



LINDSEY MARSH DRAINAGE BOARD

**DRAFT
UNAUDITED
STATEMENT OF ACCOUNTS**

FOR THE PERIOD 1ST APRIL 2024 TO 31ST MARCH 2025



LINDSEY MARSH DRAINAGE BOARD

Contents

	Page
Narrative Statement	1 - 3
Statement of Responsibilities for this Statement of Accounts	4
Annual Governance Statement	5 - 7
Internal Audit Report	8 - 15
Movement in Reserves Statement	16 - 17
Comprehensive Income and Expenditure Account	18
Balance Sheet	19
Cash Flow Statement	TBC
Statement of Accounting Policies	20 - 22
Disclosures	23 - 24
Notes to the Accounts	25 - 33
Glossary of Terms	34 - 37



Narrative Statement

Annual Report

About the Lindsey Marsh Drainage Board

The Lindsey Marsh Drainage Board is an independent body created under Land Drainage Statutes responsible for flood defence, drainage and water level management works, other than on main rivers, in a defined geographical area. The Board includes those elected by and representing the occupiers of land in the area and members nominated by the local authorities of East Lindsey and North East Lincolnshire District Councils.

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

The address of the registered office is:

Wellington House

Manby Park

Manby

Louth

Lincolnshire

LN11 8UU

The Board consists of 10 elected members and 11 nominated members.

Elected Members:

G A Crust (Chairman)

S W Eyre (Vice-Chairman)

G Bowser

W Cooper

R Crust

M Denby

J M Mowbray

R H Needham

D Pridgeon

V Tagg

Appointed by East Lindsey District Council

Cllr T Aldridge

Cllr T Ashton

Cllr W Bowkett

Cllr D Edgington

Cllr D Hobson

Cllr S Kemp

Cllr D McNally

Cllr E Mossop

Cllr D Simpson

Vacancy



Appointed by North East Lincolnshire Council

Cllr W Parkinson

This document is the Statement of Accounts of Lindsey Marsh Drainage Board for the financial year ended 31st March 2025. The accounts consist of:

The Annual Governance Statement

This statement acknowledges the Board's responsibilities in terms of preparing the financial statements and ensuring that there is a sound system of internal control.

The Statement of Responsibilities

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

The Statement of Accounting Policies

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

The Income and Expenditure Account

This statement shows the gross expenditure, income and net expenditure on the major activities for which the Board is responsible and compares that cost with the finance provided by the local rate payer and others.

The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal, the fixed and net current assets employed in its operation, together with summarised information of the fixed assets held. This statement also includes the assets and liabilities of the Board.

The Statement of Movement on Reserves

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

The Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operation of the authority are funded by way of rate payers, special levies, grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority. **Statement to be completed**



Summary of Financial Performance

The Board's financial position improved during the year as follows:

- 1 Surplus: The Board made a surplus of **£1,785,848.40**, compared to a surplus of **£256,408.17** in 2024. We would usually recognise the spend as it is incurred and recognise grant income relating to this spend in the same period. The requirements for this year and the next two years will be to capitalise the pumping stations on completion (IAS16/IPSAS28) and recognise the grant income once all of the obligations and conditions imposed by the grant have been met (IAS20/IPSAS23). Both income and expenditure will be recognised in the same financial period once all the relevant criteria have been met.
- 2 Liquidity: Cash surpluses have decreased from £ to £, as shown in the cash flow statement.
Statement to be completed
- 3 Fixed Assets: During the year the Board purchased a Volvo Excavator, a Case Tracked Excavator, a Herder One Self Propelled Flail, Fuel storage tanks, Walk-in Store, a MF Tractor, a Deskjet Plotter & a Vauxhall Combo at a total cost of £980,290. The Board disposed of 2 Volvo Excavators, 2 MF Tractors, 2 Granadier herder flails and a Stihl saw for £325,600, making a net profit on disposal of £90,684.
- 4 Pension: The Board's notional pension asset as administered by Lincolnshire County Council has improved from a deficit position of £139,000 to an asset position of £3,941,000 during the year. It is important to note that this balance does not represent the exit cost to the Board of closing down the pension scheme. It is a notional figure calculated by the Fund Actuary based on a number of actuarial assumptions. A full breakdown of these figures and performance is included within the notes to the accounts.
- 5 Funding: The Board's expenditure is mainly funded by cash from ratepayers and levies on local Councils. The Board also holds a number of cash reserves. External funding is sought on Schemes from the RFCC and DEFRA.
- 6 Revaluations: The Board's pumping stations were revalued at 31st March 2009, they are yet to be revalued in line with International Financial Reporting Standards, once revalued the draft accounts will be amended accordingly.

Five Year Capital Works Programme

As reported and approved by the Board in January of each year, full details of the 5 year capital works programme along with a copy of the full estimates for income and expenditure of the Board, can be requested from the office. These estimates underline the importance of having adequate reserves and detail the funding sources which includes long term debt, flood defence grant in aid and third party contributions.



Statement of Responsibilities for the Statement of Accounts

The Board is required:

- 1 To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Board that officer is the Responsible Financial Officer.
- 2 To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- 3 Approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities:

The Responsible Financial Officer is responsible for the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date, and its Income and Expenditure for the year ended 31st March 2025.

In preparing this Statement of Accounts, the Responsible Financial Officer has:

- 1 selected suitable accounting policies and then applied them consistently;
- 2 made judgements and estimates that were reasonable and prudent;
- 3 prepared the Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on local authority accounting in the United Kingdom.
- 4 applied the accounting concept of a going concern by assuming the IDB will continue to operate for the foreseeable future.

The Responsible Financial Officer has:

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

Certificate of the Responsible Financial Officer:

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Board at 31st March 2025 and its Income and Expenditure for the year then ended.

Name: Nicola Hind FCCA
Designation: Financial Reporting Officer Date: 18th June 2025

Certificate of the Chairman of the Board:

I confirm that the DRAFT Financial Statements were approved by the Lindsey Marsh Drainage Board at a meeting held on the 25th June 2025

Name: Giles Crust
Designation: Chairman Date: 25th June 2025



Annual Governance Statement

Board's Role

As the members of Lindsey Marsh Drainage Board we acknowledge our responsibility for ensuring that there is a sound system of governance, incorporating the system of internal control, including the preparation of the Statement of Accounts.

The Board provides leadership within a framework of prudent and effective controls, which enables risk to be properly assessed and managed. The Board sets the strategic aims, ensures that the necessary financial and human resources are in place to meet its objectives, and reviews management performance. The Board also sets values and standards, and ensures that the obligations to its stakeholders are understood and delivered.

Board's Composition

The Board has a total of 21 members, 10 of which are elected by occupiers of agricultural land who pay Drainage Rates directly to the Board for the services they receive (the elected members), and 11 members are appointed by the constituent Councils to represent the extent of other interests in the Drainage District (the appointed members).

Accountability

The Board is democratically accountable to those that pay for the service in its Drainage District. Consequently all money that we raise to do work in our Drainage District is spent actually doing work that benefits the Drainage District. All Board members are bound by the Members Code of Conduct and should also register their interests before taking office.

All Board members (elected and appointed) are there to serve the interests of the Board, which may, on occasion, differ from party political wishes, or those of another body.

Elected Members

The number of elected members is set out in the constitution. Elections for membership of the Board are held every 3 years, so if you are not happy with our performance; either by exercising your vote as a drainage ratepayer or standing for election yourself. The last election was November 2022.

Appointed Members

Special Levy paying Councils are entitled to assign Appointed Members onto the Board in proportion to the proceeds of Special Levies that they contribute to the total Special Levy and Drainage Rates income. However, where the special levies represent the majority of an IDB's combined income from Special Levy and Drainage Rates, the overall number of Appointed Members is capped at one more than the total number of Elected Members.

Appointed Members do not have to be councillors or employed by the Special Levy paying Council, but the Council must consider appointing someone who has knowledge or experience of some matter relevant to the internal drainage district, or the Board's functions.

Appointed members are encouraged to feedback to the councils on the work and decisions of the Board. A vacancy occurring in the appointed membership is filled by the relevant Council and the term served by such Appointed Members is a matter for the appointing local authority.

Decision Making

The Board make the key decisions and have reserved those matters that only it can take. Such decisions are made at Board meetings that take place at least 5 times a year and are recorded in the Minutes. Board meetings are public meetings at which anyone can attend the general business sessions. All other matters which, by definition, the Board considers suitable for delegation or may otherwise need to be dealt with between Board meetings have been delegated to its Committees, in accordance with the Board's Standing Orders, Matters To Be Reserved To The Boards and Financial Regulations. In addition to this the Board is represented on a number of Joint Advisory Committees, which make recommendations to the Board on various matters. Decisions and Board policy are then implemented by the Chief Executive and his Management Team. All staff are bound by the Employees' Code of Conduct.

The Board has put in place a number of plans policies and procedures to reduce the risk of fraud and to manage the key risks around delivering its strategic objectives: Anti-Fraud and Corruption and Anti-Bribery Policy, Risk Management Policy and Whistle blowing Policy.

Transparency

The Board's Minutes are published on our website. We aim to comply with the Government's Transparency Code and have also implemented the following policies to explain the types of information we have and when we can make this information available, if requested: Data Protection Privacy & Breach Policy, Document Retention/Destruction Policy and our Freedom of Information Publication Scheme. Most information is freely available and can be accessed from our website. Other news and live updates are communicated through our Facebook page, in accordance with the Board's IT Telecoms Acceptable Use Policy and IT Security Operating Procedures.

Independent Assurance

Following closure of the Audit Commission on 31 March 2015 and expiration of its audit contracts the Government's Specified Person (Public Sector Audit Appointments Ltd) now appoints an External Auditor each year to audit the Board's Accounts and governance arrangements (the Appointed Auditor). The Appointed Auditor reports directly to the Board and therefore provides independent assurance to the Board and its stakeholders that the Accounts have been prepared in accordance with proper practices and that governance arrangements are sufficiently robust. Furthermore the Internal Auditor checks that the Board's management team are fully complying with these governance arrangements and reports directly to the Board on this every year.

We confirm to the best of our knowledge and belief, with respect to the Board's Statement of Accounts for the year end 31st March 2025, that:

- 1 The Statement of Accounts have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.
- 2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.

3 We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Board to conduct its business or on its finances.

4 We have provided proper opportunity during the year for the exercise of electors rights in accordance with the requirements of the Accounts and Audit Regulations.

5 We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

6 We have maintained throughout the year an adequate and effective system of internal audit of the Board's accounting records and control systems and carried out a review of its effectiveness.

7 We have taken appropriate action on all matters raised in previous reports from the internal and external audit.

8 We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year end, have a financial impact on the Board and where appropriate have included them in the Statement of Accounts.

The Board has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Officers of the Board who have responsibility for the development and maintenance of the governance environment, and also by comments made by internal and external auditors.

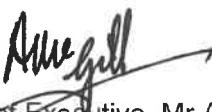
The current Internal Auditors have performed a review of key areas, which can be seen in detail in the Internal Audit reported that has been included in this Statement of Accounts. These areas were given an overall assurance of Substantial Assurance.

Signed on behalf of Lindsey Marsh Drainage Board



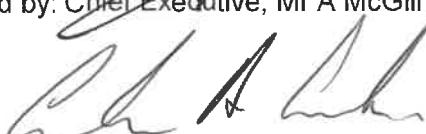
Signed by: Responsible Financial Officer, Mrs N Hind

Date: 25/06/2025



Signed by: Chief Executive, Mr A McGill

Date: 25/06/2025



Signed by: Chairman, Mr G Crust

Date: 25/06/2025



Internal Audit 2024/25

FINAL Audit Report

Prepared by:

Chris Harris - Associate Principal Auditor
Lighthouse UK Consultancy Limited

For: Lindsey Marsh DB

This audit has been conducted in accordance with the Public Sector
Internal Audit Standards.

Report Control:

Audit Manager

Steve Forsyth

Lead Auditor

Chris Harris

Report Status

Draft Report Issued – 26/03/2025

Final Report Issued – 01/04/2025

Draft Report Distribution

Nicola Hind – Finance Manager

Final Report Distribution

Andrew McGill – Chief Executive

Nicola Hind – Finance Manager

This audit has been conducted in accordance with the Public Sector
Internal Audit Standards.

Table of Contents

1	Executive Summary	1
1.1	Scope and Background of Audit	1
1.2	Summary of Audit Findings.....	1
1.3	Summary of Control Assurance Provided.....	1
1.4	Summary of Recommendations.....	1
2	Audit Findings and Recommendations.....	2
2.1	Governance.....	2
2.2	Risk.....	2
2.3	Financial (Internal Control Framework).....	3
3	Final Action Plan.....	5

1 Executive Summary

1.1 Scope and Background of Audit

Internal Drainage Boards are required annually to have an independent internal audit of their governance, risk and control framework. In addition, the Annual Governance and Accountability Return requires an annual Internal Audit report that prescribes some 14 Objectives for the internal auditor to test and comment upon.

The 2024/25 audit of the IDB's accounts and records have been reviewed and tested across sufficient areas of operation to enable the auditor to sign off the Annual Governance and Accountability Return for Internal Audit.

1.2 Summary of Audit Findings

- 1.2.1 The auditor is pleased to record that, following his detailed internal audit work, the governance, risk and control framework at Lindsey Marsh DB is in good order and working well.
- 1.2.2 No recommendations have been made following this audit.

1.3 Summary of Control Assurance Provided

- 1.3.1 **Substantial** - Internal Audit is able to offer substantial assurance overall as the areas reviewed were found to be adequately controlled. Internal controls were in place and operating effectively and risks against the achievement of objectives were well managed.

1.4 Summary of Recommendations

High	Medium	Low	Total
0	0	0	0

2 Audit Findings & Recommendations

2.1 Governance

2.1.1 A number of policies are listed on the Lindsey Marsh Water Management Consortium's website. These were examined and found to be in need of review and updating. Discussion with the Corporate Services Manager revealed that all Policies were in the process of review and being updating and the following were to be presented to the 26 March 2025 Board meeting for approval:

- Members' Code of Conduct
- Register of Members' Interests
- Members' Expenses
- Complaints Procedure
- Whistleblowing
- Anti-fraud and Corruption
- Anti-bribery
- Data Protection, Privacy and Breach
- Access to Information and Charging
- FOI Publication Scheme
- Policy Statement
- Risk Register, Strategy and Policy

Financial Regulations would be presented to the June 2025 Board meeting for approval.

Board papers for the meetings held on the 24 January 2024, 20 March 2024, 26 June 2024 and the 25 September 2024 were reviewed. These were all in order with a reasonable attendance of Board Members at each meeting.

2.1.2 The Board published the required information for 2023/24 on its website at the time of the internal audit in accordance with the relevant legislation.

2.2 Risk

2.2.1 The Dynamic Risk Register which caters for all four Boards went to the January Board meetings (changes from last time highlighted in yellow). A further update will go to the March 2025 Board meeting.

2.2.2 The Business Risk Register is reviewed annually by the four Boards. This will also go to the March 2025 Board meeting together with the Risk Management Policy.

2.2.3 The Risk Registers were reviewed and found to be up to date and in order and represented good risk management.

2.3 Financial (Internal Control Framework)

2.3.1 Confirmation of Accounting Records

The Responsible Financial Officer (RFO) has in place procedures to record all financial transactions and a proper system of financial controls. In addition, the RFO has up to date accounting records.

2.3.2 Accounts Payable (Creditors)

A selection of invoices from different suppliers was reviewed in detail. These were found to be in order and where appropriate Board approval was obtained prior to purchase.

In addition, the credit card statement for July 2024 was reviewed and the payments were found to be in order and suitable for a drainage board.

There were no aged Creditors over 90 days.

2.3.3 Budgetary Process including Penny Rate and Special Levies

The Board at its meeting on the 24 January 2024 approved a 0.75% penny rate increase (21.38p in the £ for 2024/25). In addition, special levies were also approved for East Lindsey DC £4,228,287 and North East Lincolnshire Council £12,811.

The Rating process commences in April when the Rates invoices are sent out. For unpaid rates a 1st reminder is sent in July with a 2nd reminder sent in October. Court summons are sent out in November and Court attended for signing of liability orders is in January.

Outstanding rates as at the 31 January 2025 were £69,851.53.

A budget is set annually and is approved by the Board. Regular financial (Management Accounts) reports are provided to the Board at each of its meetings.

2.3.4 General Reserves

The cash reserves at 31st March 2024 were £1,214,003.95 (24.68% of net operating costs) which was a slightly worse position than the 30.28% originally estimated. (Financial Regulations requires General Reserves to be at 30% of net operating costs). A 0.75% increase in the penny rate would provide for an estimated General Reserves position of 29% by the end of March 2025.

2.3.5 5 Year Plan

The five-year plan is presented to the Board at the January Board meeting when the rates are set. An update to the five year plan is presented to the June Board meeting

each year once the known actual position following completion of the year end accounts.

The five-year plan presented for members information by the Finance Manager highlighted that whilst below the 30% reserve policy she expected a 0.75% rate increase over the next four years would bring the reserves back up to 30%.

2.3.6 Accounts Receivable

The Accounts Receivable system was in order and working well. There were no aged debts beyond 90 days.

2.3.7 Petty Cash

Petty cash was up to date and reconciled at £152.00 as at 31 January 2025.

2.3.8 Payroll

Payroll for the month of January 2025 was examined and found to be in order.

2.3.9 Assets

The asset register is updated on a regular basis as and when new assets are acquired. This was found to be up to date and in order.

2.3.10 Reconciliation

Bank reconciliations are carried out monthly. The reconciliations for January 2025 were checked and found to be in balance and in order.

Disclaimer

The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. Lighthouse UK Consultancy Limited neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Final Action Plan

Ref.	Finding	Implication	Risk level	Recommendation	Management Comments
1. No Recommendations have been made during this audit					
1.1		Low		Responsible officer: Implementation date:	

LINDSEY MARSH DRAINAGE BOARD

Statement of Changes in Reserves

For the Year Ended 31 March 2025

<u>Usable Reserves</u>	Engineering Projects Reserve £	Commuted Sums Reserve £	Capital Receipts Unapplied Reserve £	Plant Renewal Fund £	General Reserve		Total £
					Profit & Loss Reserve £	General Reserve Total £	
At 1 April 2024	3,689,036.43	0.00	0.00	345,159.16	3,013,357.96	7,047,553.55	
Profit / (Loss) for the Year	-	-	-	-	1,785,848.40	1,785,848.40	
Board funding	797,000.00				(797,000.00)	0.00	
Engineering receipts	3,025,589.60	-	-	-	(3,025,589.60)	0.00	
Remove eng receipts	(3,012,960.00)				3,012,960.00	0.00	
Other comprehensive income		-	-	-	(232,000.00)	(232,000.00)	
Transfer from General reserves	623,748.67	-	-	46,500.00	485,936.91	1,156,185.58	
	5,122,414.70	0.00	0.00	391,659.16	4,243,513.67	9,757,587.53	
Transfer to other reserves	0.00	0.00	0.00	(193,555.47)	(670,248.67)	(863,804.14)	
Remove Engineering expenditure	(3,704,379.63)	-	-	-	3,704,379.63	0.00	
Engineering expenditure	3,123,815.65	-	-	-	(3,123,815.65)	0.00	
At 31 March 2025	4,541,850.72	0.00	0.00	198,103.69	4,153,828.98	8,893,783.39	
<hr/>							
<u>Unusable Reserves</u>			Revaluation Reserve £	Pension Reserve £		Total £	
At 1 April 2024			6,211,407.36	(139,000.00)	6,072,407.36		
Profit / (Loss) for the Year			-	4,080,000.00	4,080,000.00		
Transfer from other reserves			-	0.00	0.00		
			6,211,407.36	3,941,000.00	10,152,407.36		
Transfer to other reserves			0.00	0.00	0.00		
Depreciation of pumping stations			(292,381.44)	0.00	(292,381.44)		
At 31 March 2025			5,919,025.92	3,941,000.00	9,860,025.92		

Reserves Note

Reserves are held to create a working balance to mitigate the impact of uneven cash flows and avoid uneven rate increases or decreases, to create a contingency to cushion the impact of unexpected events and emergencies, and to build funds to meet predicted future expenditure. However, not all reserves can be used to deliver services and these are reflected as Usable and Unusable. Unusable reserves are determined by technical accounting rules and are not available for use by the Board, Revaluation and Pension reserves are examples of Unusable Reserves. Of the Usable Reserves, the Board holds two different types - Allocated or Earmarked Reserves and Unallocated or General Reserves.

Usable Reserves

Allocated or Earmarked Reserves

Allocated or Earmarked Reserves are sums set aside for a specific known future use.

Engineering Project Reserve

The Engineering Project Reserve is an earmarked reserve where the sums have been set aside for a specific project or to meet expenditure for a specific future purpose.

Due to the nature of those schemes the life of the project can take place over a number of years and therefore any funds are held separately to those of the General Reserve to ensure that these funds are available when the expenditure is required.

Commuted Sums Reserve

A commuted sum is a "one-off" receipt, from a 3rd party, of a capital nature that is reserved against future expenditure of a specific nature. Any commuted sums are now held on the balance sheet as a future obligation (creditor) rather than a value in the reserve account.

Capital Receipts Unapplied Reserve

Capital receipts arise from the disposal of land & building assets and are credited to the Capital Receipts Unapplied Reserve from where new building or land assets may be financed from in the future.

During the year to 31st March 2023 the Board resolved to allocate the Capital Receipts Unapplied Reserve to the Engineering Schemes to be used on Saltfleet Pumping Station Refurbishment.

Plant Renewal Fund Reserve

The Plant Renewal & Operating Reserve is an earmarked reserve where funds have been set aside and are held for future costs incurred in the provision of new plant.

Where an item of plant is budgeted for in one year but not purchased until the following year the budget is moved to the plant reserve to earmark the funds for future use.

LINDSEY MARSH DRAINAGE BOARD

Statement of Changes in Reserves **For the Year Ended 31 March 2025**

Unallocated or General Reserves

Unallocated or General Reserves are funds to provide protection against unplanned expenditure.

The General Reserves, as shown on the Balance Sheet, shows the equity of the Board, and these funds are made up of both cash and non-cash assets/liabilities, such as any fixed assets the Board holds in its balance sheet.

When considering the Board's financial position, within those General reserves we identify the cash element so that we can ensure we have sufficient funds in the form of cash to meet our everyday expenditure and keep enough in reserve to enable the Board to meet any unplanned expenditure caused by an increase in costs or a flooding event. The Board's policy is to maintain a level of 30% of average net operating costs. The calculation of average operating costs includes expenditure on pumping stations, watercourse maintenance, administration, other assets and borrowing charges. Non-monetary expenses, such as depreciation, are not included in the calculation.

Unusable Reserves

Revaluation Reserve

The revaluation reserve is a non-monetary accounting adjustment to record movement arising from the revaluation of the Pumping Stations from their historical cost to their value as at the revaluation date. The Revaluation Reserve is reduced annually in line with the value of the depreciation of the Pumping Stations. The Reserve value is not available for use by the Board.

The Revaluation Reserve has arisen from the revaluation of the pumping stations, last valued on 31st March 2009 by Castley & Co, Chartered Surveyors. The sums relating to that revaluation are shown in the Reserve, a further revaluation will be required in line with IFRS and these figures will be amending accordingly.

Pension Reserve

The Pension Reserve represents the present values of the Pension scheme, as valued by an independent firm of actuaries, based upon an estimate of the pensions that will be payable in future years taking into consideration assumptions on mortality rates and earnings. The Pension Reserve is not available for use by the Board.

The Pension reserve is an asset, having been in a deficit position for a number of years. A deficit arises where the Board has not contributed sufficient funds to match the Actuary's assessment of the future pension commitments as at the balance sheet date. The Actuary's assessment can change significantly from year to year, depending on investment performance, mortality rates and the age profile of the active members of the scheme. The asset / deficit value does not represent the exit costs of closing down the scheme or withdrawing from the LGPS scheme as at the balance sheet date.

Further notes relating to Pensions can be found in the Notes to the Accounts

LINDSEY MARSH DRAINAGE BOARD

Income & Expenditure Account

All Values are shown in

Pound Sterling

	Notes	31.03.2025 Current Year	31.03.2024 Previous Year
INCOME			
Agricultural drainage rates		1,433,011.70	1,432,652.40
Special levies		4,241,098.00	4,104,093.00
Highland water contribution		118,809.89	130,762.57
Stewardship income		3,771.75	3,771.75
Rental, wayleaves & grazing income		1,087.68	1,087.68
Income from PSCAs	1	99,010.01	93,003.91
Income from rechargeable works	2	323,840.48	240,154.75
Income from consenting	3	124,159.21	96,337.31
Income from recharge of disbursements	4	127,623.92	100,997.46
Contributions	5	21,516.79	8,326.78
Deferred income & commuted sums	6	9,850.50	0.00
Consortium & management income	7	592,804.35	609,573.66
Other income	8	34,969.51	2,186.58
Investment interest		107,473.59	75,711.47
Flood Recovery funds	27	670,891.39	0.00
Grants	28	0.00	185,000.00
Contributions to Schemes	29	12,629.60	225.00
Own use of plant (absorption)	9	698,175.03	557,048.38
Own use of labour (absorption)	9	1,245,712.10	1,088,919.44
TOTAL INCOME		<u>9,866,435.50</u>	<u>8,729,852.14</u>
MAINTENANCE & DEVELOPMENT EXPENDITURE			
Engineering scheme expenditure	33	580,563.98	1,033,232.38
Drain maintenance expenditure	10	1,317,376.25	1,075,566.71
Pumping station expenditure	11	836,143.76	1,291,029.51
PSCA Recharge Expenditure	1	51,689.39	79,987.41
Recharge expenditure	2	322,233.67	237,348.81
Consenting expenditure	3	104,086.54	88,319.23
Disbursement Costs	4	127,623.92	100,974.06
Stewardship costs		49.02	0.00
Cost of goods sold & stock variances		4,117.51	(3,298.34)
TOTAL MAINTENANCE & DEVELOPMENT EXPENDITURE		<u>3,343,884.04</u>	<u>3,903,159.77</u>
SUPPORTIVE EXPENDITURE			
DLO costs	12	1,037,785.02	906,886.39
Other direct expenses	13	9,936.87	8,395.47
Environment Agency precept		450,451.00	450,451.00
Support & establishment costs	14	2,938,739.92	2,787,504.54
Finance costs	15	2,270.03	1,790.41
Depreciation costs	16	618,578.78	629,229.89
Bad debt costs		129.27	300.23
Biodiversity & environmental costs		1,495.86	308.18
Pension scheme finance costs	26	(232,000.00)	(163,000.00)
Miscellaneous		0.00	0.00
TOTAL SUPPORTIVE EXPENDITURE		<u>4,827,386.75</u>	<u>4,621,866.11</u>
TOTAL EXPENDITURE		<u>8,171,270.79</u>	<u>8,525,025.88</u>
EXCEPTIONAL INCOME	18	<u>1,695,164.71</u>	<u>204,826.26</u>
NET SURPLUS / (DEFICIT)		<u>90,683.69</u>	<u>51,581.91</u>
		<u>1,785,848.40</u>	<u>256,408.17</u>

LINDSEY MARSH DRAINAGE BOARD

Balance Sheet Report

All Values are shown in Pound Sterling

	Notes	31.03.2025 16	31.03.2024 Current Year	31.03.2024 Previous Year
FIXED ASSETS				
Land & buildings		195,455.22		200,734.98
Pumping stations		5,919,025.92		6,211,407.36
Plant & equipment		1,758,043.06		1,306,386.54
Motor vehicles		263,527.01		297,579.49
Computer Equipment		6,852.18		0.00
Assets under Construction	33	13,294,345.42		10,170,529.77
FIXED ASSETS			21,437,248.81	18,186,638.14
CURRENT ASSETS				
Stocks		78,963.18		83,865.08
Trade debtors		240,828.28		114,689.23
Rates debtors		8,368.86		6,701.96
Other debtors	19	40,515.22		201,445.96
Cash at Bank and in hand	20	6,659,635.34		6,898,160.96
Prepayments		14,374.37		18,315.48
CURRENT ASSETS		7,042,685.25		7,323,178.67
CURRENT LIABILITIES - DUE WITHIN 1 YEAR				
Trade creditors & supplier retentions	21	(414,956.56)		(875,142.97)
Other creditors	22	(1,293.52)		(1,075,589.19)
Accruals		(277,608.32)		(310,710.52)
Accrued Accumulated Absences		(33,914.00)		(28,289.00)
Taxation & social security	23	(58,705.52)		(55,871.36)
Loans & hire purchase	24	0.00		0.00
Capital Grants received in advance	29	(12,752,813.50)		(9,739,853.50)
Deferred income & commuted sums	25	(127,833.33)		(165,399.36)
CURRENT LIABILITIES		(13,667,124.75)		(12,250,855.90)
NET CURRENT ASSETS			(6,624,439.50)	(4,927,677.23)
TOTAL ASSETS LESS CURRENT LIABILITIES			14,812,809.31	13,258,960.91
LONG TERM (LIABILITIES) / ASSET				
Loans & hire purchase	24	0.00		0.00
Pension scheme asset / (liability)	26	3,941,000.00		(139,000.00)
LONG TERM LIABILITIES			3,941,000.00	(139,000.00)
NET ASSETS			18,753,809.31	13,119,960.91
RESERVES:				
USABLE RESERVES				
EARMARKED RESERVES				
Engineering Projects Reserve		4,541,850.72		3,689,036.43
Commuted Sums Reserve		0.00		0.00
Capital Receipts Unapplied Reserve		0.00		0.00
Plant Renewal Fund		198,103.69		345,159.16
TOTAL EARMARKED			4,739,954.41	4,034,195.59
GENERAL RESERVES				
General Reserve - Profit & Loss Reserve		2,367,980.58		2,756,949.79
Current period net surplus / (deficit)		1,785,848.40		256,408.17
TOTAL GENERAL RESERVES			4,153,828.98	3,013,357.96
UNUSABLE RESERVES				
Revaluation Reserve		5,919,025.92		6,211,407.36
Pension Reserve	26	3,941,000.00		(139,000.00)
TOTAL NON-DISTRIBUTABLE RESERVES			9,860,025.92	6,072,407.36
BOARD'S FUNDS			18,753,809.31	13,119,960.91



Statement of Accounting Policies

Basis of Financial Statement and Accounting Policies

The Statement of Accounts have been prepared in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025 (the Code).

Lindsey Marsh Drainage Board's accounting policies are the principle, bases, conventions, rules and practices applied that specify how the effects of transactions and other events are to be shown in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses and changes in reserves. It has adopted the following accounting policies which should be read in conjunction with the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in this statement of accounts.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Critical Judgements In Applying Accounting Policies:

In applying the accounting policies the IDB has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

IAS20 Government Grants: An entity recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

The grants received from the EA in respect of schemes have been shown within Grants Received in Advance, and the corresponding costs are shown within Assets Under Construction on the Balance Sheet. Once the projects are complete and the Certificate of Completion is received, alongside the relevant closure form from the Environment Agency being signed off, both the income from the grant, and the costs incurred will be recognised and the net cost of the asset recognised on the Balance Sheet.

Estimation Uncertainty:

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustments within the carrying amounts of assets and liabilities within the next financial year are:

1 Property

There could potentially be an impact on the valuations due to the passing of time since the last revaluation. Once the valuations are provided the Financial Statements will be adjusted accordingly.

2 Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension fund assets. A firm of consulting Actuaries is engaged with Lincolnshire Pension Fund, about the assumptions to be applied, and provides an annual report detailing this information and outlining the assumptions made.

Accruals:

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation.



Provisions:

A provision is recognised if, as a result of a past event, Lindsey Marsh Drainage Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity. The term Financial Instrument encompasses equity instruments, financial assets and financial liabilities.

The only financial assets held are receivables. Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Each financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Financial liabilities are recognised on the Balance Sheet when the IDB becomes party to the contractual provisions of a financial instrument. Long term loans (PWLB) are shown in the balance sheet as the capital element outstanding at the year end, split between amounts due in the current year and amounts due outside of the year. Any interest paid is taken directly to the income and expenditure account. At the 31st March 2025 & 2024, the IDB had no Long Term Loans outstanding

Government Grants:

Government grants are recognised in the Income and Expenditure when all of the obligations and conditions have been met, if these have not yet been met these funds are held in the Grant Reserve.

Income Recognition:

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

Taxation:

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



Pensions:

The Board participates in the Lincolnshire Local Government Pension Scheme, a defined benefit scheme, operated by Lincolnshire County Council. The Board pays a contribution of 24% on employees pensionable pay into the pension fund. The expected costs of providing pensions, as calculated periodically by professional qualified actuaries, is charged to the Income and Expenditure in order to spread the cost over the service lives of employees in the scheme. The annual report is available on request.

Fixed Assets:

Fixed assets are recognised as expenditure on acquisition, creation or enhancement of fixed assets. Assets with estimated useful lives in excess of 1 year and a value of £500, or £2,000 in the case of computer equipment, or above are capitalised on an accruals basis in the accounts.

Disposals are written off at cost less depreciation. Any surplus/deficit is charged/credited to Profit/Loss on Disposal in the Income and Expenditure Account.

Depreciation has been provided for using the straight line method.

The useful lives of the various items on the Fixed Asset Register are as follows:

Buildings: 50 years

Pumping station contents and weedscreen cleaners: 25 years

Motor vehicles and equipment: 5 years

Excavators and plant: 5-10 years

Properties, Pumping Stations and Land have been subject to revaluations, which are shown in the Revaluation Reserve account. These will be reviewed regularly so that the carrying amount does not materially differ from its fair value at the balance sheet date.

Inventories (Stocks)

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method (FIFO).



Additional Disclosures

First Time Adoption of IFRS

The Statement of Accounts for 2022-23 was the first to be prepared on an IFRS basis.

The accounting policies detailed have been applied to the financial statements for the year ended 31st March 2025, the comparative information and the opening statement of financial position at the date of transition.

Material differences between amounts presented are explained below.

IFRS Adjustments

1 Government Grants

Under the Code, Government Grants are recognised as income when all obligations and conditions of the grant are met. As a result of adopting the accounting policy required by the Code, the Financial Statements have been amended by moving all Grant Income to the Capital Grants Received in Advance account, until all conditions and obligations are met. The previous accounting policy was to match expenditure with the grant.

2 Assets Under Construction

This expenditure was previously matched with the income received from the Government Grant and accounted for within the Income and Expenditure Statement for the year. This is now being classified separately, and once the asset is fully complete and all obligations and conditions of the grant met this will then be classified and accounted for as defined by the applicable accounting policy.

3 Accumulated Absences

Short term accumulating absences refer to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Authority. The most significant benefit covered by this heading is holiday pay. Under the Code, the cost of providing holidays and similar benefits is required when employees render their services that increase their entitlement to future compensated absences. As a result the Authority is required to accrue for any annual leave earned but not taken at 31 March each year. Under previous accounting arrangements, no such accrual was required.

4 Operating Leases

Operating leases are assets rented by a business where ownership of the asset is not transferred when the rental period is complete. The Board as the lessee, previously recognised the rentals in the profit & loss account at the point they are due and the asset did not appear on the Board's balance sheet. Under IFRS16 Leases, operating leases should now be recognised in the balance sheet as a "right-of-use asset" with a corresponding lease liability & the asset is to be depreciated over its estimated useful life. The Board's accounts are yet to implement this change for its leased vehicles.

Expenditure and Funding Analysis

Lindsey Marsh Drainage Board manages its activities and reports as a single operational unit, and as such no operational segmentation is provided in these Statement of Accounts.

Lindsey Marsh Drainage Board has not acquired or discontinued any operations in the year to 31st March 2025.

Events After The Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- 1 Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- 2 Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Risk Management

Lindsey Marsh Drainage Board has exposure to the following risks from its use of financial instruments:

- 1 Credit risk
- 2 Liquidity risk

- 3 Market risk
- 4 Operational risk

This note presents information about Lindsey Marsh Drainage Board's exposure to each of the above risks, the objective, policies and processes for measuring and managing risk, and management of capital. Further quantitative disclosures are included throughout these Statement of Accounts.

Risk Management Framework

The risk management framework is set out in the Annual Governance Statement of these Statement of Accounts.

Credit Risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations.

Liquidity Risk

Liquidity risk is the risk that Lindsey Marsh Drainage Board will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Lindsey Marsh Drainage Board's approach to managing liquidity risk is to only commit to financial instruments that can be funded from the available cash resources at the date of commitment.

Market Risk

Market risk is the risk that changes in market prices such as interest rates will affect Lindsey Marsh Drainage Board's income or the value of its financial instruments.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with Lindsey Marsh Drainage Board's processes or personnel, technology and infrastructure risks, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

	31.03.2025	31.03.2024
	Current Year	Previous Year
1 PSCA Income & Expenses		
PSCA Income		
River Steeping Dredging works income received	0.00	6,744.00
River Steeping works income moved from Deferred	29,669.45	38,019.43
PSCA Income - EA - DLO works done	63,431.36	28,231.68
PSCA Income - EA - Mink control	5,909.20	20,008.80
	<hr/> 99,010.01	<hr/> 93,003.91
Expenses for PSCA works		
River Steeping works	53.26	44,763.43
PSCA Costs - EA	46,264.13	20,553.98
PSCA Costs - EA - Mink control	5,372.00	14,670.00
PSCA costs	51,689.39	79,987.41
Income over Expenditure on PSCA	<hr/> 47,320.62	<hr/> 13,016.50
	31.03.2025	31.03.2024
	Current Year	Previous Year
b Expenditure by resource		
Stocks	27,601.75	12,863.63
Use of own plant	17,837.23	7,114.30
Use of own labour	825.15	39,293.25
Contractors	53.26	380.17
Consultants - internal	5,372.00	14,670.00
Consultants - external	0.00	5,666.06
Other Costs	<hr/> 51,689.39	<hr/> 79,987.41
2 Other Recharge Works		
Income		
Works performed recharged income - DLO	5,229.40	7,224.78
Works performed for other Boards income - DLO/Plant rent	10,600.28	19,768.53
Works performed recharged income - Engineers	308,010.80	213,161.44
	<hr/> 323,840.48	<hr/> 240,154.75
Expenditure		
Works performed costs & recharged as income -DLO	3,722.01	4,918.17
Works performed costs & recharged as income - to Other Boards	10,500.34	19,268.60
Works performed costs & recharged as income - ENG	308,011.32	213,162.04
Recharge Works costs	322,233.67	237,348.81
Income over Expenditure on Recharge works performed	<hr/> 1,606.81	<hr/> 2,805.94
	31.03.2025	31.03.2024
	Current Year	Previous Year
b Expenditure by resource		
Stocks	5,376.11	7,465.11
Use of own plant	2,457.25	3,087.00
Use of own labour	5,973.96	10,893.55
Contractors	0.00	1,749.63
Consultants	308,426.35	214,086.52
Other Costs	<hr/> 322,233.67	<hr/> 67.00
	<hr/> 322,233.67	<hr/> 237,348.81
3 Consenting Recharges		
Income		
Consent & application fees	5,393.00	4,910.00
Consenting time recharged to other boards	70,583.40	55,103.75
Surface water fees	48,182.81	36,323.56
	<hr/> 124,159.21	<hr/> 96,337.31
Expenditure		
Consenting costs - labour time	103,902.94	88,319.23
Consenting costs - travelling	183.60	183.60
Income over Expenditure on Consenting Recharge	<hr/> 104,086.54	<hr/> 88,319.23
	<hr/> 20,072.67	<hr/> 8,018.08

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts

For the Year Ended 31 March 2025

4 Disbursement Income & Expenditure

Recharge of expenditure Income

Income receipts for expenses	127,623.92	100,997.46
Recharge of expenditure		
Expenses (disbursements) to be recharged	127,623.92	100,974.06
Income over Expenditure on Disbursements	0.00	23.40
Total Income Relating to Recharges	674,633.62	530,493.43
Total Expenditure Relating to Recharges	913,461.24	719,791.55

31.03.2025 31.03.2024

Current Year Previous Year

Contributions towards vehicle fuel costs - private mile	1,458.72	947.70
Strubby Gliders	977.11	1,499.08
One Com discounted phone income	6,520.00	5,880.00
Contributions towards Ratings Officer salary costs	12,560.96	0.00
	21,516.79	8,326.78

31.03.2025 31.03.2024

Current Year Previous Year

Olive tech fund released to Income & Expenditure	9,850.50	0.00
	9,850.50	0.00

31.03.2025 31.03.2024

Current Year Previous Year

7 Consortium & management income	592,804.35	609,573.66
Consortium recharge	592,804.35	609,573.66

31.03.2025 31.03.2024

Current Year Previous Year

8 Other income

Sale of assets	2,604.17	500.00
Insurance claims	16,917.68	1,411.75
Summons costs receipts	1,400.00	50.00
Credit card income	83.80	204.09
Other Income - Audit Grant	13,932.00	0.00
Other income	31.86	20.74
	34,969.51	2,186.58

31.03.2025 31.03.2024

Current Year Previous Year

9 Use of Own

Use of Own Plant		
Engineering Projects	69,617.13	36,911.01
PS Projects	15,463.63	14,860.65
Recharge Projects PSCA	27,601.75	12,863.63
Recharge Projects	2,457.25	3,087.00
Drains Maintenance Projects FLA, WEE, WOT, WED	583,035.27	489,326.09
Other	0.00	0.00
	698,175.03	557,048.38

Use of Own Labour

Use of Own Labour - DLO		
Engineering Projects	97,377.63	81,397.24
PS Projects	62,192.81	48,784.47
Recharge Projects PSCA	17,837.23	7,114.30
Recharge Projects	5,973.96	10,893.55
Drains Maintenance Projects FLA, WEE, WOT, WED	421,881.03	349,335.91
Other	0.00	0.00
	605,262.66	497,525.47

Use of Own Labour - Consultants/Engineers

Engineering Projects	205,488.77	242,818.99
PS Projects	12,214.82	17,737.18
Recharge Projects PSCA	53.26	380.17
Recharge Projects	308,426.35	214,086.52
Recharge Projects Consenting	103,902.94	88,319.23
Drains Maintenance Projects FLA, WEE, WOT, WED	10,363.30	28,051.88
	640,449.44	591,393.97
Total Use of Own Labour	1,245,712.10	1,088,919.44
Total Use of Own Labour & Plant	1,943,887.13	1,645,967.82

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

	31.03.2025	31.03.2024
	Current Year	Previous Year
10 Drain Maintenance Expenses		
Flailing	150,429.06	154,550.94
Weedcutting	359,162.91	346,054.70
Emergency drain repairs	107,970.27	182,233.65
Other drain repairs	699,814.01	392,727.42
	<u>1,317,376.25</u>	<u>1,075,566.71</u>
Stocks	200,417.68	132,690.21
Use of own plant	583,035.27	489,326.09
Use of own labour	421,881.03	349,335.91
Contractors	51,318.88	27,586.80
Consultants	10,363.30	28,051.88
Compensation	50,196.47	46,085.77
Utilities (electric, phone, rates)	163.62	147.93
Other Costs	0.00	2,159.92
Travelling	0.00	182.20
	<u>1,317,376.25</u>	<u>1,075,566.71</u>
11 Pumping Station Expenses		
Stocks	8,022.09	14,233.61
Use of own plant	15,463.63	14,860.65
Use of own labour	62,192.81	48,784.47
Contractors	49,339.04	62,723.40
Consultants - Internal	12,214.82	17,737.18
Inspections	11,235.29	8,357.40
Utilities (Electric)	595,190.11	1,063,069.12
Utilities (Water, rates)	989.35	812.55
Telemetry	18,788.16	18,881.52
Insurance	62,097.00	38,648.42
Expenses reimbursements	488.02	1,997.39
Other costs	123.44	923.80
	<u>836,143.76</u>	<u>1,291,029.51</u>
Pumping Station expenses - per station		
Wainfleet Sea Lane Pumping Station	*	31.03.2025
Gibraltar Point Pumping Station	*	31.03.2024
Burgh Sluice Pumping Station	*	20,883.42
Gotts Pumping Station	**	39,130.43
Burgh Village Pumping Station	**	18,995.97
Wedlands Gate Tilting Weir	**	29,861.30
Crown Farm Pumping Station	**	69,246.97
Thorpe Culvert Pumping Station	*	111,635.03
Thorpe Culvert Diesel (Quincey's) Pumping Station	**	7,187.25
Ingoldmells Pumping Station	*	5,993.07
Wyche Pumping Station	*	8,874.50
Nursery Pumping Station	**	2,737.63
Boothby Pumping Station	**	18,763.07
Chapel Basin Pumping Station	**	11,744.04
Anderby Pumping Station	*	16,979.05
Anderby Diesel Pumping Station	**	78,793.24
Boigrift Pumping Station	*	137,926.90
Trusthorpe Pumping Station	*	3,454.27
Theddlethorpe Pumping Station	*	2,972.45
Fulbeck Pumping Station	*	59,778.99
Gayton Engine Pumping Station	*	121,974.71
Saltfleet Pumping Station	**	13,543.26
Howdales Pumping Station	**	22,807.43
Porters Sluice Pumping Station	*	5,064.92
Ludney Pumping Station	*	3,037.28
Austen Fen East Pumping Station	**	3,028.73
Austen Fen West Pumping Station	**	2,312.56
Grainthorpe Pumping Station	*	919.76
Biergate East Pumping Station	*	2,193.77
Biergate West Pumping Station	*	63,172.08
	HW	87,197.52
	HW	3,634.62
	HW	16,500.71
	HW	53,111.05
	HW	95,635.07
	HW	72,911.25
	HW	98,935.95
	HW	73,118.16
	HW	118,542.82
	HW	13,483.15
	HW	10,588.98
	HW	2,400.42
	HW	1,839.62
	HW	59,727.53
	HW	98,456.86
	HW	7,163.01
	HW	7,751.06
	HW	29,227.13
	HW	35,915.45
	HW	10,683.47
	HW	18,168.89
	HW	10,008.23
	HW	4,042.10
	HW	8,790.44
	HW	4,278.44
	HW	44,572.92
	HW	69,321.83
	HW	11,121.64
	HW	15,595.54
	HW	14,108.33
	HW	18,637.41

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

Pumping Station expenses - per station		Current Year	Previous Year
		31.03.2025	31.03.2024
Covenham Pumping Station	**	5,711.87	5,696.64
Fulstow East Pumping Station	**	11,489.01	12,427.87
Fulstow West Pumping Station	**	10,359.71	11,675.27
Thoresby Bridge Pumping Station	*	26,509.64	39,306.34
Mablethorpe Upper Cut		587.15	587.15
		<u>836,143.76</u>	<u>1,291,029.51</u>

* Entered new electric contract in 2022/23

** Entered new electric contract in 2024/25

12 DLO costs		31.03.2025	31.03.2024
		Current Year	Previous Year
Wages		591,293.03	500,778.89
Wages Overtime		157,529.30	159,827.94
Employers NIC		82,392.79	71,648.85
Employers Pension		178,748.21	158,545.87
Accumulated Absences		1,955.00	2,308.00
DLO Training		15,824.59	6,584.92
PPE & Protective clothing		6,892.10	4,304.17
DLO Medicals		3,150.00	2,887.75
		<u>1,037,785.02</u>	<u>906,886.39</u>

Included within DLO Costs is an accrual for accumulated holiday at the 31st March 2024 of £8,750. An additional adjustment for IFRS purposes of £1,955 has been adjusted in the I&E account for 2025

13 Other Direct Costs		31.03.2025	31.03.2024
		Current Year	Previous Year
Consumables		7,395.69	6,010.80
Buyers fees		2,157.18	2,000.67
Abstraction fees & licences		384.00	384.00
		<u>9,936.87</u>	<u>8,395.47</u>
14 Support & Establishment Costs		31.03.2025	31.03.2024
		Current Year	Previous Year
Staff costs		1,950,755.84	1,875,813.22
Other staff costs incl travelling, training, recruitment, insurance		68,643.17	73,966.70
Depot costs		54,116.01	42,615.36
Office costs		33,181.72	30,682.35
Administration costs		31,931.34	30,980.17
Advertising costs		291.00	727.32
Shows and promotions		500.00	500.00
Travelling & subsistence costs		1,547.20	2,370.29
Motor vehicle running costs		102,176.03	93,891.31
Plant vehicle running costs		281,772.86	218,562.01
Plant (non-motorised) running and maintenance costs		130,535.10	118,679.50
Small tools renewals		9,023.22	6,989.98
Office & hire equipment costs		11,038.09	17,231.55
IT costs		72,648.93	64,196.03
Legal & professional fees		144,799.45	164,584.20
Board expenses		10,530.02	8,339.24
Subscriptions		273.30	1,492.62
ADA costs		8,199.00	7,964.49
Insurances		23,107.64	24,879.20
		<u>2,935,069.92</u>	<u>2,784,465.54</u>

Included within Staff Costs is an accrual for accumulated holiday at the 31st March 2024 of £19,539. An additional adjustment for IFRS purposes of £3,670 has been adjusted in the I&E account for 2025

15 Finance Costs		31.03.2025	31.03.2024
		Current Year	Previous Year
Bank charges		1,041.77	723.26
Credit charges		578.15	355.67
Card machine charges		650.11	711.48
		<u>2,270.03</u>	<u>1,790.41</u>
PWLB Loan Interest - existing loans		0.00	0.00
		<u>2,270.03</u>	<u>1,790.41</u>

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

	Land & Buildings	Pumping Stations & Contents	Plant, Equipment & Vehicles	Total
16 Tangible assets				
Cost or valuation				
At 1 April 2024	292,554.54	10,597,125.00	3,531,114.09	14,420,793.63
Additions in year	-	-	980,290.11	980,290.11
Disposals in year	-	-	(759,860.38)	(759,860.38)
Written off to reserves	-	-	-	0.00
At 31 March 2025	<u>292,554.54</u>	<u>10,597,125.00</u>	<u>3,751,543.82</u>	<u>14,641,223.36</u>
Depreciation				
At 1 April 2024	91,819.56	4,385,717.64	1,927,148.06	6,404,685.26
Charge in the year	5,279.76	292,381.44	320,917.58	618,578.78
Eliminated on disposal of assets to plant reserves			(524,944.07)	(524,944.07)
At 31 March 2025	<u>97,099.32</u>	<u>4,678,099.08</u>	<u>1,723,121.57</u>	<u>6,498,319.97</u>
Carrying amount				
At 31 March 2025	<u>195,455.22</u>	<u>5,919,025.92</u>	<u>2,028,422.25</u>	<u>8,142,903.39</u>
At 31 March 2024	<u>200,734.98</u>	<u>6,211,407.36</u>	<u>1,603,966.03</u>	<u>8,016,108.37</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
Depreciation charge on assets			618,578.78	629,229.89
Adjustment to asset costs/deptn			0.00	0.00
			<u>618,578.78</u>	<u>629,229.89</u>
17 Tangible assets continued				
Depreciation charge on assets			618,578.78	629,229.89
Adjustment to asset costs/deptn			0.00	0.00
			<u>618,578.78</u>	<u>629,229.89</u>
18 Profit / Loss on disposal of assets				
Loss / (Profit) on disposal of plant			(90,683.69)	(28,500.00)
Loss / (Profit) on disposal of vehicles			0.00	(23,081.91)
			<u>(90,683.69)</u>	<u>(51,581.91)</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
VAT refund due from HMRC			40,515.22	201,445.96
			<u>40,515.22</u>	<u>201,445.96</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
19 Other Debtors				
VAT refund due from HMRC			40,515.22	201,445.96
			<u>40,515.22</u>	<u>201,445.96</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
20 Cash at bank and in hand				
Barclays current account			585,805.27	1,564,477.67
Barclays business premium account			4,092,212.28	3,373,702.93
Beverley Building Society			403,396.49	396,439.54
Monmouth Building Society			529,498.41	523,165.95
Santander Business Reward account			798,580.37	790,301.31
Skipton B/Soc Fixed Term Deposit			250,000.00	250,000.00
Cash			142.52	73.56
			<u>6,659,635.34</u>	<u>6,898,160.96</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
21 Trade creditors and supplier retentions				
Trade creditors			(264,158.95)	(655,143.84)
Supplier retentions			(150,797.61)	(219,999.13)
			<u>(414,956.56)</u>	<u>(875,142.97)</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
22 Other Creditors				
Other creditors - payments in advance			0.00	(1,057,071.75)
Pensions			0.00	0.00
Trade Union			0.00	(11.50)
Credit cards			(1,293.52)	(978.65)
Due to other Boards re credit card receipts			0.00	(17,527.29)
			<u>(1,293.52)</u>	<u>(1,075,589.19)</u>
			31.03.2025	31.03.2024
			Current Year	Previous Year
23 Taxation and social security creditor				
VATpayment due to HMRC			-	-
PAYE due to HMRC			(58,705.52)	(55,871.36)
			<u>(58,705.52)</u>	<u>(55,871.36)</u>

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

	31.03.2025 Current Year	31.03.2024 Previous Year
24 Loans		
Due within 1 year		
PWLB Loans	-	-
Hire Purchase	0.00	0.00
Due after 1 year		
PWLB Loans	-	-
0.00	0.00	0.00
Total Loans & HP outstanding	0.00	0.00
25 Deferred Receipts & Commuted Sums	31.03.2025 Current Year	31.03.2024 Previous Year
Drain Maintenance - Lindum, Golf Road commuted Sum (21/05/18)	(111,036.50)	(111,036.50)
Drain Maintenance - Middle Ings Drain LMD222701	(2,011.08)	(2,011.08)
Culvert commuted sums	(8,732.03)	(8,732.03)
Habitat commuted sums	(1,953.92)	0.00
Olive Tech Fund	(4,099.80)	(13,950.30)
PSCA Income received in Advance of Expenditure (See below)	0.00	(29,669.45)
	(127,833.33)	(165,399.36)
RCH Project Balances cfwd:		
LM20901 River Steeping Dredging	0.00	29,669.45
	0.00	29,669.45
26 Pensions	31.03.2024 Current Year	31.03.2023 Previous Year
Income & Expenditure		
Current Service costs	391,000.00	383,000.00
Current Service income	(513,000.00)	(488,000.00)
	(122,000.00)	(105,000.00)
Interest costs on defined benefit obligation	635,000.00	599,000.00
Interest income on plan assets	(742,000.00)	(652,000.00)
Total Net Interest	(107,000.00)	(53,000.00)
Administration expenses	14,000.00	11,000.00
Contributions in respect of unfunded benefits	(17,000.00)	(16,000.00)
Total Loss / (Profit)	(232,000.00)	(163,000.00)
Balance Sheet		
Changes in the Fair Value of Plan Assets		
Opening Position at 1st April	15,286,000.00	13,222,000.00
Contributions by employees	152,000.00	147,000.00
Contributions by employer *	513,000.00	488,000.00
Contributions in respect of unfunded benefits	17,000.00	16,000.00
Interest Income on Plan Assets	682,000.00	651,000.00
	742,000.00	652,000.00
Remeasurements: **		
Other actuarial gains / (losses) on assets	0.00	0.00
Remeasurement - Return on assets less interest		
**	(154,000.00)	(154,000.00)
	705,000.00	705,000.00
Administration expenses	(14,000.00)	(11,000.00)
Benefits paid out	(939,000.00)	83,000.00
Benefits (unfunded) paid out	(17,000.00)	(16,000.00)
Closing fair value of plan assets at 31st March	15,586,000.00	15,286,000.00

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts

For the Year Ended 31 March 2025

26 Pensions note continued

Changes in the Defined Benefit Obligation

Opening Position at 1st April (13,374,000.00) (12,377,000.00)

Total Service costs (391,000.00) (383,000.00)

Interest Costs on defined benefit obligation (635,000.00) (599,000.00)

Contributions by employees (152,000.00) (147,000.00)

Remeasurements: **

Changes in financial assumptions 1,951,000.00 117,000.00

Changes in demographic assumptions - 177,000.00

Experience (loss)/gain on defined benefit obligation - other experience *** - 1,951,000.00 (95,000.00) 199,000.00

Benefits paid out 939,000.00 (83,000.00)

Benefits (unfunded) paid out 17,000.00 956,000.00 16,000.00 (67,000.00)

Closing position at 31st March (11,645,000.00) (13,374,000.00)

Position of Net assets / (liabilities) 3,941,000.00 1,912,000.00

Remeasurements:

Asset Ceiling **** (2,051,000.00)

Balance Sheet

Closing Position of Net assets / (liabilities) - Pension Deficit 3,941,000.00 (139,000.00)

Movement on Reserves

Service Costs (391,000.00) (383,000.00)

Employer contributions 513,000.00 122,000.00 488,000.00 105,000.00

Interest Income 742,000.00 652,000.00

Interest costs (635,000.00) 107,000.00 (599,000.00) 53,000.00

Remeasurement - assets ** (154,000.00) 705,000.00

Remeasurement obligations ** 1,951,000.00 1,797,000.00 199,000.00 904,000.00

Other actuarial gains / (losses) on assets 0.00 0.00

Administration expenses (14,000.00) (11,000.00)

Unfunded benefits 17,000.00 16,000.00

Asset Ceiling **** 2,051,000.00 (2,051,000.00)

Movement on Pension Reserve 4,080,000.00 (984,000.00)

* Contributions by employer - this represents the contributions made by the Board to the Pension Scheme pool. Each employer within the pool pays a contribution rate based on the costs of the benefits of the combined membership of the pool. The contribution represents those made in respect of current employees, based upon their salaries and wages, plus the additional contribution made by the Board to address the Pension Deficit. In the year to 31st March 2025 the Board contributed £0 (£0 in 2024) towards the pension deficit, this will remain at £0 in 2025/26.

** Remeasurement - Formal actuarial valuations are carried out every 3 years, when the assets and liabilities of the pension scheme are calculated on a detailed basis. The balance sheet totals at 31st March 2025 were based on the previous formal valuation in 2022, any assumptions made in non-valuation years are effectively re-calibrated once a detailed valuation takes place. The next triennial valuation will take place in 2025.

*** Other Experience - The experience loss / gain on the defined benefit obligation includes £0 (2024 £96,000) in respect of the allowance for actual pensions increases and CPI inflation over the accounting period.

**** Asset Ceiling - Where the fund has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced future contributions or through refunds. Any future refund would be at the discretion of the relevant LGPS fund & therefore the accounting standard requires the accounts to limit the reported asset to the extent that the employer can gain economic benefit from that surplus.

	31.03.2025	31.03.2024
	Current Year	Previous Year
27 Flood Recovery Funding		
Tranche 1 Funding for recovery historical costs - see below	670,891.39	0.00
	670,891.39	0.00
Tranche 1 - Recovery Costs reallocated to Schemes:		
LM24302 Emergency Pump Repairs	22,556.26	-
	22,556.26	0.00
Funds remaining in general reserves	648,335.13	0.00
	670,891.39	0.00

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

		31.03.2025	31.03.2024
		Current Year	Previous Year
28 Grant Income			
Engineering projects Grant Income			
Trusthorpe PS		2,035,000.00	0.00
Ingoldmells		0.00	840,000.00
Anderby PS		0.00	1,142,120.00
Saltfleet		265,460.00	0.00
Fulbeck PS		712,500.00	0.00
Theddlethorpe PS		0.00	204,908.00
Boygrift PS		0.00	305,700.00
		<u>3,012,960.00</u>	<u>2,492,728.00</u>
29 Capital Grants received in advance			
Grants Position at Bfwd		(9,739,853.50)	(7,432,125.50)
New grants in Year - where work not completed	28	(3,012,960.00)	(2,492,728.00)
Grant works completed released to P&L		0.00	185,000.00
Grants Position Cfwd		<u>(12,752,813.50)</u>	<u>(9,739,853.50)</u>
Capital Grants Income received & completed in year - shown in P&L		<u>0.00</u>	<u>0.00</u>
Capital Grants schemes completed in year - Income released to P&L		0.00	185,000.00
Telemetry - grants held		0.00	185,000.00
Released to P&L		<u>0.00</u>	<u>185,000.00</u>
30 Engineering projects Contributions			
Gayton Engine - Insurance receipt		225.00	
Electronic Working		<u>12,629.60</u>	<u>0.00</u>
		<u>12,629.60</u>	<u>225.00</u>
29 Engineering projects Contributions			
Gayton Engine - Insurance receipt		225.00	
		<u>0.00</u>	<u>225.00</u>
30 Engineering projects - funded from deferred income			
Electronic Working		0.00	
		<u>0.00</u>	<u>0.00</u>
31 Engineering projects - other funding & movement from / (to) Reserves			
Moved from General reserves to cover unexpected costs			
Mink Control & Barn Owl		1,192.41	
LM17052 Strubby Depot		600,000.00	
LM24302 Emergency Pump Repairs		<u>22,556.26</u>	<u>0.00</u>
		<u>623,748.67</u>	<u>0.00</u>
Moved to General reserves from existing project funds or at close of project			
Saltfleet		0.00	
Moved from scheme budgets to PSCA/Partnership schemes			
Partnership Scheme trf to PSCA R.Sleeping Dredging		0.00	
		<u>0.00</u>	<u>0.00</u>
Net Movement to general reserves		<u>623,748.67</u>	<u>0.00</u>
32 Engineering projects - other funding from Capital Receipts Unapplied Reserve			
Saltfleet		0.00	136,003.00
		<u>0.00</u>	<u>136,003.00</u>

LINDSEY MARSH DRAINAGE BOARD

Notes to the Management Accounts For the Year Ended 31 March 2025

	31.03.2025	31.03.2024
	Current Year	Previous Year
33 Engineering projects expenditure		
Engineering projects expenditure in year		
Stocks	116,052.44	104,594.34
Use of own plant	69,617.13	36,911.01
Use of own labour	97,377.63	81,397.24
Contractors	2,808,721.92	4,853,579.01
Consultants - internal	205,488.77	242,818.99
Consultants - external	367,837.95	405,651.77
Compensation	1,164.86	
Expense items reimbursements incl travel	913.60	4,369.63
Other costs - incl hard/software	38,370.19	37,984.69
	<u>3,704,379.63</u>	<u>5,768,471.54</u>
Assets Under Construction - Capital Grant Expenditure	31.03.2025	31.03.2024
Expenditure on schemes receiving grants not completed Bfwd	10,170,529.77	5,435,290.61
New expenditure in year - where work not completed	3,123,815.65	4,946,106.94
Grant works completed released to P&L	0.00	(210,867.78)
Expenditure Position cfwd	<u>13,294,345.42</u>	<u>10,170,529.77</u>
Engineering projects Grant Income - P&L	580,563.98	822,364.60
Capital Grants schemes completed in year - Expenditure released to P&L		
Telemetry - expenditure held	0.00	(210,867.78)
Released to P&L	<u>0.00</u>	<u>(210,867.78)</u>



LINDSEY MARSH DRAINAGE BOARD

Glossary of Terms

Accounting period

The period of time covered by the accounts, a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accounting policies

The basis on which an organisation's financial statements are based to ensure that those statements 'present fairly' the financial position and transactions of that organisation. Accounting concepts include 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements'.

Accruals

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which the authority has not billed or been billed, or for which actual payment had not been received or made as at 31 March.

Actuarial gains and losses

These may arise on both defined benefit pension scheme liabilities and assets. A gain represents a positive difference between the actuarial assumptions and actual experience (e.g. liabilities during the period were lower than estimated). A loss represents a negative difference between the actuarial assumptions and actual experience (e.g. liabilities during the period were higher than estimated).

Amortisation

The measure of the wearing out, consumption, or other reduction in the useful economic life of an intangible long term asset.

Amortised cost

This is cost that has been adjusted for amortisation.

Asset

An item owned by the Authority which has a value, for example, premises, vehicles, equipment, stocks, cash.

Budget

The statement of the Authority's policy expressed in financial terms usually for the current or forthcoming financial year. The Revenue Budget covers running expenses (see also: revenue income and expenditure), and the Capital Budget plans for asset acquisitions and replacements (see also: capital income and expenditure).

Capital income and expenditure

Expenditure on the acquisition of a long term asset, which lasts normally for more than one year, or expenditure which adds to the life or value of an existing long term asset.

Capital financing

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure, including borrowing, leasing, direct revenue financing, useable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Cash equivalents

These are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional accountancy institute that sets the standards for the public sector. CIPFA publishes the Accounting Codes of Practice for local government.

Code of practice on local authority accounting (the Code)

Based on International Financial Reporting Standards, the Code aims to achieve consistent financial reporting between all English local authorities and National Park Authorities. It is based on generally accepted accounting standards and practices.

Contingent liabilities

Potential costs that the Authority may incur in the future because of something that happened in the past.

Creditors

Amounts owed by the Authority for goods and services provided for which payment has not been made at the end of the financial year.

Current value

This is the cost of an asset if bought in the current year.

Debtors

Sums of money due to the Authority but not received at the end of the financial year.

Deficit

Arises when expenditure exceeds income or when expenditure exceeds available budget.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a long term asset.

Expected return on pension assets

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair value

The price at which the Authority could buy or sell an asset in a transaction with another organisation, less any grants received towards buying or using that asset.

Financial asset

A right to future economic benefits.

Financial instrument

Any contract that gives rise to a financial asset in one organisation and a financial liability in another.

Financial liability

An obligation to transfer economic benefits.

Finance lease

A lease which transfers all of the risks and rewards of ownership of a long term asset to the lessee. Where these leases are entered into, the assets acquired have to be included with the Authority's long term assets in the balance sheet at the market value of the asset involved (see also: operating lease).

Long term assets

Assets that yield benefits to the Authority and the services it provides for a period of more than one year.

Government grants

Grants paid by the Government. These can be for general expenditure or a particular service or initiative.

Historic cost

The cost of an asset when originally bought.

IAS19 retirement benefits

An International Financial Reporting Standard which requires local authorities to reflect the true value of the assets and liabilities relating to the Pension Fund in their financial statements.

Impairment

A reduction in the value of a long term asset to below its carrying amount in the Balance Sheet. Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage (fire at a building) or a deterioration in the quality of the service provided by the asset, or by a general fall in prices of that particular asset or type of asset.

Infrastructure assets

Non-current assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways, footpaths and coast protection works.

Intangible assets

Intangible assets are non-financial long term assets that do not have physical substance but are identifiable and are controlled by the Authority through custody or legal rights.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board. All local authorities apply international accounting regulations when preparing accounts. The Authority's accounts follow these standards where they apply to local authorities.

Liability

An obligation to transfer economic benefits. Current liabilities are usually payable within one year.

Market price

This is the price at which another organisation is prepared to buy or sell an asset.

Net book value

The amount at which long term assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

Operating lease

A lease whereby the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service. The assets involved are not included within the Authority's long term assets in the balance sheet (see also: finance lease). Contract hire is an example of an operating lease.

Outturn

The actual amount spent in the financial year.

Pension fund

A fund which makes pension payments on retirement of its participants.

Provision

An amount set aside to provide for a liability, which is likely to be incurred, but where the exact amount and the date on which it will arise are uncertain.

Reserves

An amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

Revenue income and expenditure

Expenditure which relates to day to day expenses, such as salaries and wages, general running expenses and the minimum revenue provision. Revenue income includes charges made for goods and services.

Surplus

Arises when income exceeds expenditure or when expenditure is less than available budget.

Value added tax (vat)

A tax on consumer expenditure, collected on business transactions at each stage in the supply, but ultimately borne by the final customer.

Variance / variation

A difference between budgeted income or expenditure and actual outturn, also referred to as an 'over-' or 'underspend'