedule of maintenance works, as managed by the Operations Manager, which can be made available to Members on request. Expenditure is analysed as follows:

	Y-T-D Budget	Y-T-D
Labour Charges	150,110	144,347
Pump Attendance	17,437	18,643
Plant Charges	67,783	62,667
Insurance	9,750	8,917
Out-sourced repairs and maintenance	146,637	72,179
Materials	0	7,286
Electricity	158,600	123,266
Telemetry	57,400	13,829
Plant Hire	0	192
Depreciation	0	0
Direct Works	607,717	451,326
Technical Support Staff Costs	197,500	197,354
Other Technical Support Costs	1,510	2,581
Biodiversity Action Plan Costs	12,334	4,500
Maintenance Works	819,061	655,761

9 Administration charges reflect the Board's share of consortium expenditure (excluding the technical support costs, which are included in the maintenance works expenditure). Detailed expenditure is monitored by the Consortium Management Committee and the Board every three months:

	_	Y-T-D Budget	Y-T-D Actual
Administration Staff Costs	_	89,525	85,349
Other Administration Costs		39,854	36,517
Drainage Rates AV Increases/(Decreases)	7	0	0



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2016
Note	Notes to the Accounts		
	Kettlewell House Depn Sundry Expenses	1,029 167	1,029 1,000
	Sundry Debtors written off	1,000	724
		131,575	124,619

10 At the time of preparing the Estimates, the Board planned to finance the estimated net deficit this year as follows:

	Budget
Development Reserve	0
Plant Reserve	-16,000
General Reserve	-136,147
	-152,147

11 The movement in Fixed Assets is detailed in the Fixed Assets Register for 2015/16, which can be made available to members on request. Summarised movements are as follows:

	Land and Buildings	Plant and Equipment	Pumping Stations	Total
Cost	-			
Opening Balance as at 1 April 2015	51,450	201,083	412,722	665,255
(+) Additions	156,740	82,529	0	239,269
(-) Disposals	0	-48,500	0	-48,500
Closing Balance as at 31 March 2016	208,190	235,112	412,722	856,024
Depreciation				
Opening Balance as at 1 April 2015	7,203	70,950	232,247	310,400
(+) Depreciation Charge for year	7,560	36,481	36,095	80,136
(-) Accumulated depreciation written out on disposal	0	-39,500	0	-39,500
Closing Balance as at 31 March 2016	14,763	67,931	268,342	351,036
Net Book Value as at 31 March 2015	44,247	130,133	180,475	354,855
Net Book Value as at 31 March 2016	193,427	167,181	144,380	504,988

The Bank Current Account balance will be kept to a minimum following the decision to invest additional working balances on the 12 short term money market. The Bank Account is reconciled as follows:

	2014/15	2015/16
Opening Balance as at 1 April b/fwd	301,083	-41,658
(+) Receipts	1,770,261	1,860,214
(-) Payments	-2,113,003	-1,581,477
(=) Closing Balance 31 March c/fwd	-41,658	237,079
Balance on Statement as at 31 March	195,024	245,596
Less: Unpresented Payments	-236,682	-8,517
Add: Unpresented Receipts	0	0
Closing Balance 31 March c/fwd	-41,658	237,079

Aged Debtor profile is currently as follows: 13

		Number of
Debt period	Amount	Debtors
<=30 days	5,000	1
>30 days and <=60 days	0	0
>60 days and <=90 days	0	0
>90 days	0	0
	5,000	1
>90 days	Amount	Inv.Date
N/A	N/A	N/A
	0	

Work In Progress (WIP) is currently made up of the following jobs:. 14

		Eotimatoa	
		Completion	Originator
RMA002	3,100.00	On going	CEO
EA0003	28,730.00	On going	Catchment Engineer
NO0001	5,090.00	On going	Operations Manager
EA0001 8	25.00	On going	Operations Manager

Originator N/A

Estimated



From: 01 April 2015 To: 31 March 2016

Period To: 12 Year Ended: 31 March 2016

Note Notes to the Accounts

	RBR002	8,368.00 45,313.00	On going	Opera	ations Manager
15	Term Deposits are currently as follows:				
			Investment	Maturity	
	Financial Institution	Capital	Date	Date	Interest Rate
	Natwest	500,000	26/10/2015	26/10/2016	0.75%
	Manchester Building Society	200,000	29/02/2016	15/04/2016	0.40%
	National Counties	200,000	15/03/2016	29/04/2016	0.40%
	Nottingham B/S	200,000	31/03/2016	13/05/2016	0.40%
		1,100,000			

16 Special Levies are due to be paid by Constituent Councils in two halves on 1 May and 1 November every year.

17 Drainage Rates are paid by occupiers of agricultural land and/or buildings. There are currently 13 Ratepayers that have not paid their Drainage Rates for 2015/16, as compared to 19 Ratepayers this time last year. Summarised transactions for Drainage Rates and Special Levies during the year are as follows:

	2014/15	2015/16
Arrears b/fwd	5,336	5,777
Drainage Ratepayers	259,926	263,260
Special Levies for the year	598,367	606,370
Payments Received	-857,858	-873,968
Annual Value Decrease	-5,899	-3,207
Annual Value Increase	5,391	3,126
New Assessments	509	81
Irrecoverables and write offs	-576	-777
Summons Collection Costs	454	450
Special Leyv Adjustment	-1	51
Sundry adjustments	129	13
Arrears c/fwd	5,777	1,176

18 There are no current prepayments.

19 Grants Unapplied are those grants that we have received in advance of doing work on the following schemes:

	2014/15	2015/16
SCH02: Hickling Broad - Stubb Road (100%)	77	77
SCH04: Upton WLMP (100%)	586	1
SCH05: Calthorpe Broad (100%)	403	403
SCH10: Halvergate Marshes WLMA (100%)	16,596	177
SCH11: Suton Ochre Improvement (100%)	114	10
SCH19: Damgate Marshes (100%)	69	69
SCH23: Shallam Dyke	2,729	2,729
SCH50: Parrots Feather: Norfolk County Council (100%)	2,448	2,448
SCH57: South Walsham GWP (100%)	40	40
SCH04: Eel monitoring at Halvergate and Somerton	10,000	0
SCH31: Brograve Study (100%)	74,713	63,425
SCH45: Hickling (100%)	26,505	26,505
SCH06: Stubb Mill Pump Replacement (45%)	4,186	4,186
SCH12: Muckfleet Survey & Options Appraisal	32,549	409
SCH13: Five Mile Pump Replacement (45%)	787	787
SCH14: Hermitage Pump/Structure Replacement (45%)	800	800
SCH15: Thurne Pumping Station (45%)	717	394
SCH27: Ludham Bridge	2,988	2,350
SCH60: Tunstall Pumping Station Emergency Works (45%)	2,684	2,684
SCH07: Potter Heigham Automatic Weedscreen	4,632	4,632
SCH09: River Yare Pumping Station Improvement	6,977	2,477
SCH32: Eastfield Pumping Station Auto Weedscreen	2,066	2,066
SCH33: Tonnage Bridge Pumping Station Auto Weedscreen	1,529	0
SCH08: St Benet's Pumping Station	0	14,230
_	194,195	130,900

20 Outstanding Public Works Loan is currently as follows:

<= 1 year

Loan Number 478101: Upton Dole Pumping Station (8.125%)



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2016	
Note	Notes to the Accounts			
	Loan Number 478101: Upton Dole Pumping Station (8.125%)	(<u>)</u>)	Last payment due: 2016/17

21 The Reserves are managed in accordance with the Capital Financing and Reserves Policy, as approved by the Board on 20 January 2015. This policy is available for viewing on the Board's website.

22 Movements on the General Reserve are made up as follows:

	2014/15	2015/16
Opening Balance, as at 1 April b/fwd	614,778	860,754
Net Surplus/(Deficit) for the year	52,041	209,603
Net transfer (to)/from Development Reserve	180	7,368
Net transfer (to)/from Capital Works Reserve	193,756	-74,100
Closing Balance, as at 31 March c/fwd	860,754	1,003,625

23 The purpose of the Development Reserve is to reduce the impact on drainage rates from development that takes place in the area. The Board charges developers a standard rate per impermeable hectare for agricultural land which is developed and becomes a hard standing area, such as housing, roadways etc. The money is credited to this Reserve (earmarked to the sub catchment) and then used to reduce the gross cost of capital work needed to cater for the additional flows arising from such development. The income for this Reserve therefore comes exclusively from developers and is used to help fund improvement works that are necessary because of development. The Development Reserve is curently made up as follows:

		Tfr from	Tfr to	
	2014/15	Gen. Reserve	Gen. Reserve	2015/16
Muckfleet and South Flegg (Former Sub District)	103,661	0	-7,368	96,293
Middle Bure (Former Sub District)	4,458	0	0	4,458
	108,119	0	-7,368	100,751

24 The Capital Works Reserve largely represents the committed cost of capital schemes that the Board has approved where suppliers have not actually invoiced for work, either due to slippage in the programme or other issues with the contract. The advantage to the Board of committing scheme costs at the time contracts are awarded is that grant aid can be claimed in advance of incurring the expenditure, and, the year end balance of the General Reserve does not fluctuate significantly. The Capital Works Reserve is currently made up as follows:

		Tfr from	Tfr to	
	2014/15	Gen. Reserve	Gen. Reserve	2015/16
SCH27: Ludham Bridge Pumping Station Refurbishment	6,500	0	-1,400	5,100
SCH60: Tunstall Pump Replacement (Emergency Works)	6,000	0	0	6,000
SCH32: Eastfield Weedscreen	6,500	0	0	6,500
SCH33: Tonnage Bridge Weedscreen	3,500	0	-3,500	0
Stracey Arms Culvert	5,000	0	-5,000	0
Buckenham Pumping Station Refurbishment	7,000	0	-7,000	0
Weedscreen Cleaner Panel - Stokesby & Mautby	0	13,000	0	13,000
Pumping Station Flap (up to 3)	0	12,000	0	12,000
Pumping Station Seals (up to 6)	0	36,000	0	36,000
Stokesby Main Drain Reprofilling	0	20,000	0	20,000
Wayford Mill Drain Bund	0	6,000	0	6,000
Ludham Bridge Boatyard - Making good old Pumping Station	0	4,000	0	4,000
	34,500	91,000	-16,900	108,600

2015/16 232.775

25 Movements on the Revaluation Reserve are made up as follows:

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From:	01 April 2015
To:	31 March 2016

Period To:12Year Ended:31 March 2016

Note Notes to the Accounts

Less:	
Pumping Station Depreciation	-36,095
Closing Balance, as at 31 March c/fwd	196,680

- 26(i) The Board provides its employees with access to the Local Government Pension Scheme but does not need to Account for this as a defined benefit pension scheme to comply with the limited assurance audit regime. However the Board has chosen to do so because it does have a pension liability, which has been calculated by the LGPS Fund Actuary as at 31 March 2016.
- 26(ii) The Board is a member of the Water Management Alliance Consortium and as such also has a proportion of the pension liability for the shared staff that are employed by King's Lynn IDB, t/a the Water Management Alliance. The Fund Actuary for Norfolk County Council has prepared a separate Report for the Water Management Alliance, which identifies a notional net pension liability of £1,079,000 as at 31 March 2016 that is shared by all 5 Member Boards. The Board's share of this pension liability is set out every year in the WMAs Basis of Apportionment, which was approved by the Board on 1 February 2016.

27 Related Party Disclosures

- (i) The Board is a full member of Anglia Farmers Ltd, an agricultural purchasing cooperative. Several members of the Board are also shareholders of this organisation. The Board made payments of £273,708.83 to this company upto 31/03/16.
- (ii) The following Board members have performed pump attendant and maintenance duties at the Board's pumping stations during the year, for which they have received an allowance. Mr Harris received £8,042.88 from the Board for pump attendant duties and £1,973.52 for general maintenace, Mr Wharton received £1,163.26 from the Board for pump attendant duties and Mr Wright received £936.00 from the Board for pump attendant duties.
- (iii) All elected members of the Board pay drainage rates either as individuals, Partners in Partnerships, or as Directors of limited companies; the exact nature of which can be found in the Rate Book as at 1 April 2015.
- (iv) The Board is a member of the Water Mangement Alliance Consortium, who provide administrative services to the Board. The Board has 3 representatives who serve on the Consortium Management Committee, that include the Chairman and the 2 Vice Chairmen of the Board. The Chairman received £3,500.00 Chairman's Allowance and £0.00 travelling expenses.
- (v) The Board rents land at Mustard Hyrn Farm, Cess Road, Martham from B G Goose & Partners, to whom it paid £905.00 rent costs for 2015/16. The Board has also paid B G Goose & Partners a sum of £15,859.00 for undertaking tractor & flail work upto 31/03/16. The Board's Operations Manager is a partner of this business.
- (vi) The Board has paid Ben Goose £24,555.60 upto 31/03/16 for undertaking excavation and basket cutting work. The Board's Operations Manager is related to Ben Goose.
- (vii) The Board has paid £1,277.57 to Chapman Farms Ltd during 2015/16 for renting space to house telemetry equipment at Thunderhill and for renting the land to house Somerton Auxilliary Pumping Station Kiosk. The Board member Mr J Chapman is a Director in this company.
- (viii) The Board has accrued £473 for renting land at Horsey Pumping Station. The Board member, Mr Buxton of Horsey Estates, owns this land.
- (ix) The Board uses Rating Software for the collection of Drainage Rates known as DRS. This software is owned by South Holland IDB and was developed by Mr P J Camamile, the Chief Executive. The software is supported at no cost to the Board by Byzantine Ltd. Mr P J Camamile is the Company Secretary of Byzantine Ltd and his wife Mrs P Camamile is a Director. Both are shareholders.

Recommended Actions:

1. To approve the Financial Report for the period ending 31 March 2016.

P J CAMAMILE CHIEF EXECUTIVE M FUTTER FINANCE OFFICER



From: 01 April 2015 To: 31 March 2016	Period To: Year Ended		12 31 March 20	16										
Our ID Capital Works	EA Ref.	GiA Level %	Actual 2007/08 £	Actual 2014/15	Actual 2015/16	Annual Estimate 2015/16 £	Variance (2015/16) £	Cumulative Cost C/Fwd £	Approved Cost £	Variance (adverse)/ favourable £	Grant Receivable £	Grant Received £	Grant Due/ (Unapplied) £	Grant Applied
Environmental Improvement Schemes:														
SCH02 Hickling Broad - Stubb Road	IDB0025	100%	43,864.57	2,510.70	0.00	0	0	168,845.32	168,922.62	77.30	168,845.32	168,922.62	-77.30	0.00
SCH03 Upper Thurne Modelling	N/A	100%	0.00	9,100.00	0.00	0	0	9,100.00	8,333.33	-766.67	8,333.33	8,333.33	0.00	0.00
SCH04 Upton Improvement	IDB0024	100%	2,727.20	850.00	585.00	0	-585	29,081.59	29,082.38	0.79	29,081.59	29,082.38	-0.79	585.00
SCH05 Calthorpe Broad SCH10 Halvergate Marshes WLMP	IDB0026 IDB0286	100% 100%	5,075.20 0.00	0.00 17,847.25	0.00 32,418.20	0 250,000	0 217,582	65,694.52 77,822.66	66,098.14 85,000.00	403.62 7,177.34	65,694.52 77,822.66	66,097.94 78,000.00	-403.42 -177.34	0.00 32,418.20
SCH10 Halvergale Marshes WEINF SCH11 Sutton Ochre Improvement (Ant Broads & Marshes)	IDB0286	100%	0.00	0.00	104.00	50,000	49,896	20,115.37	20,125.00	9.63	20,115.37	20,125.00	-9.63	104.00
SCH17 Happisburgh Optimal Stabel Bay Reef Design Research	CLA (MS)	100%	0.00	0.00	0.00	00,000	0	45,000.00	45,000.00	0.00	45,000.00	45,000.00	0.00	0.00
SCH18 Catchment Officer (delivery of Environmental Improvement Schemes)	IDB0105, 02		0.00	0.00	0.00	0	0	67,479.50	45,000.00	-22,479.50	45,000.00	45,000.00	0.00	0.00
SCH19 Damgate	IDB0132	100%	0.00	0.00	0.00	0	0	32,781.17	32,850.00	68.83	32,781.17	32,850.00	-68.83	0.00
SCH21 Halvergate Phase 2 Study	IDB0123	100%	0.00	13,991.51	0.00	0	0	38,887.28	35,000.00	-3,887.28	35,000.00	35,000.00	0.00	0.00
SCH23 Shallam Dyke	IDB0178	100%	0.00	3,000.00	0.00	0	0	46,953.82	49,682.91	2,729.09	46,953.82	49,682.91	-2,729.09	0.00
SCH50 Parrots Feather: Norfolk County Council	Defra 20720	100%	0.00	0.00	0.00	0	0	52.00	5,000.00	4,948.00	52.00	2,500.00	-2,448.00	0.00
SCH57 Defra South Walsham GWP SCH01 Somerton Catchment Water Management Review	Defra 30720 IDB0235	100% 100%	0.00	0.00 0.00	0.00 0.00	0 30,000	0 30,000	6,589.02 10,763.46	6,629.00 6,142.50	39.98 -4,620.96	6,589.02 6,142.50	6,629.00 6,142.50	-39.98 0.00	0.00 0.00
SCH01 Sometion Calcillent Water Management Review	IDB0235 IDB0356	100%	0.00	0.00	10,000.00	10,000	30,000	10,703.40	10,000.00	-4,020.96 0.00	10,000.00	10,000.00	0.00	10,000.00
Eel Pass Options for High Priority Sites		100%	0.00	0.00	0.00	1,136,000	1,136,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SCH31 Brograve Study	IDB0200	100%	0.00	0.00	0.00	0	0	37,000.00	37,000.00	0.00	37,000.00	37,000.00	0.00	0.00
SCH31 Brograve Study/Delivery	IDB0224	100%	0.00	16,149.96	11,288.50	225,000	213,712	157,022.08	174,046.80	17,024.72	157,022.08	220,446.80	-63,424.72	11,288.50
SCH45 Hickling	IDB0225	100%	0.00	0.00	0.00	0	0	109,084.93	135,590.00	26,505.07	109,084.93	135,590.00	-26,505.07	0.00
			51,666.97	65,501.92	54,395.70	1,701,000	1,646,604	1,172,441.85	1,198,647.73	26,205.88	1,137,569.96	1,233,454.13	-95,884.17	54,395.70
Drainage and Flood Risk Management Schemes:														
SCH06 Stubb Mill Pump Replacement	IDB0049	45%	25,695.00	241.30	0.00	0	0	68,633.90	77,935.00	9,301.10	30,885.26	35,070.75	-4,185.49	0.00
SCH13 Five Mile Pump Replacement	IDB0089	45%	0.00	0.00	0.00	0	0	88,929.02	90,677.50	1,748.48	40,018.06	40,804.88	-786.82	0.00
SCH14 Hermitage Pump/Structure Replacement	IDB0087	45%	0.00	0.00	0.00	0	0	75,608.04	77,385.00	1,776.96	34,023.62	34,823.25	-799.63	0.00
SCH12 Muckfleet Survey & Options Appraisal SCH15 Thurne Pumping Station	IDB0315 IDB0088	100% 45%	0.00 0.00	34,451.34 1,200.00	32,139.26 716.00	0	-32,139 -716	66,590.60 68,588.53	67,000.00 69,465.00	409.40 876.47	66,590.60 30,864.84	67,000.00 31,259.25	-409.40 -394.41	32,139.26 322.20
SCH25 Health and Safety Improvements to Pumping Stations	IDB0000	45%	0.00	6.699.04	0.00	0	-/10	47.325.98	47.326.00	0.02	21,296.69	21.296.70	0.00	0.00
* SCH27 Ludham Bridge Pumping Station Refurbishment (instead of St Benet's)	IDB0177	45%	0.00	6,622.50	1,420.00	0	-1,420	118,524.72	123,745.92	5,221.20	53,336.12	55,685.66	-2,349.54	639.00
SCH60 Tunstall Pumping Station Emergency Works	IDB0221	45%	0.00	4,374.95	0.00	0	0	14,014.59	19,980.00	5,965.41	6,306.57	8,991.00	-2,684.43	0.00
SCH07 Potter Heigham Automatic Weedscreen	IDB0257	54%	0.00	2,133.00	0.00	0	0	80,401.50	81,050.00	648.50	43,367.77	48,000.00	-4,632.23	0.00
SCH09 River Yare/Buckingham/Seven Mile Pumping Station Improvement	IDB0258	100%	0.00	5,769.00	4,500.00	20,000	15,500	58,872.56	61,350.00	2,477.44	58,872.56	61,350.00	-2,477.44	4,500.00
SCH32 Eastfield Pumping Station Auto Weedscreen	IDB0284	32%	0.00	80,431.78	0.00	0	0	80,431.78	86,834.00	6,402.22	25,960.16	28,026.00	-2,065.84	0.00
SCH33 Tonnage Bridge Pumping Station Auto Weedscreen	IDB0285	43%	0.00	86,139.78	27,271.94	0	-27,272	113,411.72	89,732.50	-23,679.22	38,185.67	38,186.00	-0.33	1,528.88
SCH16 Brograve Catchment Replacement of Bridges		4000/	0.00	0.00	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hickling Drainage Improvements Chapelfield		100% 100%	0.00 0.00	0.00 0.00	0.00 0.00	10,000 10,000	10,000 10,000	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00	0.00 0.00	0.00 0.00
Repps Pumping Station - Weedscreen Cleaner		100 %	0.00	0.00	0.00	10,000	10,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Martham Boat Dyke Culvert			0.00	0.00	0.00	0	Ő	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Management of EA Acle Landscaping & Acle Pump			0.00	0.00	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cantley Pumping Station Improvement		45%	0.00	0.00	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Martham Boat Dyke Trunk Replacements		45%	0.00	0.00	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SCH08 St Benet's Pumping Station Weedscreen/Improvement	IDB0256	100%	0.00 25,695.00	60,947.12 289,009.81	0.00	0 40.000	0 -26.047	83,435.10 1,187,538.50	69,205.00 1,175,180.30	-14,230.10 -12,358.20	69,205.00 614,985.39	83,435.00 650,000.79	-14,230.00 -35,015.56	0.00 39,129.34
			23,035.00	203,003.01	00,047.20	40,000	-20,047	1,107,330.30	1,175,100.50	-12,330.20	014,303.33	050,000.75	-33,013.30	55,125.54
Non Grant Aided Flood Risk Management Works		00/	0.00	100.00	0.00	0	0	70 1/0 22	0.00	-70 140 00	0.00	0.00	0.00	0.00
SCH55 Mautby Pumping Station Improvements SCH56 Stokesby Pumping Station main drain culvert		0%	0.00	180.00 0.00	0.00	0	0	79,148.22	0.00	-79,148.22 -3,706.05	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
SCH56 Stokesby Pumping Station main drain cuivert SCH61 Cess Lane Martham culvert		0% 0%	0.00 0.00	0.00	0.00 0.00	0	0	3,706.05 16,473.17	0.00 0.00	-3,706.05 -16,473.17	0.00	0.00	0.00	0.00
SCH01 Cess Lane Marthan Colvert SCH28 Telemetry Upgrade		0%	0.00	77,198.88	14,867.39	80,000	65,133	92,066.27	0.00	-92,066.27	0.00	0.00	0.00	0.00
SCH29 Broadland Catchment Partnership Funding		0%	0.00	0.00	0.00	5,000	5,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weedscreen Cleaner Panels - Stokesby & Mautby		0%	0.00	0.00	0.00	13,000	13,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pumping Station Flap Valves (up to 3)		0%	0.00	0.00	0.00	12,000	12,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pumping Station Seals (up to 6)		0%	0.00	0.00	0.00	36,000	36,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stokesby Main Drain Reprofiling		0%	0.00	0.00	0.00	20,000	20,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wayford Mill Drain Bund		0%	0.00	0.00	0.00	6,000	6,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SCH63 Hickling - Greyhound PH Drain Culvert Ludham Bridge Boatyard - Making good old Pumping Station		0% 0%	0.00 0.00	0.00 0.00	0.00 0.00	0 4,000	0 4,000	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
SCH62 Stracey Arms culvert		0%	0.00	0.00	6,788.70	5,000	-1,789	6,788.70	0.00	-6,788.70	0.00	0.00	0.00	0.00
Fletcher Way Acle culvert		0%	0.00	0.00	0.00	0,000	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land Drain Improvements: Branch Road		0%	0.00	0.00	0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	77,378.88	21,656.09	181,000.00	159,344	198,182.41	0.00	-198,182.41	0.00	0.00	0.00	0.00
Totals		-	£77.361.97	£431.890.61	£142,098.99	£1.922.000.00	1.779.901	£2.558,162.76	£2.373.828.03	£184.334.73	£1,752,555.35	£1.883.454.92	-£130,899,74	£93.525.04
		-	211,001.07	~ .01,000.01			1,113,301	,000,102.10	,010,020.03	2104,004.10			~100,000.14	200,020.0

Highland Water Contributions due from EA on Capital Expenditure, net of grant received.

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From:	01 April 2015	Period To:	12		
То:	-	Year Ended:	31 March 2016		
		Actual	Actual	Annual	
Our ID	Maintenance Works	2014/15	2015/16	Estimate	Variance
		£	£	£	£
	Smallburgh	10 565 94	0 574 50	0.000.00	405 40
	Hickling Catchment Stubb Mill Catchment	12,565.84		9,000.00	425.42 -654.75
	Heigham Holmes Catchment	2,080.16 2,801.00		1,800.00 3,000.00	-034.75 910.50
	Potter Heigham Catchment	5,589.84		7,500.00	2,001.58
	Horsefen Ludham Catchment	1,985.91		3,000.00	2,001.38
	Horning Catchment	4,940.00		6,700.00	1,180.75
	Irstead Catchment	353.75		3,000.00	-425.00
	Ludham Bridge Catchment	4,633.75		6,000.00	2,327.00
	Catfield Catchment	1,164.50		1,800.00	1,800.00
	Sutton Catchment	3,546.00		5,000.00	4,888.00
	Chapelfield Catchment	1,433.50		4,500.00	3,328.50
	East Ruston Catchment	226.00	•	5,250.00	-1,198.50
	Wayford Bridge Catchment	1,919.25	•	1,750.00	607.50
	St Benets Catchment	3,254.75		3,500.00	559.75
	Gravitational	602.50		1,500.00	1,500.00
0010400	Gravitational	47,096.75		63,300.00	18,310.50
	Middle Bure	41,000110	44,000.00	00,000.00	10,010.00
CMT024P	Hermitage Catchment	3,423.00	6,574.25	4,250.00	-2,324.25
	Upton Dole Catchment	7,331.00		10,000.00	3,055.04
01110201		10,754.00		14,250.00	730.79
	Repps			,	
CMT020P	Thurne Cachment	1,071.75	506.58	2,000.00	1,493.42
	Repps Catchment	4,478.84		2,500.00	-3,577.67
	Martham Catchment	2,950.25		5,000.00	-8,571.21
OWNOZZI		8,500.84		9,500.00	-10,655.46
	Happisburgh	0,000101		0,000100	,
CMT027P	Brograve Catchment	20,963.58	20,476.10	18,200.00	-2,276.10
	Horsey Catchment	4,004.00	•	4,500.00	-5,485.17
	Somerton North Catchment	2,613.92		4,000.00	1,259.92
	Somerton South Catchment	5,041.58		4,500.00	-868.92
		32,623.08		31,200.00	-7,370.27
	Lower Bure	. ,		. ,	,
CMT121P	Tunstall Catchment	8,373.65	12,393.00	14,600.00	2,207.00
	Five Mile Catchment	2,373.54		3,500.00	-701.75
CMT123P	Ashtree Catchment	1,633.33		3,500.00	-234.50
	Breydon Catchment	26,131.90		27,000.00	632.25
	Sevenmile Catchment	9,723.75	•	10,500.00	-961.75
	Berney Catchment	1,580.50		2,500.00	1,380.50
ESA	Halvergate ESA/WM	7,413.08		15,000.00	13,570.00
	5	57,229.75		76,600.00	15,891.75
	Muckfleet	-,		-,	-,
CMT031P	Mautby Catchment	9,107.08	17,220.00	19,500.00	2,280.00
	Stokesby Catchment	21,014.08		8,000.00	3,643.83
		30,121.16		27,500.00	5,923.83
	Lower Yare First - Buckenham	,		,	
CMT153P	Buckenham Catchment	2,421.25	0.00	2,500.00	2,500.00
		, -			
	Lower Yare First - Postwick				
CMT152P	Postwick Catchment	1,877.00	0.00	2,100.00	2,100.00
		,		,	,
	Lower Yare Fourth				
CMT154P	Cantley Catchment	1,088.00	520.71	2,500.00	1,979.29
		,	-		,
	DRAINS MAINTENANCE	191,711.83	200,039.57	229,450.00	29,410.43
			-		



From:	01 April 2015	Period To:	12		
То:	31 March 2016	Year Ended:	31 March 2016		
		Actual	Actual	Annual	
Our ID	Maintenance Works	2014/15		Estimate	Variance
		£	£	£	£
	One allhouse h				
P001	Smallburgh Hickling Eastfield Pumping Station	9,901.82	7,823.96	11,850.00	4,026.04
P150	Hickling Stubb Pumping Station	6,279.26		8,950.00	6,395.79
P002	Heigham Holmes Pumping Station	2,764.30		8,150.00	6,045.89
P003	Potter Heigham Pumping Station	9,827.47	8,184.39	10,150.00	1,965.61
P004	Horsefen Pumping Station	3,788.05	1,834.70	4,650.00	2,815.30
P005	Horning Grove	5,866.10		13,800.00	7,901.67
P149	Irstead Pumping Station	3,489.41		4,450.00	2,640.39
P006	Ludham Bridge Pumping Station	629.29		6,450.00	6,450.00
P035	Ludham Bridge Pumping Station North	3,429.94		7,250.00	4,518.24
P036	Ludham Bridge Pumping Station South	2,033.02		7,650.00	5,545.13
P008	Catfield Pumping Station	4,330.44		7,150.00	3,559.47
P009	Sutton Pumping Station	4,237.04		6,400.00	-5,529.57
P010	Chapelfield Pumping Station	8,996.78		4,950.00	1,125.92
P011	East Ruston Pumping Station	12,065.34		10,400.00	2,175.27
P012	Wayford Bridge Pumping Station	8,885.63		3,700.00	2,188.42
P151	St Benets Pumping Station	6,812.26 93,336.15		4,600.00 120,550.00	827.29 52,650.86
	Middle Bure	93,330.15	67,099.14	120,550.00	52,050.80
P024	Hermitage Pumping Station	5,593.07	4,191.04	9,350.00	5,158.96
P025	Upton Dole Pumping Station	17,442.80	8,707.30	24,887.00	16,179.70
P160	South Walsham	0.00		550.00	315.33
	Repps	23,035.87	′ 13,133.01	34,787.00	21,653.99
P020	Thurne Pumping Station	6,085.91	3,792.81	9,950.00	6,157.19
P021	Repps Pumping Station	4,119.22	3,818.59	7,650.00	3,831.41
P022	Martham Pumping Station	9,990.75	8,866.30	10,800.00	1,933.70
	Happisburgh	20,195.88	16,477.70	28,400.00	11,922.30
P027	Brograve Pumping Station	32,970.82	22,268.92	25,000.00	2,731.08
P028	Horsey Pumping Station	9,948.82		12,750.00	-8,305.13
P030	Somerton Auxilary	1,636.63		1,900.00	1,208.33
P147	Somerton North Pumping Station	11,676.82		10,300.00	3,275.87
P029	Somerton South Pumping Station	11,297.07		12,700.00	6,532.23
		67,530.16		62,650.00	5,442.38
B / A /	Lower Bure	40.000.00	10,100,07		4 000 07
P121	Tunstall Pumping Station	12,662.23		14,600.00	-1,832.07
P122	Five Mile Pumping Station	4,518.38		11,700.00	8,297.22
P123	Ashtree Pumping Station	2,545.94		4,600.00	2,841.49
P124	Breydon Pumping Station	15,357.87		10,300.00	1,418.62
P125 P148	Seven Mile Pumping Station	17,451.65		10,400.00	4,580.31
P146 P126	Berney Pumping Station Stracey Arms Intake	1,057.39 6,829.79		1,330.00 9,200.00	42.26 -6,439.58
F 120	Shacey Amis make	60,423.25		62,130.00	8,908.25
	Muckfleet				
P031	Mautby Pumping Station	16,144.89	14,069.12	20,200.00	6,130.88
P034	Stokesby Pumping Station	21,533.03		26,200.00	11,277.72
	Lewer Vere First Buckenher	37,677.92	28,991.40	46,400.00	17,408.60
P153	Lower Yare First - Buckenham Buckenham Pumping Station	6,621.06	4,056.09	4,950.00	893.91
P152	Lower Yare First - Postwick Postwick Pumping Station	7,299.86	6,778.48	9,750.00	2,971.52
		·			
P154	Lower Yare Fourth Cantley Pumping Station	14 5,349.00	3,521.71	8,650.00	5,128.29
		14 0,0 10.00	0,021111	5,000,000	2,.20.20



01 April 2015	Period To:	12		
31 March 2016	Year Ended:	31 March 2016		
Maintenance Works	2014/15	2015/16	Annual Estimate £	Variance £
PUMPING STATIONS	321,469.15	251,286.90	378,267.00	126,980.10
DIRECT WORKS	513,180.98	451,326.47	607,717.00	156,390.53
TECHNICAL SUPPORT COSTS	162,771.00	199,935.00	199,010.00	-925.00
BIODIVERSITY ACTION PLAN COSTS	9,034.00	4,500.00	12,334.00	7,834.00
CONTINGENCY	0.00	0.00	0.00	0.00
MAINTENANCE WORK	£684,985.98	£655,761.47	£819,061.00	£163,299.53
	31 March 2016 Maintenance Works PUMPING STATIONS DIRECT WORKS TECHNICAL SUPPORT COSTS BIODIVERSITY ACTION PLAN COSTS CONTINGENCY	31 March 2016 Year Ended: Maintenance Works 2014/15 PUMPING STATIONS 321,469.15 DIRECT WORKS 513,180.98 TECHNICAL SUPPORT COSTS 162,771.00 BIODIVERSITY ACTION PLAN COSTS 9,034.00 CONTINGENCY 0.00	31 March 2016Year Ended:31 March 2016Maintenance WorksActual 2014/15Actual 2015/16 £PUMPING STATIONS321,469.15251,286.90DIRECT WORKS513,180.98451,326.47TECHNICAL SUPPORT COSTS162,771.00199,935.00BIODIVERSITY ACTION PLAN COSTS9,034.004,500.00CONTINGENCY0.000.00	31 March 2016 Year Ended: 31 March 2016 Maintenance Works Actual 2014/15 g 2015/16 g f f g f g f g f g f g f g f g f g f

A J GOOSE OPERATIONS MANAGER



From: 01 April 2015 Period To: 12 To: 31 March 2016 Year Ended: 31 March 2016

Plant ID	Mobile Plant Operations Account	Notional Income	Unit Rate	Unit Worked	PL01 R & M	PL02 Fuel Oil Lub	PL04 3rd Party R & M	PL05 Licence & Ins	PL11 Plant	PL06 Depn	Total Expenditure	Ove (Under) Recovery
M01	Hyundai 140LC Excavator	21,393.75	12.50	1,711.50	1,183.00	4,515.93	1,577.75	689.00	0.00	8,889.96	16,855.64	4,538.11
M01 M02	Hyundai 140LC Excavator Purchased 01/04/15	25,081.25	12.50	2,006.50	1,248.00	5,652.75	5,068.13	689.00		8,889.96	21,547.84	4,538.1 3,533.4
VI02 VI07	Doosan DX140LC	4,300.00	12.50	2,000.30	0.00	113.71	3,812.23	265.00		1,975.19	6,166.13	-1,866.13
	Excavators	50,775.00	12.00	4,062.00	2,431.00	-	10,458.11	1,643.00		19,755.11	44,569.61	6,205.39
M08	John Deere Tractor	8,293.75	12.50	664	169.00	2,982.04	7,231.92	212.00	0.00	5,666.64	16,261.60	-7,967.8
	Tractors	8,293.75		663.50	169.00	2,982.04	7,231.92	212.00	0.00	5,666.64	16,261.60	-7,967.85
M03A	Weedbucket	0.00	2.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
/104A	Weedbasket	0.00	2.00	0	0.00	0.00	138.40	0.00	0.00	0.00	138.40	-138.4
405A	Weedbasket	3,583.00	2.00	1,792	0.00	0.00	2,387.36	0.00	0.00	998.40	3,385.76	197.2
M05B	Weedbasket	2,662.00	2.00	1,331	0.00	0.00	2,260.12	0.00	0.00	998.40	3,258.52	-596.52
	Baskets/Buckets	6,245.00		3,123	0.00	0.00	4,785.88	0.00	0.00	1,996.80	6,782.68	-537.68
	Mobile Plant Operations Account (this year)	£65,313.75		7,848.00	£2,600.00	£13,264.43	£22,475.91	£1,855.00	£0.00	£27,418.55	£67,613.89	-£2,300.14
	Mobile Plant Operations Account (last year)	£63,952.50		7,863.00	C2 405 00	£15.069.09	C10 002 22	£860.69	<u></u>	£21,867.03	£50,204.04	£13,748.4

A J GOOSE OPERATIONS MANAGER



From: To:	01 April 2015 31 March 2016		12 31 March 2016		
		Actual	Actual	Annual	
ID	Labour Operations Account	2014/15	2015/16	Estimate	Variance
7000	Work Done: Labour and Workshop Charges	177,816.60	191,880.00	200,592	-8,712.00
7000	Labour and Workshop Charges	177,810.00	191,000.00	200,392	-0,712.00
	Workshop Direct Costs:				
	Workshop Salaries	25,370.11	28,298.58	28,218	-80.58
7190	Plant Engineer Vehicle 1 - AU64 HCD	6,952.01	10,806.72	8,599	-2,207.72
7195	Plant Engineer Vehicle 2 - AU64 HCG	0.00 32,322.12	279.94 39,385.24	300 37,117	20.06 -2,268.24
	In-Field Direct Costs:	52,522.12	33,303.24	57,117	-2,200.24
7010	Basic Pay	31,261.92	30,577.60	30,058	-519.60
7020	Overtime	12,080.55	12,393.88	12,482	88.12
7030	Bonus	2,071.81	2,120.26	2,126	5.74
7040	Service Bonus	924.35	1,008.56	1,009	0.44
7050	Attendance Pay	323.64	363.20	375	11.80
7060	Proficiency Certificates	0.00	0.00	0	0.00
7080	Call Out/Expenses	131.14	170.39	175	4.61
7100	Business Mileage	6,394.95	6,420.60	6,405	-15.60
7110	Holiday Pay	4,745.89	4,839.62	5,000	160.38
7120	Sick Pay	1,615.18	157.28	1,600	1,442.72
		59,549.43	58,051.39	59,230	1,178.61
	Workshop Variable Overheads:				
	Mobile Telephone Charges	280.80	182.64	185	2.36
	Lone Worker Telephone Charges	144.00	144.00	150	6.00
	Employers NI Costs	1,480.28	1,617.77	1,650	32.23
	Employers Pension Costs	4,956.17	5,807.79	5,850	42.21
	Life Assurance	52.84	54.42	55	0.58
	Training Course Fees	0.00	480.00	500	20.00
	Protective Clothing/Health and Safety	108.73	471.93	500	28.07
	In Field Veriable Overheader	7,022.82	8,758.55	8,890	131.45
7070	In-Field Variable Overheads:	666.06	672 70	700	26.20
7070	Mobile Telephone Charges	666.96	673.70	700	26.30
7075	Lone Worker Telephone Charges	3,751.20	432.00	450	18.00
7130 7140	Employers NI Costs	4,924.63	4,194.67	4,200	5.33 19.82
	Employers Pension Costs	5,835.00	5,280.18	5,300	
7150 7240	Life Assurance	105.68 27.50	108.84	120	11.16
7240	Training Course Fees Protective Clothing/Health and Safety	326.58	297.49 403.92	300 500	2.51 96.08
7250	Frotective Clothing/Health and Salety	15,637.55	11,390.80	11,570	179.20
	Fixed Supervision Overheads:	15,057.55	11,550.00	11,570	179.20
7160	Operations Manager	55,483.72	55,129.06	55,500	370.94
7175	Operations Manager - Vehicle AK14 XRE	8,755.83	9,413.25	8,675	-738.25
7180	Operations Manager - Old Vehicle AF07 ODV	2,944.82	0.00	0,075	0.00
1100		67,184.37	64,542.31	64,175	-367.31
	Staff Costs (excluding depreciation)	175,912.23	173,065.55	171,919	-1,146.55
	Depreciation of Company Vehicles	5,804.06	9,062.74	9,063	0.26
	Staff Costs (including depreciation)	181,716.29	182,128.29	180,982	-1,146.29
	Workshop Overheads:				
7280	Rent of Martham Storage Area	4,200.00	905.00	900	-5.00
7300	Business Rates	0.00	3,869.11	4,200	330.89
7305	Electricity and Fuel	0.00	148.40	150	1.60
7310	Water	0.00	0.00	0	0.00
7315	Heating Oil	0.00	249.40	250	0.60
7320	Repairs and Maintenance	0.00	1,304.43	1,500	195.57
7325	Insurance	0.00	1,573.04	1,580	6.96



From: To:	01 April 2015 31 March 2016	Period To: 12 Year Ended: 31	2 I March 2016		
		Actual	Actual	Annual	
ID	Labour Operations Account	2014/15	2015/16	Estimate	Variance
7330	Depreciation	0.00	6,530.80	6,530	-0.80
ST05	Telecomms	0.00	0.00	0	0.00
7260	Small Tools and Consumables	1,768.28	3,023.18	4,500	1,476.82
		5,968.28	17,603.36	19,610	2,006.64
	Net Operating Surplus/(Deficit)	-£9,867.97	-£7,851.65	£0	-£7,851.65
	Productive Hours:				
L0004	Peter Butler	1,766	1,903	1,840	63
L0002	Alan Cullingford	2,314	2,284	1,840	444
L0008	Alan Goose	1,126	1,406	1,100	306
	In-Field	5,206	5,593	4,780	813
L006	Ricky Grimmer	0	26	150	-124
L0007	Barry Harding	1,633	1,727	1,840	-113
L005	Stewart Hunt	0	26	150	-124
	Workshop	1,633	1,779	2,140	-361
	In-Field Cost/Hour:				
	Direct Cost	11.44	10.38	12.39	2.01
	Variable Overhead	3.00	2.04	2.42	0.38
	Fixed Supervision Overhead (9/10ths)	11.61	10.39	12.08	1.69
	Depot Overhead (1/3rd)	0.38	1.05	1.37	0.32
	Workshop Cost/Hour:	£26.43	£23.86	£28.26	-£4.40
	Direct Cost	19.79	22.14	17.34	-4.80
	Variable Overhead	4.30	4.92	4.15	-0.77
	Fixed Supervision Overhead (1/10th)	4.11	3.63	3.00	-0.63
	Depot Overhead (2/3rds)	2.44	6.60	6.11	-0.49
		£30.64	£37.29	£30.60	£6.69
	Holidays Taken:				
L0004	Peter Butler	29	29	35	-6
L0002	Alan Cullingford	29	29	27	2
L0008	Alan Goose	29	29	27	2
L006	Ricky Grimmer	0	0	0	0
L0007	Barry Harding	24	29	27	2
L005	Stewart Hunt	0 111	0 116	0 116	0
	Sickdays/authorised absences:		110	110	Ŭ
L0004	Peter Butler	0	2	0	-2
L0002	Alan Cullingford	0	0	0	0
L0008	Alan Goose	0	0	0	0
L006	Ricky Grimmer	0	0	0	0
L0007	Barry Harding	0	2	0	-2
L005	Stewart Hunt	0	0	0	0
		0	4	0	-4

A J GOOSE OPERATIONS MANAGER



From: 01 April 2015

31 March 2016

To:

Period To: 12

Year Ended: 31 March 2016

		Purchased/	Depreciation	501	Capital Cost		<u> </u>	Capital Cost	Depreciation		Acc.dprn w/out		Profit/(Loss)/	Net Book
Asset II	D Fixed Asset Register	Revalued	Period (Yrs)	ERV	B/Fwd	Additions	Disposals	C/Fwd	B/Fwd	Depreciation	on disopsal	C/Fwd	on Disposal	Value
M01	Hyundai Excavator	12/03/2015	5	20,000.00	64,450.00			64,450.00	740.83	8889.96		9630.79		54,819.21
M02	Hyundai Excavator	01/04/2015	5	20,000.00	0.00	64,450.00		64,450.00	0.00	8889.96		8889.96		55,560.04
M07	Doosan DX140LC: Q532 MAP	16/06/2010	5	9,000.00	39,500.00		-39,500.00	0.00	37,524.81	1,975.19	-39,500.00	0.00		0.00
M07R	Doosan DX140LC: Q532 MAP	16/06/2010	0	0.00	9,000.00		-9,000.00	0.00	0.00	0.00		0.00		0.00
	Excavators			49,000.00	112,950.00	64,450.00	-48,500.00	128,900.00	38,265.64	19,755.11	-39,500.00	18,520.75	0.00	110,379.25
M08	John Deere Tractor & Flail AU06 EWR	18/07/12	5	5,000.00	33,333.33	0.00		33,333.33	15,583.26	5,666.64		21,249.90		12,083.43
	Tractors			5,000.00	33,333.33	0.00	0.00	33,333.33	15,583.26	5,666.64	0.00	21,249.90	0.00	12,083.43
M03A	Weedbucket	01/04/2005	5	0.00	3,285.00			3,285.00	3,285.00	0.00		3,285.00		0.00
M03B	Landreus Bucket	05/05/2007	4	0.00	3,885.00			3,885.00	3,885.00	0.00		3,885.00		0.00
M04A	Weedbasket	20/12/2007	5	0.00	3,295.00			3,295.00	3,295.00	0.00		3,295.00		0.00
M05A	Weedbasket	01/11/2014	5	0.00	4,992.00			4,992.00	416.00	998.40		1,414.40		3,577.60
M05B	Weedbasket	01/11/2014	5	0.00	4,992.00			4,992.00	416.00	998.40		1,414.40		3,577.60
	Baskets			0.00	20,449.00	0.00	0.00	20,449.00	11,297.00	1,996.80	0.00	13,293.80	0.00	7,155.20
M09	Ford Ranger AK14 XRE	14/07/2014	3	5,000.00	17,254.88			17,254.88	3,063.42	4,084.56		7,147.98		10,106.90
M10	Isuzu 4 x 4 Double Cap AU64 HCD	11/09/2014	3	3,000.00	17,096.10			17,096.10	2,740.64	4,698.24		7,438.88		9,657.22
M11	Isuzu D-Max AU64 HCG	21/03/2016	3	0.00	0.00	18,078.81		18,078.81	0.00	279.94		279.94		17,798.87
	Vehicles			8,000.00	34,350.98	18,078.81	0.00	52,429.79	5,804.06	9,062.74	0.00	14,866.80	0.00	37,562.99
	Fixed Assets: Mobile Plant and Equip	oment		£62,000.00	£201,083.31	£82,528.81	-£48,500.00	£235,112.12	£70,949.96	£36,481.29	-£39,500.00	£67,931.25	£0.00	£167,180.87
P100	Kettlewell House: NK391156 (2%)	25/08/2009	50		51,450.00			51,450.00	7,203.00	1,029.00		8,232.00		43,218.00
P200	Marham Depot	01/06/2015	20			156,740.00		156,740.00	0.00	6,530.80		6,530.80		150,209.20
	Fixed Assets: Land and Buildings				£51,450.00	£156,740.00	£0.00	£208,190.00	£7,203.00	£7,559.80	£0.00	£14,762.80	£0.00	£193,427.20
P001	Hickling Eastfield	31/03/2010	10		4,800.00			4,800.00	2400.00	480.00		2,880.00		1,920.00
P002	Heigham Homes	31/03/2010	10		5,050.00			5.050.00	2524.84	504.96		3.029.80		2,020.20
P003	Potter Heigham	31/03/2010	10		14,200.00			14,200.00	7099.84	1,419.96		8,519.80		5,680.20
P004	Horsefen	31/03/2010	10		11,150.00			11,150.00	5575.16	1.115.04		6,690.20		4,459.80
P005	Horning Grove	31/03/2010	10		2,750.00			2,750.00	1375.16	275.04		1,650.20		1,099.80
P008	Catfield	31/03/2010	10		850.00			850.00	424.84	84.96		509.80		340.20
P009	Sutton	31/03/2010	10		1,150.00			1,150.00	574.84	114.96		689.80		460.20
P010	Chapelfield	31/03/2010	10		6,300.00			6,300.00	3150.00	630.00		3,780.00		2,520.00
P011	East Ruston	31/03/2010	10		4,300.00			4,300.00	2149.84	429.96		2,579.80		1,720.20
P012	Wayford Bridge	31/03/2010	10		3,400.00			3,400.00	1699.84	339.96		2,039.80		1,360.20
P020	Thurne	31/03/2010	10		3,000.00			3,000.00	1500.00	300.00		1,800.00		1,200.00
P021	Repps	31/03/2010	10		800.00			800.00	400.16	80.04		480.20		319.80
P022	Martham	31/03/2010	10		4,350.00			4,350.00	2175.00	435.00		2,610.00		1,740.00
P024	Hermitage	31/03/2010	10		14,200.00			14,200.00	7,099.84	1,419.96		8,519.80		5,680.20
P025	Upton Doles	31/03/2010	3		25,200.00			25,200.00	25,200.00	0.00		25,200.00		0.00
P027	Brograve	31/03/2010	10		30,400.00			30,400.00	15,199.84	3,039.96		18,239.80		12,160.20
P028	Horsey	31/03/2010	10		3,400.00			3,400.00	1,699.84	339.96		2,039.80		1,360.20
P029	Somerton South	31/03/2010	10		2,700.00			2,700.00	1,350.00	270.00		1,620.00		1,080.00
P029A	Somerton	31/03/2010	10		23,184.15			23,184.15	23,184.15	0.00		23,184.15		0.00
P030	Somerton	31/03/2010	10		950.00			950.00	475.16	95.04		570.20		379.80
P031	Mautby	31/03/2010	10		19,650.00			19,650.00	9,825.00	1,965.00		11,790.00		7,860.00
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 From:
 01 April 2015
 Period To:
 12

 To:
 31 March 2016
 Year Ended:
 31 March 2016

Asset II	D Fixed Asset Register	Purchased/ Revalued	Depreciation Period (Yrs)	Capital Cost ERV B/Fwd	Additions	Disposals	Capital Cost C/Fwd	Depreciation B/Fwd	Depreciation	Acc.dprn w/out on disopsal	Depreciation C/Fwd	Profit/(Loss)/ on Disposal	Net Book Value
P034	Stokesby	31/03/2010	10	21,000.00			21,000.00	10,500.00	2,100.00		12,600.00		8,400.00
P035	Ludham Bridge North	22/10/2010	10	0.00			0.00	0.00	0.00		0.00		0.00
P036	Ludham Bridge South	22/10/2010	10	0.00			0.00	0.00	0.00		0.00		0.00
P121	Tunstall	31/03/2010	10	10,950.00			10,950.00	5,475.00	1,095.00		6,570.00		4,380.00
P122	Five Mile	31/03/2010	10	21,400.00			21,400.00	10,699.84	2,139.96		12,839.80		8,560.20
P123	Ashtree	31/03/2010	10	9,250.00			9,250.00	4,624.84	924.96		5,549.80		3,700.20
P123A	Ashtree	31/03/2010	10	3,387.80			3,387.80	3,387.80	0.00		3,387.80		0.00
P124	Breydon	31/03/2010	10	32,000.00			32,000.00	16,000.16	3,200.04		19,200.20		12,799.80
P125	Seven Mile	31/03/2010	10	38,000.00			38,000.00	19,000.16	3,800.04		22,800.20		15,199.80
P147	Somerton North	31/03/2010	10	4,950.00			4,950.00	2,475.00	495.00		2,970.00		1,980.00
P148	Berney	31/03/2010	10	3,900.00			3,900.00	1,950.00	390.00		2,340.00		1,560.00
P149	Irstead	31/03/2010	10	2,600.00			2,600.00	1,300.16	260.04		1,560.20		1,039.80
P150	Hickling Stubb	31/03/2010	10	12,200.00			12,200.00	6,100.16	1.220.04		7,320.20		4,879.80
P151	St Benets	31/03/2010	10	50,300.00			50,300.00	25,150.16	5,030.04		30,180.20		20,119.80
P152	Postwick	31/03/2010	10	2,000.00			2,000.00	1,000.16	200.04		1,200.20		799.80
P153	Buckenham	31/03/2010	10	16,500.00			16,500.00	8,250.00	1,650.00		9,900.00		6,600.00
P154	Cantley	31/03/2010	10	2,500.00			2,500.00	1,249.84	249.96		1,499.80		1,000.20
	Fixed Assets: Pumping Stati	ons and Properties		£412,721.95	£0.00	£0.00	£412,721.95	£232,246.63	£36,094.92	£0.00	£268,341.55	£0.00	£144,380.40
	Fixed Assets			£665,255.26	£239,268.81	-£48,500.00	£856,024.07	£310,399.59	£80,136.01	-£39,500.00	£351,035.60	£0.00	£504,988.47

P J CAMAMILE CHIEF EXECUTIVE



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2010			
10.						
BOX NO	. ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	ACTUAL 2014/15 RESTATED £	2015/16	VARIANCE	ACTUAL VARIANCE %	EXPLANATION OF KEY VARIANCES >=15%
1	Balances brought forward					
•	General Reserve	614,778	860,754	L		
	Development Reserve	108,299				
	Plant Reserve	305,827	,			
	Capital Works Reserve	228,256	,			
	Revaluation Reserve	268,920				
	Pension Reserve	-60,000				
	As per Statement of Accounts	1,466,080				
	(-) Fixed Assets, Long Term Liabilities and Loans					
	Pension Liability	-60,000	-123,000)		
	Loans Outstanding (Current Liabilities)	-12,791				
	Long Term Borrowing	-21,202				
	Net Book Value of Tangible Fixed Assets	323,766	354,855	5		
		229,773				
	(=) Adjusted Balances brought forward	1,236,307	1,208,322	2		
2	(+) Rates and Special Levies					
	Drainage Rates	259,926	263,282	2		
	Special Levies issued by the Board	598,366	606,421			
	As per Statement of Accounts	858,292	869,703	3 11,411	1%	
3	(+) All Other Income					
	Grants Applied	252,147	,			
	Rental Income	1,134				
	Highland Water Contributions	164,924				
	Income from Rechargeable Works	87,937				
	Investment Interest	5,686	,	3		
	Development Contributions	0				
	Net Surplus on Operating Accounts	3,880				
	Other Income	7,928				
	Profit/(Loss) on disposal of Fixed Assets	32,650				
	As per Statement of Accounts	556,286	552,250)		
	(+) Income from Sale of Fixed Assets (above profit/(loss)					
	Capital Cost of disposals	59,362				
	Less: Accumulated depreciation written out	-46,512	,			
		12,850	9,000)		



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2016			
BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	ACTUAL 2014/15 RESTATED £	5 2015/16	ACTUAL VARIANCE £	ACTUAL VARIANCE %	EXPLANATION OF KEY VARIANCES >=15%
	(=) Adjusted Other Income	569,136	561,250	-7,886	-1%	
4	(-) Staff Costs					
-	Labour Operations Account (6 FTEs)	175,912	2 173,066			
	Shared Technical Support Staff Costs (7 shared employees; 3.7 FTEs)					
	Shared Administration Staff Costs (9 shared employees; 1.8 FTEs)	80,675				
		409,939		45,829	11%	The number of shared technical support staff for WMA (Eastern
5	(-) Loan Interest/Capital Repayments					has increased to build capacity and capability in the area.
3	Loan Interest	2,507	7 1,447			
	Capital Repayments	12,791				
	As per Statement of Accounts	15,298		0	0%	
6	(-) All Other Expenditure					
0	Capital Works	431,891	142,099			
	Maintenance Works	684,986				
	Environment Agency Precept	137,128	,			
	Administration Charges	37,551				
	Cost of Rechargeable Works	68,474				
	Net Deficit on Operating Accounts	(,			
	Development Expenditure	(
	Depreciation of Pumping Stations	36,145				
	As per Statement of Accounts	1,396,175	5 1,246,998			
	(-) Depreciation Charged (Non Cash)					
	Plant and Equipment	27,671	36,481			
	Pumping Stations	36,145	,			
	Land and Buildings	1,029				
	-	64,845	6 80,136			
	(-) Staff Costs now reported in Box 4	409,939	455,769			
	(+) Capitalised Additions					
	Land and Buildings	(156,740			
	Plant and Equipment	108,785				
		108,785				
	(=) Adjusted Other Expenditure	1,030,176	950,363	-79,813	-8%	Maintenance Direct Works spend was £61,855 less than last year



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2016			
BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	ACTUAL 2014/15 RESTATED £	2015/16	ACTUAL VARIANCE £	ACTUAL VARIANCE %	EXPLANATION OF KEY VARIANCES
						largely due to much of the pump refrubishment work being deferred
7	(=) Balances carried forward					pending the recruitment of two mechanical engineers. Capital
-	General Reserve	860,754	1,003,625			Works spend was £289,792 less than last year, largely due to
	Develoment Reserve	108,119	, ,			limited grant aid being available. Rechargeable Works spend was
	Plant Reserve	305,827	,			£58,445 higher than last year, largely due to work being done in
	Capital Works Reserve	34,500				Suffolk, following the tidal surge event in December 2013.
	Revaluation Reserve	232,775	,			Admin.Charges are reported as being £87,068 higher than last year
	Pension Reserve	-123,000				because WMA Income was not netted off against the Consortium
	As per Statement of Accounts	1,418,975				Admin.Charge this year, hence the significant increase in Other
						Income shown in Box 3. The Board also purchased a Depot costing
	(-) Fixed Assets, Long Term Liabilities and Loans					£156,740, which did not happen last year.
	Pension Reserve	-123,000	-54,000			
	Loans Outstanding (Current Liabilities)	-7,350	-7,350			
	Long Term Borrowing	-13,852	2 0			
	Net Book Value of Tangible Fixed Assets	354,855	504,988			
		210,653	443,638			
	(=) Adjusted Balances carried forward	1,208,322	1,217,845	9,523	1%	N/A
8	Total Cash and Short Term Investments					
	Cash at Bank and in Hand	-41,658	237,079			
	Short Term Investments	1,300,000	,			
	As per Statement of Accounts	1,258,342	1,337,079			
9	Total Fixed Assets and Long Term Assets (Net Book Value)					
-	Land and Buildings	44,247	193,427			
	Plant and Equipment	130,133	,			
	Pumping Stations	180,476	,			
	As per Statement of Accounts	354,856	,	150,132	42%	For an explanation of all movements, please refer to the detailed Fixed Assets Register.
10	Total Borrowings					
10	Loans Due (<= 1 Year)	7,350	7,350			
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
	Loans Due (> 1 Year)	13,852	2 0			



From: To:	01 April 2015 31 March 2016	Period To: Year Ended:	12 31 March 2016			
BOX NO.	ANNUAL RETURN, FOR THE YEAR ENDED 31 MARCH 2016	ACTUAL 2014/15 RESTATED 5	5 2015/16	ACTUAL VARIANCE £	ACTUAL VARIANCE %	EXPLANATION OF KEY VARIANCES
7, 8	RECONCILIATION BETWEEN BOXES 7 AND 8	ACTUAL 2014/15 RESTATED #	5 2015/16			
7	Balances carried forward (adjusted)	1,208,322	2 1,217,845			
	(-) Deduct: Debtors and Prepayments					
	Debtors Control Account	76,815	5 5,000			
	Special Levies Due		0 0			
	Stock and Work in Progress	914				
	Ratepayers Due	5,777				
	Prepayments	·				
	Prepayments - WMA	56,938				
	Accrued Interest	2,186				
	Vat Due from HMRC Grants Due	52,342				
	Grants Due	194,973	0 0 3 108,118			
		194,973	5 100,110			
	(+) Add: Creditors and Payments Received in Advance					
	Creditors Control Account	42,167	7 83,183			
	Grants Unapplied	194,195				
	Accruals	8,63				
	Receipts Paid in Advance		10,000.00			
		244,993	3 227,352			
	(=) Box 8	1,258,342	2 1,337,079			
8	(=) Total Cash and Short Term Investments					
-	Cash at Bank and in Hand	-41,658	3 237,079			
	Short Term Investments	1,300,000				
		1,258,342				
	P J CAMAMILE CHIEF EXECUTIVE					

<u>11 MAY 2016</u>

HYMANS **#** ROBERTSON

Actuarial Valuation as at 31 March 2016 for accounting purposes **Norfolk Pension Fund**

Robert Bilton Fellow of the Institute and Faculty of Actuaries For and on behalf of Hymans Robertson LLP 8 April 2016

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PUBLIC SECTOR

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- Appendix 3 Briefing Note on Results

1 Introduction and summary

Scope

- 1 I have been instructed by the Administering Authority named in the accompanying Results Schedule to undertake pension expense calculations for the Employer named in the Results Schedule, for the purpose of complying with the Accounting Standard stated in the accompanying Results Schedule for the period ending 31 March 2016. The instruction is set out in the Terms of Engagement letter (see Results Schedule for date of signature). These calculations relate principally to the Employer's participation in the Fund named on the cover ("the Fund") which is part of the Local Government Pension Scheme ("the LGPS").
- 2 These figures are prepared in accordance with our understanding of the latest version of the Accounting Standard. My calculations and advice, in this report and the accompanying Results Schedule, have been carried out in accordance with the Pensions Technical Actuarial Standard adopted by the Financial Reporting Council, which came into effect on 1 January 2013 (version 2), and other TASs: see 4.1. This report does not constitute an audit opinion in relation to the Fund. This constitutes a "valuation exercise", as the results of my calculations will be formalised in the Employer's financial statements.
- 3 Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions, and the required information is contained in section 4 of this report.

Results

- 4 The results of our calculations for the period ended 31 March 2016 and the projected net pension cost for the year ended 31 March 2017 are set out in the Results Schedule.
- 5 Please let me know if the Employer wishes to discuss the contents of this report or if, having considered the results, the Employer wishes to consider alternative assumptions. Note that this is likely to incur additional fees. As noted above, the impact of varying certain key assumptions is illustrated in section 4.

Reliances and limitations

- 6 This report (including the accompanying Results Schedule) is provided to the Employer solely for the purpose of complying with the Accounting Standard for the period ending 31 March 2016. It should not be used for any other purpose. It should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety. However, a copy of this report may be passed to the Employer's auditor to be used solely for the purpose of their audit.
- 7 We accept no liability to any third party unless we have expressly accepted such liability in writing.
- 8 Note that the methodology of the Accounting Standard, in conjunction with the Fund's investment strategy, means that the surplus or deficit identified in this report can vary significantly over short periods of time. This means that the results set out in the accompanying Results Schedule should not be taken as being applicable at any date other than 31 March 2016.
- 9 The figures presented in this report are prepared only for the purposes of the Accounting Standard and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, for accounting under any other standard, for bulk transfers or for other statutory purposes under LGPS Regulations.
- 10 The data with which we have been provided with and relied upon for this exercise is summarised in section 3.

- 11 The projected pension expense calculations for the period to 31 March 2017 may be used for the purpose of any interim financial reporting during the year to 31 March 2017. However, subsequent adjustments may be necessary to take account of:
 - any material events, such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund;
 - any changes to accounting practices; or
 - any changes to the Fund.
- 12 This report and the Results Schedule deal principally with pension benefits provided via the LGPS. However, the Accounting Standard may require the disclosure of any additional liabilities, for example, those in respect of compensatory added years pensions. I have only valued such additional liabilities, which would not be covered in the formal LGPS funding valuation, to the extent that they have been notified to me and are summarised in the Results Schedule.
- 13 I have not been notified by the auditor to the Employer of the materiality limits which apply to the Employer and I have therefore prepared these figures using methods which are as accurate as is feasible using the data made available to me and the timescale within which the report is required.

Next steps

15 The information set out in this report and Results Schedule should be included in a disclosure note in the Employer's report and accounts. Please let me know if the Employer would like us to assist in drafting this note.

I would be pleased to discuss this report with the Employer and its auditors.

2 Approach

Valuation method

- 1 As required under the Accounting Standard we have used the projected unit credit method of valuation.
- 2 No allowance has been made for administration expenses in the present value of the defined benefit obligation, or the balance sheet. Expenses are allowed for by way of an increase in the current service cost.
- We have projected the valuation results of the latest formal valuation date (or date Employer joined the Fund if later) forward to 31 March 2016 using approximate methods (unless otherwise stated in the Results Schedule). The roll-forward allows for changes in financial assumptions, additional benefit accrual, estimated cash flows over the period and actual pension increase orders.
- In order to assess the value of the Employer's liabilities in the Fund as at 31 March 2016 (unless otherwise stated in the Results Schedule), I have rolled forward the value of the Employer's liabilities calculated at the latest formal valuation date (or date the Employer joined the Fund if later), allowing for the different financial assumptions required under the Accounting Standard at the reporting date. In calculating the current service cost I have allowed for changes in the Employer's pensionable payroll as estimated from contribution information provided. In calculating the asset share, I have rolled forward the Employer's share of the assets calculated at the latest formal valuation date (or date the Employer joined the Fund if later), allowing for investment returns (estimated where necessary), the effect of contributions paid into (estimated where necessary), and estimated benefits paid from, the Fund by the Employer and its employees.
- 5 In preparing the balance sheet at 31 March 2016 and the revenue account to 31 March 2016, no allowance is made for the effect of changes in the membership profile since the latest formal valuation date (or date the Employer joined the Fund if later) unless otherwise stated in the Results Schedule. The principal reason for this is that insufficient information is available to allow me to make any such adjustment. However, for most employers, the effect is likely to be immaterial in actuarial terms. If there have been significant changes, the Employer should discuss with its auditor whether an investigation into the effect on the balance sheet as at 31 March 2016 and service cost for period to 31 March 2016 are required.
- 6 Whilst the liabilities calculated under the Accounting Standard include an allowance for some premature retirements on grounds of ill-health, there is no allowance for early retirements on grounds of redundancy or efficiency other than those actual cases of which I have been notified.
- 7 It is not possible to assess the accuracy of the estimated rolled-forward liability shown in the Results Schedule without conducting a full valuation using updated individual membership data. Such a valuation is generally not practical in the time available to meet the Employer's reporting requirements. The estimated rolled-forward liability as at 31 March 2016 will therefore not reflect differences in demographic experience from that assumed (e.g. pensioner longevity) or the impact of differences between aggregate changes in salary/pension or changes for specific individuals.
- 8 Whilst we have no reason to believe that the approximations used in rolling forward the valuation to 31 March 2016 will introduce any undue distortion in the results, the Employer and its auditors may wish to consider the size of the Fund's assets and liabilities in relation to the Employer's materiality limits. The Results Schedule will state if a full valuation has been carried out instead of a roll-forward.
- 9 For employers whose separate membership of the Fund started in the last 18 months and where a first time accounting report has been provided:
 - The Results Schedule relates to the period from date of joining to 31 March 2016.

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- The initial asset allocation used for accounting purposes (and in the calculation of the opening funding level) will supersede any initial asset allocation previously quoted. However, if the calculations carried out in the past (for example for a contribution rate assessment) were based on final data and final assumptions at the date the Employer joined the Fund, then the initial asset allocation used for accounting purposes will be in line with that which was previously quoted.
- The liability value reported in the Results Schedule will differ from those in any previous reports related to the employer due to the different assumptions adopted under the Accounting Standard, compared to funding assumptions used for setting contribution rates etc.

3 Data and information used

Benefit changes

1 The pension expense for the period to 31 March 2016 and the projected pension expense for the year to 31 March 2017 allow for the LGPS career average revalued earnings (CARE) benefit design. The figures are based on my understanding of the provisions of the Fund and are subject to change as any changes are made to the Fund.

Data sources

- 2 Our calculations are based on the following information and documents, all provided by the Administering Authority:
 - the bid value and split of Fund assets as at the latest available date;
 - the actual Fund returns provided up to the latest available date;
 - employer and employee contributions for the accounting period (estimated for the most recent month(s) where actual contributions were not yet available);
 - the individual pensioner member data in respect of LGPS unfunded pensions and Teachers' pensions where appropriate, as summarised in the Results Schedule; and
 - any new early retirements to the latest available date on unreduced pensions which are not anticipated in the normal employer service cost (e.g. non ill-health retirements before the earliest retirement age at which all the member's benefits can be taken unreduced), as set out in Section 1 of the Results Schedule.

Assets and investment returns

3 Details of the return on the Fund over the accounting period and the Fund's assets at the period end are set out in the Results Schedule.

Membership numbers

4 The latest numbers of employees, deferred pensioners and pensioners have been provided by the Administering Authority for the purpose of aiding the checking of the contribution data. Please note that these latest numbers have no impact on any of the calculated figures for 31 March 2016 (e.g. the balance sheet or revenue account disclosures).

Additional comments

5 Any specific comments on the data provided in respect of the Employer are set out in the Results Schedule.

4 Actuarial assumptions

Reliances and limitations

1 My advice to the Employer on the assumptions (and resulting draft disclosures) to be adopted for the purpose of the Accounting Standard is compliant with the Pensions Technical Actuarial Standard, TAS D – Data, TAS M – Modelling and TAS R – Reporting ¹. This report and the accompanying Results Schedule comprise the totality of my advice on the assumptions. These documents show my recommendations, and the Results Schedule will show if I have been instructed by the Employer to use different financial or demographic assumptions.

Accounting principles

I have been advised of the accounting principles adopted by the Employer in preparing its accounts (see Results Schedule). The report and Results Schedule have been prepared in line with my understanding of the relevant guidance. The Employer should confirm adherence of the guidance with its auditor.

Responsibility

3 The assumptions are ultimately the responsibility of the directors (or equivalent) based on actuarial advice. Where we have been instructed to use different assumptions to those recommended, details are given in the Results Schedule.

Demographic assumptions

- 4 The mortality assumptions adopted for this year's exercise are consistent with those used for the latest formal funding valuation. Please refer to the Fund's formal valuation report for further information.
- 5 The other demographic assumptions which I recommend are adopted (e.g. commutation, pre-retirement mortality) are the same as those used for the latest formal funding valuation. Full details of these assumptions are also set out in the Fund's formal valuation report.

Financial assumptions

6 The financial assumptions used to calculate the components of the pension expense for the period ended 31 March 2016 were those from the beginning of the period (as set out in Section 2 of the Results Schedule) and have not been changed during the period. My recommended assumptions for disclosure of the funded status under the Accounting Standard as at 31 March 2016 are summarised below.

	Weighted Average Duration			
	Short	Medium	Long	
Period Ended	31 Mar 2016	31 Mar 2016	31 Mar 2016	
	% p.a.	% p.a.	%p.a.	
Discount Rate	3.4%	3.5%	3.6%	
Retail Price Inflation (RPI)	3.1%	3.2%	3.2%	
Consumer Price Inflation (CPI) - Pension Increase Rate	2.1%	2.2%	2.2%	

Full details of how I have determined my recommended assumptions are set out in Appendix 2.

Expected return on assets (only for Employers reporting under FRS17)

7 It is my understanding that employers currently reporting under FRS17 will move to FRS102 for the next accounting year. As a result, the expected return on assets assumption as at the reporting date is set equal to the discount rate as per FRS102.

¹ Technical Actuarial Standards (TASs) are issued by the Financial Reporting Council (FRC) and set standards for certain items of actuarial work, including the information and advice contained in this report.

8 The above has no impact on the balance sheet at 31 March 2016. However, the projected pension expense for the year to 31 March 2017 has been prepared on a FRS102 basis.

Reasonableness of assumptions

9 There is a range of actuarial assumptions which are acceptable under the requirements of the Accounting Standard. I consider that the assumptions above are within the acceptable range and are thus consistent with the requirements of the Accounting Standard. Where I have been instructed by the Employer to use different assumptions, these are shown in the Results Schedule: it is possible that these fall outside the range which I consider to be acceptable.

Sensitivity to assumptions

- 10 The Accounting Standard requires disclosure of the sensitivity of the results to the methods and assumptions used.
- 11 The costs of a pension arrangement require estimates regarding future experience. The financial assumptions used for reporting under the Accounting Standard are the responsibility of the directors (or similar) of the Employer. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pensions in payment), can have a significant effect on the value of the liabilities reported.
- 12 A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude.
- 13 There is also uncertainty around life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in payment. The disclosures have been prepared using longevity assumptions as per paragraph 4. Based on these assumptions, average life expectancies at age 65 are shown in the Results Schedule.
- 14 Details of the effect on the liabilities of the changes in the above assumptions are displayed in the Results Schedule in the Sensitivity Analysis section.

Risks and uncertainties

- 15 There are risks and uncertainties associated with whatever assumptions are adopted. The Accounting Standard requires the assumptions to be determined on a 'best estimate' basis. However, the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty inherent in what constitutes 'best estimate' with such projections. For the purpose of this report, I have interpreted best estimate to mean that the proposed assumptions are 'neutral': there is in my opinion an equal chance of actual experience being better or worse than the assumptions proposed.
- 16 It is also important to note that the Accounting Standard requires the discount rate to be set with reference to the yields on high quality corporate bonds irrespective of the actual investment strategy of the Fund. As such, the figures illustrated in the Results Schedule are unlikely to reflect either the actual eventual cost of providing the benefits or the likely level of contributions to fund the Employer's obligations to the Fund. Also, the balance sheet position may change significantly due to relative changes in the equity and bond markets at the reporting date.
- 17 The main risk to the Employer is that it determines assumptions that are more prudent (for example a lower net discount rate or higher longevity) than its peers, leading to a relatively poorer reported financial position. The Employer therefore needs to take into account both the requirement for a 'best estimate' set of assumptions and the commercial need not to overstate the pension liabilities.

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- 18 There is also a risk that the Employer determines assumptions which are less prudent than its peers. This does not have an impact on the underlying cost of the Fund nor the level of contributions that will be derived from future funding valuations. However, analysts and other users of the accounts may take a view that the Employer is understating its pension liabilities if it uses weaker assumptions and this may have adverse consequences.
- 19 I have not addressed any risks to the Fund itself. Such advice would generally be given to the Administering Authority by the Fund's Actuary through the actuarial valuation process.

5 Miscellaneous matters

Past service costs (including curtailments)

- Past service costs can arise from the Employer awarding discretionary benefits e.g. added years augmentation or allowing LGPS employees to retire on unreduced benefits before attaining their "Rule of 85" age (subject to a minimum of age 60 and a maximum age of 65) on grounds of efficiency.
- 2 Details of any such retirements are summarised in Section 1 of the Results Schedule and any Past Service Costs are set out in the Revenue Account figures of the Results Schedule. These represent the difference between an active member reserve and the actual early retirement reserve both calculated at the time of early retirement based on the reporting date accounting assumptions. Note that these costs relate only to LGPS benefits and not other elements such as redundancy lump sums.

Settlements

3 My calculations do not take account of any liabilities being settled at a cost materially different to the Accounting Standard reserve during the period ended 31 March 2016, other than as set out in the Results Schedule.

Bulk transfers

4 My calculations do not take account of any bulk transfers (in or out) since the Employer's previous Accounting Standard valuation (or following the date of joining for employers receiving a first time Accounting Standard valuation) other than as set out in the Results Schedule.

Recognition of surplus/deficit

- 5 The Accounting Standard imposes a limit on the maximum amount of surplus which can be recognised on the employer's balance sheet. In broad terms, surplus can only be recognised to the extent that it is no greater than the present value of the liability expected to arise from future service by current and future scheme members less the value of future employee contributions. Where this situation **may** apply, this is indicated on the front page of the Results Schedule and further calculations may be required before publishing the results in the Employer's formal accounts.
- 6 My understanding is that the Employer has a "constructive obligation" to fund any deficit allocated to its share of the Fund and it should therefore fully recognise the whole of any deficit.

Deferred tax

7 No allowance has been made for deferred tax, and the appropriate treatment in respect of this should be agreed with the Employer's auditors.

Results and disclosures

8 FRS12 - some employers may account for their unfunded pensioners under FRS12 instead of the Accounting Standard stated in the accompanying Results Schedule. For simplicity and where instructed, we have included all unfunded liabilities in the Results Schedule. However, we are happy for employers to move the unfunded results to an FRS12 section of their accounts if they wish and the figures will be unaffected.

Appendix 1 – Glossary of technical terms

Actuarial gains and losses	Over a reporting period, these consist of:
	- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report; and
	 the effects of changes in actuarial assumptions (split between financial and demographic)
Current service cost	The increase in the present value of the defined benefit obligation resulting from employee service in the current period. This is based on the employer's "service cost" rate which accounts for the cost to the employer of benefits accruing over the period allowing for market conditions at the outset of the period. This may differ from what the employer is currently paying in cash contributions based on the certified rates at the last formal valuation.
Net defined benefit liability (asset)	The present value of the defined benefit obligation less the fair value of the plan assets (adjusted for the asset ceiling).
Net interest income (expense)	The change during the period in the net defined benefit liability (asset) that arises from the passage of time. This includes allowance for interest on the current service cost.

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Past service cost	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by the plan).
Present value of defined benefit obligation	The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.
Settlement	Occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan, for example, when a lump-sum cash payment is made to, or on behalf of, plan participants in exchange for their rights to receive specified post-employment benefits.
Weighted average duration	The weighted average time until payment of all expected future discounted cashflows, determined based on membership and the financial and demographic assumptions as at the most recent actuarial valuation. The shorter the duration, the more 'mature' the employer.

Appendix 2 – Briefing Note on Assumptions

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briefing hote LOCAL GOVERNMENT ACCOUNTING

February 2016



Steven Scott Actuary



Craig Alexander Actuarial Student



We recommend that each employer discusses the proposed assumptions with their auditor.

employers participating in the LGPS. We recommend that this paper is shared with all employers in the Fund with March year ends. This will allow employers to discuss our approach with their auditors in advance of the accounting date and decide if they are appropriate to their circumstances.

Local Government Pension Scheme:

Accounting Assumptions - 31 March 2016

This briefing note has been prepared by Steven Scott and Craig Alexander of Hymans Robertson's Public Sector Practice. This outlines the approach to deriving our recommended accounting assumptions as at 31 March 2016, specifically for

For the avoidance of doubt, our approach to assumption setting outlined in this briefing note applies to all accounting disclosures (unless otherwise stated). Please note we have discussed our approach with the National Audit Office who have not raised any concerns. We also propose that the same approach be adopted for valuing any unfunded liabilities

Background to accounting assumptions

As for any actuarial calculation, the value of the liabilities for accounting purposes is heavily dependent on the assumptions underpinning the calculations.

In order to be able to provide reports to employers quickly and at a reasonable cost, our default approach is to prepare accounting reports based on our recommended assumptions.

We believe our recommended assumptions are appropriate for the majority of employers, particularly local authorities and other public sector bodies.

Employers are, however, ultimately responsible for the assumptions adopted and may adopt their own 'bespoke' assumptions for accounting purposes.

To assist employers in assessing whether they wish to accept our recommended assumptions, we have set out below the rationale for our recommendations for each of the principal assumptions.

We recommend that each employer discusses the proposed assumptions with their auditor.

LOCAL GOVERNMENT ACCOUNTING

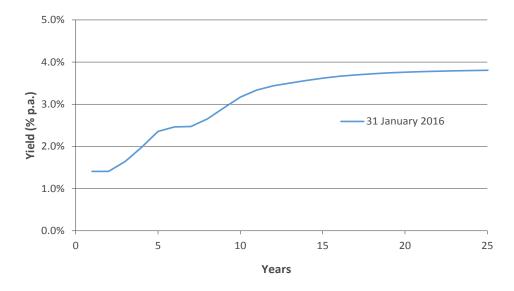
Discount Rate

IAS19 and FRS102 state that the discount rate used to place a value on the liabilities should be determined by reference to market yields on high quality corporate bonds at the reporting date. In addition, the currency and term of the high quality corporate bonds used to set the discount rate should be consistent with the currency and term of the liabilities.

Corporate bond yield curve

Government bond yield curves are updated and available on a daily basis from the Bank of England. It is therefore relatively easy to identify a spot yield on Government bonds at any duration and at any date. Unfortunately, a similarly accessible corporate bond yield curve is not so readily available.

We have adopted an approach to setting the discount rate whereby a "Hymans Robertson" corporate bond yield curve is constructed based on the constituents of the iBoxx AA corporate bond index. The chart below shows a representative yield curve as at 31 January 2016.



Weighted average duration

The discount rate should reflect the 'term' of the benefit obligation. We have interpreted 'term' to be the weighted average duration of the benefit obligation. This is broadly defined as 'the weighted average time until payment of all expected future discounted cashflows, determined based on membership and the financial and demographic assumptions at a particular time'. The shorter the duration, the more 'mature' the employer.

With increased divergence of LGPS employers, it is now the case that the weighted average durations of individual employers are materially different. It is therefore no longer appropriate for all employers to adopt the same financial assumptions for accounting purposes. Therefore, we continue to recommend separate discount rates (and corresponding RPI/CPI inflation assumptions) for individual employers, dependent on their own weighted average duration. The first step in this is to allocate each employer to a duration category as defined below:

Weighted average duration	Duration category
Less than 17 years	Short
Between 17 and 23 years	Medium
More than 23 years	Long

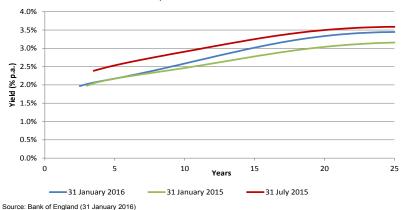
The weighted average duration used to identify the appropriate category for each employer is determined by us at the most recent actuarial valuation.

LOCAL GOVERNMENT ACCOUNTING

Retail Prices Inflation (RPI)

This assumption is typically derived from yields available on fixed interest and index linked government bonds, and should be consistent with the derivation of the discount rate.

The chart below shows the Bank of England implied inflation curve over a range of maturities at 31 January 2016, 31 July 2015 and 31 January 2015. Cashflow weighted single RPI rates are derived from the Bank of England implied inflation curve that recognise the weighted average duration of each corresponding duration category defined above.



Implied Inflation Curve

Pension Increases (CPI)

The pension increase assumption is set in line with our Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, we need to estimate the long term gap between RPI and CPI in order to derive a CPI assumption for accounting purposes.

Based on an accumulation of evidence over the last four years from the Office for National Statistics (ONS) about RPI vs CPI, we are increasing our assumed RPI-CPI gap to 1.0 % p.a. at 31 March 2016 (compared to 0.9% p.a. at 31 March 2015).

Salary growth

Our recommended assumption will generally be consistent with the most recent actuarial valuation. An additional allowance for promotional salary increases is also made.

Indicative financial assumptions (based on market conditions as at 31 January 2016)

The following table shows the **indicative financial assumptions** based on this methodology and **market conditions as at 31 January 2016**.

Bond yields have been particularly volatile over the period since 31 March 2015 and this high volatility is expected to continue at least until 31 March 2016. It is the observed bond yields at 31 March 2016 that will be used to set our recommended assumptions as at 31 March 2016, **therefore the 2016 assumptions are subject to change.**

Duration category	Discount rate as at 31 Mar 2015	RPI (CPI) as at 31 Mar 2015	Discount rate as at 31 Jan 2016	RPI (CPI) as at 31 Jan 2016	Discount rate as at 31 Mar 2016	RPI (CPI) as at 31 Mar 2016
Short	3.1%	3.0% (2.1%)	3.6%	3.1% (2.1%)	tbc	tbc
Medium	3.2%	3.3% (2.4%)	3.7%	3.2% (2.2%)	tbc	tbc
Long	3.3%	3.4% (2.5%)	3.8%	3.3% (2.3%)	tbc	tbc

All else being equal, the financial assumptions above would lead to a reduction in the value placed on the liabilities compared to the financial assumptions typically adopted at 31 March 2015.

LOCAL GOVERNMENT ACCOUNTING

However, looking at the 10 month period to 31 January 2016, Funds are likely to have experienced significantly lower than expected asset returns which will partly offset any gains made on the liabilities described above. Clearly the balance sheet position at 31 March 2016 will be hugely dependent on how markets move between now and 31 March 2016.

Longevity assumptions

Our recommended longevity assumptions for the 2016 accounting exercise are in line with those adopted by funds for the most recent actuarial valuation (please refer to the valuation report for your own fund for further information).

Other demographic assumptions

These include assumptions for commutation, withdrawal, ill-health early retirements, proportions of deaths leaving a dependant, etc. The assumptions underlying the valuation should be mutually compatible and lead to the best estimate of the future cash flows that will arise under the scheme liabilities.

We gathered data on recent experience of LGPS funds in order to set appropriate demographic assumptions for the most recent formal funding valuation. For all funds, our recommendation will be to use the same demographic assumptions for accounting purposes as at the most recent valuation. Collectively, these are intended to be best estimate.

Next steps for employers

Unless otherwise advised, any accounting reports commissioned by employers through the Administering Authority will be based on our default recommended assumptions, which are intended to fully comply with IAS19, FRS102 and FRS17.

The Directors (or equivalent) of the employer should be satisfied that the combined effect of the assumptions is reasonable as a whole. We recommend that each employer discusses the proposed assumptions with their auditor.

We would of course be happy to tailor any of the assumptions to the needs of individual employers.

- Where an employer and its auditor decide to use a different approach to setting just the **financial assumptions** (e.g. discount rate, salary increase rate) for accounting purposes, there will be a small additional fee.
- Any different approach to **demographic assumptions** (e.g. life expectancy) is more time-consuming to adopt, and the additional fee is likely to be greater than adopting different financial assumptions.

If we are provided with a note of any 'bespoke' assumptions shortly after the year-end, we should be able to process as part of the main batch of reports in the most cost effective manner. Any delay to providing us with this information may result in the employer not benefiting from the standard batch fees and timescales.

It should also be noted that Hymans Robertson fees for LGPS employers (including the consideration and adoption of bespoke assumptions) are a fraction of the fees for sponsoring employers of stand-alone private sector schemes; this is due to the efficiencies and economies of scale which Hymans Robertson has put in place for the employers' benefit.

Briefing Note 04



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This communication has been compiled by Hymans Robertson LLP, and is based upon their understanding of legislation and events as at February 2016. It is designed to be a general information summary and may be subject to change. It is not a definitive analysis of the subject covered or specific to the circumstances of any particular employer, pension scheme or individual. The information contained is not intended to constitute advice, and should not be considered a substitute for specific advice in relation to individual circumstances. Where the subject of this document involves legal issues you may wish to take legal advice. Hymans Robertson LLP accepts no liability for errors or omissions or reliance on any statement or opinion.

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Appendix 3 – Briefing Note on Results

HYMANS **#** ROBERTSON

Accounting as at 31 March 2016 – Results commentary

briefing

April 2016



Steven Scott Actuary



Craig Alexander Actuarial Student

31 March 2016 accounting exercise Assumptions and results commentary

Steven Scott and Craig Alexander summarise Hymans Robertson's recommended accounting assumptions at 31 March 2016 and provide high level commentary on the results for 'typical' LGPS employers.

Recommended financial assumptions as at 31 March 2016

The approach to setting our recommended accounting assumptions as at 31 March 2016 is set out in our February 2016 Briefing Note. Our recommended financial assumptions as at 31 March 2016 are set out below.

Weighted average duration	Discount rate	RPI inflation (CPI)
Less than 17 years (Short)	3.4%	3.1% (2.1%)
Between 17 and 23 years (Medium)	3.5%	3.2% (2.2%)
More than 23 years (Long)	3.6%	3.2% (2.2%)

The demographic assumptions, including longevity, are set in line with the assumptions adopted at the latest formal valuation.

Results commentary

Each employer's results will reflect their own specific circumstances. Therefore, this update should be considered as an illustrative guide to the main issues affecting most employers, rather than a detailed explanation of each employer's experience.

The balance sheet position for the typical employer is likely to have improved over 2015/16. This is as a result of an increase in the net discount rate over this period, the positive impact of which has outweighed the likely lower than expected asset returns.

The 2015/16 charge to Profit & Loss is based on financial conditions at the *start* of the year i.e. assumptions as at 31 March 2015. The service cost and net interest cost for 2015/16 should be broadly in line with the projections made in our 2015 reports.

Accounting as at 31 March 2016 – Results commentary

The projected 2016/17 charge to Profit & Loss is likely to be lower than the 2015/16 charge. The reasons for this are as follows;

- A higher net discount rate (the discount rate net of inflation), leading to a lower **current service cost**.
- The effect of the change in assumptions and 2015/16 asset experience on the 2016/17 **net interest cost** will vary for each employer. However, for the typical employer, the 2016/17 net interest cost is likely to be less than the 2015/16 net interest cost due to the likely lower deficit at 31 March 2016.

Please speak to your usual Hymans Robertson contact if you have any queries in respect of this.



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BOARD MEMBERSHIP AS AT 31 MARCH 2016

NAME	MEETINGS	ATTENDED	ATTENDANCE %	CONTACT DETAILS
ELECTED MEMBERS				
Alston H J	4	4	100	henryalston@billockbyfarms.co.uk
Baugh L E	4	3	75	lbaugh@netcom.co.uk
Burton J	4	3	75	John.burton@nwl.co.uk
Buxton R	4	3	75	robin.buxton@buxtonpropertymanagement .co.uk
Cator H G *	4	4	100	hcator@catorandco.com
Chapman J W	4	2	50	james@chapmanfarms.co.uk
Daniels S G **	4	4	100	simondaniels@bestadsl.com
Deane J	4	4	100	jmdeane@outlook.com
Gay G D **	4	4	100	hallfarm@mautbyfarms.co.uk
Harris M	4	4	100	markharris2062@yahoo.co.uk
Hart K	4	2	50	kevinh@norfolkwildlifetrust.org.uk
Robinson I	4	3	75	lan.robinson@rspb.org.uk
Sharman F	4	4	100	f.sharman@btinternet.com
Smart M	4	3	75	mark.smart@rspb.org.uk
Strudwick T P	4	0	0	tim.strudwick@rspb.org.uk
Tallowin J G	4	4	100	j.tallowin@keme.co.uk
Wharton E	4	4	100	office@whartonfarms.co.uk
Withers J W K	4	4	100	n/a
Wright S D	4	4	100	stephen@wrightfarms.co.uk
APPOINTED MEMBERS				
Broadland DC				
Hempsall L (Mrs) (wef Feb 16)	1	1	100	cllr.lana.hempsall@broadland.gov.uk
Mallett A S	4	3	75	cllr.alan.mallett@broadland.gov.uk
O'Neill F (wef July 15)	3	2	67	frank.oneill@gmail.com
Tapp V (wef July 15)	3	2	67	cllr.vincent.tapp@broadland.gov.uk
Ward D C	4	1	25	cllr.david.ward@broadland.gov.uk
Willmott D (wef July 15)	3	0	0	cllr.david.willmott@broadland.gov.uk
North Norfolk DC				
Fitch-Tillet A M (Mrs)	4	2	50	angie.tillett@north-norfolk.gov.uk
Grove-Jones P (Mrs)	4	3	75	pauline.grove-jones@north-norfolk.gov.uk



BOARD MEMBERSHIP AS AT 31 MARCH 2016 (cont/-)

NAME	MEETINGS	ATTENDED	ATTENDANCE %	CONTACT DETAILS
Jarvis B (wef July 15)	3	0	0	benjamin.jarvis@north-norfolk.gov.uk
Northam W	4	1	25	wyndham.northam@north-norfolk.gov.uk
Price R	4	1	25	richard.price@north-norfolk.gov.uk
Rice P (wef July 15)	3	3	100	paul.rice@north-norfolk.gov.uk
Smith N (wef Feb 16)	1	0	0	norman.smith@north-norfolk.gov.uk
Walker L Mrs (wef July 15)	3	1	33	lee.walker@north-norfolk.gov.uk
Great Yarmouth BC				
Coleman M Mrs	4	3	75	cllr.mary.coleman@great-yarmouth.gov.uk
Shrimplin J (wef Oct 15)	2	1	50	jimshrimplin59@gmail.com
Weymouth S (Mrs)	4	0	0	cllr.Shirley.Weymouth@great-yarmouth.gov.uk

* Chairman

** Vice-Chairman

Average attendance = 65%



Board Members and Officers

Gifts and Hospitality Register for 2015/16

Date	Member/Employee	Offer from	Description	Value (if known)	Accepted/Declined

Annual Report for the year ended

31 March 2016

Department for Environment Food & Rural Affairs

The Law – the following annual report is provided in accordance with Paragraph 4 of Schedule 2 to the Land Drainage Act 1991.

No later than 31 August 2016 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Area 3C, Nobel House, 17 Smith Square, London SW1P 3JR via <u>floodreports@defra.gsi.gov.uk</u>
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via <u>rachael.hill@environment-agency.gov.uk</u>
- The Chief Executives of:
 - all local authorities that pay special levies to the Board;
 - all County Councils or London Boroughs within which the Board is situated.

Please complete the form electronically. If you are unable to complete the form electronically, please complete in BLOCK LETTERS using **black ink**.

Please round all cash figures down to nearest whole £.

BROADS (2006) ENTER INTERNAL DRAINAGE BOARD NAME HERE

Section A – Financial information

Preliminary information on special levies issued by the Board for 2016-17

Information requested below is essential in calculating future formula spending share. It is not covered elsewhere on this form or by the external auditor's certificate.

Special levies information for financial year 2016-17 (forecast)		
Name of local authority	2016-17 forecast £	
1. BROADLAND DISTRICT COUNCIL	156,250	
2. GREAT YARMOUTH BOROUGH COUNCIL	176,707	
3. NORTH NORFOLK DISTRICT COUNCIL	275,266	
4. SOUTH NORFOLK	2,436	
5.		
6.		
7.		
8.		
Total	610,659	

Internal Drainage Board

Income and Expenditure Account for the year ending 31 March 2016

All Internal Drainage Boards must ensure that the Income and Expenditure information provided below is consistent with the Board's annual accounting statements which have been prepared in accordance with proper practices found in *Governance and Accountability in Internal Drainage Boards in England – A Practitioners' Guide 2006 (Revised November 2007)*

	Notes	Year ending 31 March 2016 £
INCOME		
Drainage Rates		263,282
Special Levies		606,421
Contributions from the Environment Agency		186,039
Contributions applied from developers/other beneficiaries		0
Government Grants		93,525
Rechargeable Works		136,660
Interest and Investment Income		4,908
Rents and Acknowledgements		936
Other Income	1	130,182
Total income		1,421,953
EXPENDITURE	1	
New Works and Improvement Works	2	87,703
Contributions to the Environment Agency	3	143,985
Drains Maintenance	4	288,656
Pumping Stations, Sluices and Water level control structures	5	362,605
Administration	6	124,619
Rechargeable Works	7	126,919
Finance Charges	8	1,447
SSSIs	9	54,396
IDB Biodiversity Action Plan actions or other biodiversity activities	10	4,500
Other Expenditure	11	17,520
Total expenditure		1,212,350
EXCEPTIONAL ITEMS		
Profits/(losses) arising from the disposal of fixed assets		0
Net Operating Surplus/(Deficit) for the year		209,603

Notes:

- 1. Include all other Income, such as absorption account surpluses (for example plant and labour absorption accounts).
- 2. State the gross cost of undertaking minor capital works that have not been capitalised and the annual depreciation charges of all major schemes that have been capitalised. You should also include a fair proportion of the support costs directly associated with delivery of the schemes.
- 3. State the total precept demanded for the year as properly issued by the Environment Agency, in accordance with section 141 of the Water Resources Act 1991. Providing that the precept has been properly issued as before stated it should always be included here, even when the Board has appealed against the amount of contribution, in accordance with section 140 of the Water Resources Act 1991. Where the Board knows with certainty the outcome of any such appeal, it should also include the appropriate accrual/prepayment.
- 4. State all costs associated with the maintenance of watercourses, meaning work associated with open channels, pipelines, culverts, bridges, etc. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with delivery of the maintenance programme.
- 5. State all costs associated with maintaining and operating the pumping stations, sluices and water level control structures. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with maintaining and operating the pumping stations, sluices and water level control structures.
- 6. Include the cost of non-technical staff only, office accommodation, annual depreciation of office equipment that has been capitalised, minor office equipment that has not been capitalised, postages, telecoms', stationery, printing, advertising, auditing of accounts, general insurances and all other costs associated with supporting the organisation. Please note that this does not include support costs, which are directly associated with the delivery of front line services.
- 7. State all costs associated with undertaking work for third parties. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with undertaking the rechargeable work.
- 8. Include the cost of servicing any borrowing, in terms of bank/loan/hire purchase Interest payable.
- State all costs associated with undertaking works capital or maintenance specifically for helping to achieve favourable condition on Sites of Special Scientific Interest (SSSIs). In most cases, these costs will be incurred in implementing actions set out in SSSI Water Level Management Plans or SSSI River Restoration Plans.
- 10. State all costs associated with undertaking works capital or maintenance that are intended to help conserve biodiversity (other than works on SSSIs). These costs are likely to be incurred in implementing actions set out in an IDB's Biodiversity Action Plan, but may include other activities.
- 11. Include all other expenditure, such as a provision for bad/doubtful debts, write-offs, and absorption account deficits (for example plant and labour absorption accounts).

Section B – Defra high level target and IDB Review Reporting

This section relates to the Board's achievement of High Level Targets (HLTs) issued by Defra in March 2005, including information required by the Environment Agency as a result of the targets or in relation to their general supervisory duty. Only those HLTs relevant to IDBs are covered below. This section also allows for reporting on IDB Review Targets.

HLT 1 – Policy Delivery Statement

Boards were required to produce a publicly available policy statement by 31 March 2001 setting out their plans for delivering the Government's policy aims and objectives. The full range of issues to be covered was set out in a template issued in June 2000. It is recommended that these statements be published on Boards' websites where they have them and reviewed every three years.

If 'NO', please say why not and when the statement will be produced/revised:

HLT 2 – Information on the National Flood and Coastal Defence Database

The IDB Review Project Board and the Environment Agency have agreed the means to allow data to be stored on the National Flood and Coastal Defence Database or equivalent systems. Boards are required to report on their asset holding and asset condition at the end of 2007/08.

HLT 3 – Biodiversity

Please indicate whether your Board has published a Biodiversity Action Plan Yes

Access to environmental expertise

Does your IDB have access to environmental expertise? If so please tick all those options below through which environmental expertise is regularly provided to your IDB:

Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority) Directly employed staff Contracted persons or consultants Environmental Partners/NGOs Other (please describe)

Asset Management (IDB Review Strand A3)

What system/database does your Board use to manage the assets it is responsible for? (A) ADIS (B) NFCDD (C) Paper Records (D) Other Electronic System (please describe)

(D) Bespoke Microsoft Access Database and GIS

Guidance and Best Practice (IDB Review Section B)

How many Board members (in total – elected and appointed) do you have on your IDB? 39 Has your IDB adopted a formal Scheme of Delegation?	
Has your IDB provided training for members in the last year? Considered:	Yes
Implemented:	

Please detail:

Presentations at Bo	oard Meetings		

Immediate Action (IDB Review Section C)

Has your IDB adopted minimum website requirements as specified in the IDB Review Implementation Plan?	Yes
Is your Board's website information current for 2016? (Board membership, audited accounts, programmes of works, WLMPS, etc)	Yes
Has your IDB adopted computerised accounting and rating systems, as specified in the IDB Review Implementation Plan?	Yes
Has your Board adopted the following governance documents?	
Standing Orders	Yes
Have the Standing Orders been approved by Ministers	Yes
Byelaws	Yes
Have the Byelaws been approved by Ministers	Yes
Code of Conduct for Board Members	Yes
Financial Regulations	Yes
Register of Member's Interests	Yes

BROADS (2006) ENTER INTERNAL D	Internal Drainage Board				
I confirm that the information provided in sections A-C or with this form is correct.					
Signature	P. Camamilo				
Date	25 August 2016				
Name in BLOCK LETTERS	P J CAMAMILE				
Designation	CHIEF EXECUTIVE				
Email address	phil@wlma.org.uk				

Local Councils, Internal Drainage Boards and other Smaller Authorities in England Annual return for the year ended 31 March 2016

Every smaller authority in England with an annual turnover of £6.5 million or less must complete an annual return at the end of each financial year in accordance with proper practices summarising its activities. In this annual return the term 'smaller authority'* includes a Parish Meeting, a Parish Council, a Town Council and an Internal Drainage Board.

The annual return on pages 2 to 4 is made up of three sections:

- Sections 1 and 2 are completed by the smaller authority. Smaller authorities must approve Section 1 before Section 2.
- Section 3 is completed by the external auditor.

In addition, the internal audit report is completed by the smaller authority's internal audit provider.

Each smaller authority must approve Sections 1 and 2 of this annual return no later than 30 June 2016.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional external auditor work and may incur additional costs.

Send the annual return, together with the bank reconciliation as at 31 March 2016, an explanation of any significant year on year variances in the accounting statements, **your notification of the commencement date of the period for the exercise of public rights** and any additional information requested, to your external auditor by the due date.

Your external auditor will ask for any additional documents needed for their work. Unless requested, do not send any original financial records to the external auditor.

Once the external auditor has completed their work, certified annual returns will be returned to the smaller authority for publication or public display of Sections 1, 2 and 3. You must publish or display the annual return, including the external auditor's report, by 30 September 2016.

It should not be necessary for you to contact the external auditor for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides that can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

BROADS (2006) INTERNAL DRAINHAE BOARD

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2016, that:

		A	greed	Yes
		Yes	No*	means that this smaller authority
1.	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	V		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2.	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	1		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3.	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.	/		has only done what it has the legal power to do and has complied with proper practices in doing so.
4.	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	1		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5.	We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	V		considered the financial and other risks it faces and has dealt with them properly.
6.	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	V		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7.	We took appropriate action on all matters raised in reports from internal and external audit.	V		responded to matters brought to its attention by internal and external audit.
8.	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	1		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9.	(For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No NA	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
	is annual governance statement is approved by this naller authority and recorded as minute reference:		Signed by Chair	
	35 16 02		dated	H. 6- Later. 16/05/16
da	ted 16/05/2016.		Signed by	
			Clerk	
			dated	16/05/2016

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 - Accounting statements 2015/16 for

Enter name of smaller authority here:

BROADS (2006) INTERNAL DRAINHGE BOARD

		Year	ending	Notes and guidance		
		31 March 2015 K	31 March 2016 £	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances, All figures must agree to underlying financial records.		
1.	Balances brought forward	1236307	1208322	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.		
2.	(+) Precept or Rates and Levies	858292	869703	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.		
3.	(+) Total other receipts	569136	561250	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.		
4.	(-) Staff costs	4 09939	455769	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.		
5.	(-) Loan interest/capital repayments	15298	15298	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).		
6.	(-) All other payments	1030176	950363	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).		
7.	(=) Balances carried forward	1208322	1217845	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)		
8.	Total value of cash and short term investments	1258342	1337079	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.		
9.	Total fixed assets plus long term investments and assets	354 356	504988	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March		
10	Total borrowings	21202	7350	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).		
11.	(For Local Councils Only) Disclosure note re Trust funds (including charitable)		Yes No	The Council acts as sole trustee for and is responsible for managing. Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.		

I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

I confirm that these accounting statements were approved by this smaller authority on this date:

16/05/2016

and recorded as minute reference:

Signed by Responsible Financial Officer P. Comamile

16 05 2016

Date

37/16/02 Signed by Chair of the meeting approving these accounting

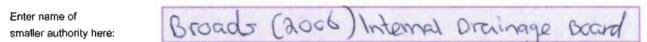
6/05/16

statements.

Date

Section 3 – External auditor certificate and report 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:



Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, in our opinion the information in the annual
return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant
legislation and regulatory requirements have not been met. (*delete as appropriate).
(continue on a separate sheet if required)
Other matters not affecting our opinion which we draw to the attention of the smaller authority:
Chief matche net cheeting our opinion which we draw to the attention of the shaker datherty.
(continue on a separate sheet if required)
External auditor signature Mazars LLP
External auditor name Mazars LLP, Durham, DH1 5TS Date 15 Suptember 2016
Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The
AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

BROAD (2006) INTERNAL DRAINAGE BOARD

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Int	sternal control objective		Agreed? Please choose of one of the following		
		Yes	No*	Not covered**	
A.	Appropriate accounting records have been kept properly throughout the year.	1			
Β.	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	7			
C.	This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	7			
D.	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1			
E.	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	1			
F.	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT approprietely accounted for.	1			
G.	Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	1			
H.	Asset and investments registers were complete and accurate and properly maintained.	1			
١.	Periodic and year-end bank account reconciliations were properly carried out.	>			
J.	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trait from underlying records and where appropriate debtors and creditors were properly recorded.	1			
K.	(For local councils only)	Yes	No	Not applicable	
	Trust funds (including charitable) - The council met its responsibilities as a trustee.	103	- ne		

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

REFER TO ATTACHED INTERIDAL ANDIT DEPORT.

Name of person who carried out the internal audit	LATE LITIENDOD,	CMIA	
Signature of person who carried out the internal audit	BLAMenood.	Date	29/04/2016
'If the response is 'no' please state the implications and	d action being taken to address ar	ny weakness in co	ontrol identified
ware configuration of fragment and a fragment and		,	
(add separate sheets if needed).			

next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2015/16 annual return

- You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guide* which is updated from time to time and contains everything you should need to prepare successfully for your financial year-end and the subsequent work by the auditor. NALC, SLCC and ADA have helplines if you want to talk through any problem you encounter.
- 2. Make sure that your annual return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the smaller authority, properly initialled and explanation provided. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs. Smaller authorities must approve the annual governance statement before approving the accounts.
- 3. Use the checklist provided below. Use a second pair of eyes, perhaps a Councillor or Board Member, to review the annual return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must tell the external auditor about any change of Clerk, Responsible Finance Officer or Chair.
- 5. Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your smaller authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guide*.
- 6. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guide* to assist you.
- 7. If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge. From 2016 onwards, you must inform the auditor of the date set for the commencement of the period for the exercise of public rights.
- Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2015) equals the balance brought forward in the current year (Box 1 of 2016).

Completion checklist - 'No' answers mean you may not have met regularements		
All sections	All highlighted boxes have been completed?	
	All additional information requested, including the dates set for the period for the exercise of public rights, has been provided for the external auditor?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Smaller authority approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2016 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Sections 1 and 2 Trust funds – all disclosures made if a Council is a sole managing trustee? NB; Do not send trust accounting statements unless requested.		
Internal Audit report	All highlighted boxes completed by internal audit and explanations provided?	

9. Do not complete Section 3 which is reserved for the external auditor.

"Note: Practitioners' Guides are available from your local NALC, SLCC or ADA representatives or from www.nalc.gov.uk or www.slcc.co.uk or www.ada.org.uk.





Water Management Alliance

INTERNAL AUDIT REPORT 2015/16

April 2016

Contents:

- 1. Executive Summary
- 2. Overall Conclusion
- 3. Acknowledgements
- 4. Detailed Observations, Recommendations and Agreed Actions
- APP 1 Agreed Terms of Reference

1. Executive Summary

The audit of the Water Management Alliance and the constituent Internal Drainage Boards was carried out by Kate Littlewood and Karen Butler for the year 2015-16. This Executive Summary sets out our overall conclusion on the system reviewed, and summarises the key recommendations arising. A copy of the Terms of Reference for this audit is attached as **Appendix 1**.

Regulation 6 of the Accounts and Audit Regulations 2011 requires that 'A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'. The completion of this internal audit fulfils that role.

It should be noted that any system of internal control is designed to manage risk to a reasonable level, and therefore Internal Audit cannot provide absolute assurance against loss. As well as being effective, controls need to be proportionate to the risk involved and not overburden the organisation with excessive costs.

The Water Management Alliance provides administration and management services to the five constituent Internal Drainage Boards, namely Broads, King's Lynn, East Suffolk, Norfolk Rivers and South Holland.

New guidance was issued on 30th March 2016 by the Joint Practitioners' Advisory Group (JPAG), 'Governance and Accountability for Smaller Authorities in England – A Practitioners Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements, March 2016'. Although the new guide does not become mandatory until the 2016/17 financial reports are prepared, the Water Management Alliance has decided on early adoption on a voluntary basis. With this in mind the auditor has considered the effect the new guidance would have on the required internal audit and has concluded that essentially the work remains the same. Therefore the audit has been undertaken in line with previous years, based on the 2007 guidance. Audit work has included review of the procedures and systems of control in place at the Water Management Alliance and considered if they were effective and being applied as intended. Sample testing was carried out on elements as considered necessary by the auditor in order to substantiate the application of the control.

As part of the audit a follow-up was carried out on the recommendations raised in last year's report. All recommendations made have been implemented. It was not possible to test the results of promoting the use of direct debit to collect rates as the invoices raised in April 2016 are the first to display the message. A note has been made to test collection rates during the 2017 audit.

2. Overall Conclusion

In conclusion, the procedures used at the Water Management Alliance are simple but effective, and appear to be carried out diligently by all staff concerned. Controls are working as expected. However, there are some aspects that can be improved and details

of recommendations can be found in Section 4 together with the actions agreed with the Chief Executive.

The overall level of assurance attributed to the system is:

Substantial Assurance	A sound system of internal control, but there are a few
	weaknesses that could put achievement of system objectives at
	risk.

The observations and recommendations are detailed in Section 4. Each recommendation is allocated a priority as defined below:

High	Major risk requiring action by the time the final report is issued.
Medium	Medium risk requiring action within six months of the issue of the draft report.
Low	Matters of limited risk. Action should be taken as resources permit.

3. Acknowledgements

We would like to express our thanks for their assistance and co-operation to: Mary Creasy, Personal Assistant (CEO) Michelle Futter, Finance Officer Trish Walker, Finance Assistant Graham Tinkler, Rating Officer/Site Warden Subject Area 4.1 – Cashbook and Bank Reconciliations

W.P. TS7.2

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
 1. Bank Reconciliation Observation Bank reconciliations are carried out weekly, as per Financial Regulations. Evidence is presented to the Chief Executive each month in the form of a cashflow statement. All bank accounts remained in credit throughout the year. The East Suffolk bank statements were referred back to the Finance Assistant as the opening and closing balances for 1 month could not be confirmed. For the month of December there appeared to be one day missing (15 December) meaning the opening and closing balances did not agree. A correct bank statement was obtained and evidenced during the audit. The Finance Officer and Assistant split the bank reconciliations between them and there is evidence that the 2 do not keep the same paperwork to evidence their reconciliations. Consequence Monthly reconciliations are carried out correctly but this is not always evidenced. The method of carrying out the bank reconciliation is thorough but the supporting reports from Sage are not always printed. Recommendation Agree a single method of reconciliation and the supporting documentation that should be kept as evidence. 	Medium	Agreed. The method of reconciliation and the evidence kept will be coordinated. Finance Officer

Subject Area 4.2 – Payroll

W.P. Ref. TS7.3

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
2. Timesheet Authorisation		
Observation		
Files containing the timesheets were requested and checked for evidence of timesheets and authorisation.	Low	Agreed.
		The method of authorising
Results were summarised in a spreadsheet. All timesheets had been signed by the Operations Managers for each Board and by the Finance Officer for WMA.		these timesheets will be reviewed.
The Broads Operations Manager is authorising his own timesheets due to the remoteness of the working area. The Operations Manager is now managing 3 sites, Broads, Norfolk Rivers and East Suffolk. For this reason at the end of each month an invoice is raised to recharge supervisory time for the other IDB's. While the Broads Operations Manager is salaried, the timesheets are used to evidence the recharges to other boards. It was also noticed during the Creditors audit that these are also authorised by the Broads Operations Manager.		Chief Executive/Catchment Engineer.
Consequence		
There is no segregation of duties. This is not best practice, however there is a some mitigating		
control as all payroll is countersigned by the Chief Executive when is has been entered into Sage and the report produced.		
Recommendation		
To be discussed to establish if separate authorisation is possible under the new working		
arrangements.		

Subject Area 4.3 – Creditors

W.P. Ref. TS7.5

Observations and their effects/ Recommendations	Priority	Agreed Action/ Responsible Officer/ Target Date
3. Employment Status Indicator (ESI)		
Observation		
A sample of payments for each Board was selected from the bank statements and traced back to source documents. Purchase orders and invoice payments were for authorisation in accordance	High	Agreed.
with Financial Regulations. Creditor's reports and files containing invoices from all the sites were requested and a sample was checked.		Information is to be passed t the WMA and officers procuring contractors will be
Purchase orders and invoice payments are being authorised by the same person. This does not appear to be breach of Financial Regulations. A mitigating control is the review of the Proposed Payments list by the Chief Executive prior to the payment run.		required to go through the on-line checking process.
rayments list by the effet exceditive prior to the payment run.		Chief Executive.
Invoices were seen for a retired employee, who was engaged to complete some extra work after		
his retirement. The Finance Officer was of the opinion that this was a short term agreement and would no longer happen. Engagements of this type should be processed through the HMRC		
Employment Status Indicator Tool. HMRC would require this indicator to prove that the person was self-employed and therefore should not be treated as an employee for Tax and National		
Insurance. However on processing this engagement through the HMRC ESI Tool, it reported that this individual's status was self-employed in respect of this engagement.		
Consequence		
It is very important that WMA is able to show an accurate audit trail in the event of a HMRC		
enquiry or audit concerning decisions made as to whether an individual was self-employed or not.		
Recommendation		
For each engagement the person engaging the work, who must have knowledge of how the		
individual shall be employed, should obtain a HMRC Employment Status Indicator report using the online ESI tool. At the end of the test the tool determines whether the individual is classed as self-		
employed or employed and provides a reference number to use as evidence.		

Audit Code: EA1



WATER MANAGEMENT ALLIANCE

INTERNAL AUDIT TERMS OF REFERENCE 2015-16

Final @ 29/04/16

1. INTRODUCTION

1.1 This document sets out the strategy and plan for the audit of the Water Management Alliance for the year 2015-16.

1.2 Section 4 of The Accounts and Audit Regulations 2011 states that '*The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control*'.

1.3 Internal Audit is defined as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.'

Public Sector Internal Audit Standards, April 2013

1.4 The Internal Auditor will work in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by CIPFA from April 2013 and thus will be able to provide the review required by the Regulations.

1.5 The authority of the Internal Auditor is established in the Financial Regulations.

1.6 The audit work will concentrate on records and systems used by the Water Management Alliance, who provide the financial and administrative functions for:

- Broads (2006) IDB
- East Suffolk IDB
- King's Lynn IDB
- Norfolk Rivers IDB
- South Holland IDB.

As such, this work will enable the auditor to complete the Annual Returns for all five Boards.

2. OBJECTIVES AND SCOPE OF THE AUDIT

2.1 The work of the Internal Auditor will be guided by 'Governance and Accountability in Internal Drainage Boards in England – A Practitioners Guide (Rev 2007)'.

2.2 In order to be able to complete section 4 of the Electronic Annual Return for 2016 the auditor will consider the following:

A. The Accounting Records

To ensure that the accounting system is accurate, complete and timely, and that data input is being verified appropriately.

- B. Financial Regulations and Standing Orders To ensure that they are current and are being adhered to.
- C. Risk Management processes To ensure that management review the Risk Register on a regular basis and that risk is being identified and actively managed in a proportionate manner.

D. Budgetary Controls

To ensure that the budgets are prepared on a realistic basis and are monitored throughout the year and any variations are investigated, with corrective action being taken if necessary.

E. Income Controls

To ensure that processes are in place and functioning correctly to collect, record and bank income in full and on time.

F. Petty Cash Procedures

To ensure petty cash provisions are reasonable, used in accordance with Financial Regulations and adequate records are kept of payments made.

G. Payroll Controls

To ensure that remuneration to employees and Board Members is calculated correctly and in accordance with the levels agreed by the Board, and that all HMRC requirements are complied with.

H. Asset Management

To ensure that there are satisfactory processes in place to maintain the register and check for accuracy.

I. Bank Reconciliation

To ensure that periodic and year-end bank account reconciliations were properly completed and verified.

J. Year-end Procedures

To ensure that the appropriate accounting basis have been used to prepare the yearend accounting statements and that figures contained in the statements can be verified by reference to working papers and accounting records.

2.3 Any recommendations and issues arising from the previous audit will also be followed up to establish if they have been implemented or if there is a satisfactory explanation for non-implementation.

2.4 Contained within the scope of work described above it is implied that the auditor will have due regard for Value for Money considerations and the potential for fraud.

3. TASKS

- 3.1.1 The project tasks are to:
 - Establish if the procedures recorded as part of the audit for 2014-15 remain the same and document any changes that may have taken place.
 - Perform tests to establish that systems are operating in accordance with the procedures and that good practice is being complied with.
 - Assess strengths and weaknesses of the systems operated and the levels of financial and management risk.
 - Discuss the results with the Chief Executive and make recommendations as appropriate, which will be communicated to the Boards by means of a report.

• Complete Section 4 of the Electronic Annual Return for 2015-16.

4. WORK PLAN

- 4.1 The audit will be undertaken by Mrs Karen Butler, Auditor, Borough Council of King's Lynn and West Norfolk.
- 4.2 The audit has been allocated 5 days, which will be utilised as follows:

Task	Time
Confirm existing procedures and record any changes. Undertake a follow-up of actions agreed from the audit report for the year 2014-15.	0.5
Testing – to establish that processes are being applied as intended.	3.5
Conclusions and discussion	0.5
Completing the Return and reporting if required.	0.5

5.0 AGREEMENT

	Signature	Date
Phil Camamile Chief Executive,		
Water Management Alliance		
Kate Littlewood Audit Manager		