
CONSERVATORS OF THE RIVER CAM

**ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

CONSERVATORS OF THE RIVER CAM

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CONSERVATORS OF THE RIVER CAM

CONSERVATORS PARTICULARS

Conservators:	<p>Cambridge University Dr R D Walker - Chair Prof K Richards - Deputy Chair Dr D Munday</p> <p>Cambridge City Council Mr D Tunnacliffe Cllr M Sargeant Cllr N Massey Dr M Block Ms K Hurst (appointed 01/01/2019) Mr J Ross (resigned 03/08/2019) Ms C Salisbury</p> <p>Cambridgeshire County Council Cllr A Bradnam</p> <p>Environment Agency Mr N Arnold (resigned 31/12/2019) Mr P Separvic (appointed 28/01/2020) Mr C Brown</p>
Clerk:	<p>Mr T Larnach Clayhithe Office Clayhithe Road Horningsea Cambridge CB25 9JB</p>
Auditors:	<p>Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA</p>
Principal Bankers:	<p>Barclays Bank Plc 9/11 St Andrews Street Cambridge CB2 3AA</p>

CONSERVATORS OF THE RIVER CAM

INDEPENDENT AUDITORS' REPORT TO THE CONSERVATORS OF THE RIVER CAM FOR THE YEAR ENDED 31 MARCH 2020

OPINION

We have audited the financial statements of Conservators of the River Cam for the year ended 31 March 2020 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Conservancy's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Conservancy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

This report is made solely to the Conservators, as a body. Our audit work has been undertaken so that we might state to the Conservators those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Conservancy, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Conservators' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Conservators have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Conservancy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

CONSERVATORS OF THE RIVER CAM

INDEPENDENT AUDITORS' REPORT TO THE CONSERVATORS OF THE RIVER CAM FOR THE YEAR ENDED 31 MARCH 2020

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE CONSERVATORS

The Conservators are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standard for Auditors.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date:

CONSERVATORS OF THE RIVER CAM

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

Notes	General Fund £	Capital Expenditure Fund £	Repairs & Renewals Fund £	Designated Investment Fund £	2020 Total £	2019 Total £
Incoming Resources						
Operating Income						
Registration Fees	501,035	-	-	-	501,035	449,458
Environment Agency - interchange refund	(29,597)	-	-	-	(29,597)	(34,409)
	471,438	-	-	-	471,438	415,049
Rents (gross), pontoons and wayleaves	60,768	-	-	-	60,768	83,716
Event Licences	11,413	-	-	-	11,413	10,463
Environment Agency - maintenance	8,407	-	-	-	8,407	4,920
Environment Agency - powered vessels	8,970	-	-	-	8,970	7,319
Contribution from (CCounty C)	3,602	-	-	-	3,602	2,880
Consent fees	57,813	-	-	-	57,813	34,510
Late fees	(1,704)	-	-	-	(1,704)	6,273
Chisholm Trail income	-	-	156,800	-	156,800	-
EA projects	56,296	-	-	-	56,296	-
Sundry income and work done	10,403	-	-	-	10,403	13,442
Sales of property	-	(26,354)	-	750,000	723,646	-
	687,406	(26,354)	156,800	750,000	1,567,852	578,572
Investment Income						
Building society interest	1,567	-	-	-	1,567	903
	1,567	-	-	-	1,567	903
Total Incoming Resources	688,973	(26,354)	156,800	750,000	1,569,419	579,475
Resources Expended						
Payroll Costs						
Salaries	248,890	-	-	-	248,890	236,577
Employers' National Insurance	24,683	-	-	-	24,683	22,026
Superannuation costs	60,815	-	-	-	60,815	46,644
Operating costs of defined pension benefit schemes	-	-	-	-	-	(3,000)
	334,388	-	-	-	334,388	302,247
Maintenance and Depreciation						
Repairs and maintenance	90,322	-	-	-	90,322	59,695
Vehicle costs	10,082	-	-	-	10,082	7,479
Freehold property depreciation	-	12,368	-	-	12,368	12,700
Property improvement depreciation	-	9,984	-	-	9,984	9,964
Lock depreciation	-	4,611	-	-	4,611	4,608
Plant and equipment depreciation	-	18,864	-	-	18,864	16,041
Motor vehicle depreciation	-	2,500	-	-	2,500	-
Furniture and fittings depreciation	-	1,172	-	-	1,172	1,142
River management depreciation	-	2,774	-	-	2,774	3,307
	100,404	52,273	-	-	152,677	114,936
Other Running Costs						
Rent and rates	5,612	-	-	-	5,612	3,969
Electricity and gas	3,458	-	-	-	3,458	2,477
Water	360	-	-	-	360	165
Other office costs	2,450	-	-	-	2,450	3,093
Premises expenses	5,355	-	-	-	5,355	1,536
Insurance	30,827	-	-	-	30,827	28,528
Consultancy	17,191	-	-	-	17,191	11,377
Training & employee costs	7,758	-	-	-	7,758	12,851
	73,011	-	-	-	73,011	63,996
Establishment and Finance Costs						
Printing, stationery, advertising and sundries	4,209	-	-	-	4,209	4,573
Telephone & internet	5,820	-	-	-	5,820	5,974
IT costs	4,937	-	-	-	4,937	4,702
Postage and carriage	897	-	-	-	897	1,105
Legal and professional fees	65,596	-	-	-	65,596	35,683
HR & recruitment costs	5,141	-	-	-	5,141	5,919
Subscriptions and donations	1,096	-	-	-	1,096	1,019
Travelling and room hire	497	-	-	-	497	425
Bank charges and interest	1,839	-	-	-	1,839	2,079
Net pension finance costs	5,000	-	-	-	5,000	4,000
Bad debts	14,571	-	-	-	14,571	3,466
	109,603	-	-	-	109,603	68,945
Total Resources Expended	617,406	52,273	-	-	669,679	550,124
NET INCOME BEFORE OTHER GAINS AND LOSSES	71,567	(78,627)	156,800	750,000	899,740	29,351
Actuarial (losses)/gains on defined benefit pension schemes	39,000	-	-	-	39,000	(81,000)
Net Operating (Deficit)/Surplus	110,567	(78,627)	156,800	750,000	938,740	(51,649)
Transfers between funds	-	-	-	-	-	-
Adjustment for actual expenditure	(54,895)	54,895	-	-	-	-
Net Surplus/(Deficit) for the Year	55,672	(23,732)	156,800	750,000	938,740	(51,649)
Fund Balances						
Brought forward	9,191	940,158	50,224	-	999,573	1,051,222
Carried forward	64,863	916,426	207,024	750,000	1,938,313	999,573

The notes on pages 6-11 form part of these accounts.

CONSERVATORS OF THE RIVER CAM

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
Fixed Assets			
Tangible assets	2	916,426	940,158
Current Assets			
Trade debtors	3	82,455	57,754
Prepayments		24,365	402
Other debtors		-	54
Cash at bank and in hand		1,238,856	448,019
		<u>1,345,676</u>	<u>506,229</u>
Current Liabilities			
Deferred income	4	74,817	144,022
Trade creditors		4,621	13,301
Accruals		59,204	58,365
Other creditors		3,147	15,126
		<u>141,789</u>	<u>230,814</u>
Net Current Assets		1,203,887	275,415
Net Assets Excluding Pension Scheme Liabilities		<u>2,120,313</u>	<u>1,215,573</u>
Scheme Liabilities			
Defined benefit pension scheme liability	9	(182,000)	(216,000)
Net Assets Including Pension Scheme Liabilities		<u>1,938,313</u>	<u>999,573</u>
Funds			
General fund	8	64,863	9,191
Capital expenditure fund	8	916,426	940,158
Repairs and renewals fund	8	207,024	50,224
Designated investment fund	8	750,000	-
		<u>1,938,313</u>	<u>999,573</u>

Approved on behalf of the Conservators:



Dr R D Walker - Chairman

Dated: 2020 November 27

The notes on pages 6-11 form part of these accounts.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Going concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. The Conservancy have maintained their operations throughout the pandemic and kept the navigations open. However the measures put in place by the Government to stop the spread of the virus has significantly reduced the number of river users. As such a significant drop in income is forecast for the next 12 months. The Conservancy is reliant on license fee income from river users to continue in operation.

Management have prepared cash flow forecasts up to March 2021 and performed scenario planning based on future business models and forecast spend. Based on their review, the Conservators believe the Conservancy will have sufficient resources to meet its liabilities as they fall due for the foreseeable future through the utilisation of designated investment funds to support the operating position.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets, other than freehold land, over their estimated useful lives by annual instalments at the following rates:

Freehold Buildings and Improvements	2% - 2.5% on cost
Locks	3% on cost
Plant and Equipment	10% on cost
Furniture & Fittings	10% on cost
Motor Vehicles	25% on cost
Weedharvester and work boat	Over the remaining life of the asset
River Management	20% on cost

Taxation

The Conservators of the River Cam is not subject to Corporation Tax.

Pensions

The Conservators of the River Cam contributes to a defined benefit scheme operated by Cambridgeshire County Council, the assets are held separately in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Income and Expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

The Conservators of the River Cam offer a defined contribution pension scheme. The contributions are recognised as an expense in the Income and Expenditure account. Once the contributions have been paid, the Conservancy has no further payment obligations. The assets of the plan are held separately from the Conservancy in independently administered funds.

CONSERVATORS OF THE RIVER CAM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. TANGIBLE FIXED ASSETS

	Freehold Property £	Property Improvements £	Locks £	Plant & Equipment £	Motor Vehicles £	Fixtures & Fittings £
Cost						
As at 1st April 2019	625,559	374,954	315,192	333,609	23,850	18,123
Additions	-	-	-	39,118	15,000	777
Disposals	(102,683)	-	-	-	(8,000)	-
As at 31st March 2020	522,876	374,954	315,192	372,727	30,850	18,900
Depreciation						
As at 1st April 2019	196,452	71,810	214,566	241,912	23,850	5,314
Charged for year	12,368	9,984	4,611	18,864	2,500	1,172
On disposals	(76,329)	-	-	-	(8,000)	-
As at 31st March 2020	132,491	81,794	219,177	260,776	18,350	6,486
Net Book Value						
As at 31st March 2019	429,107	303,144	100,626	91,697	-	12,809
As at 31st March 2020	390,385	293,160	96,015	111,951	12,500	12,414

	River Management £	Total £
Cost		
As at 1st April 2019	55,085	1,746,372
Additions	-	54,895
Disposals	-	(110,683)
As at 31st March 2020	55,085	1,690,584
Depreciation		
As at 1st April 2019	52,310	806,214
Charged for year	2,774	52,273
On disposals	-	(84,329)
As at 31st March 2020	55,084	774,158
Net Book Value		
As at 31st March 2019	2,775	940,158
As at 31st March 2020	1	916,426

The freehold buildings were valued at £1,950,000 in May 2018. During the year a property was sold for £750,000.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

3. TRADE DEBTORS

	2020	2019
	£	£
Registration fees	34,284	62,455
Environment Agency	53,595	1,695
Cambridge City Council	1,462	-
Cambridge County Council	3,114	-
Bad Debt Provision	(10,000)	(6,396)
	<u>82,455</u>	<u>57,754</u>

4. DEFERRED INCOME

	2020	2019
	£	£
Registration fees received in advance	71,103	138,030
Rent received in advance	3,714	5,992
	<u>74,817</u>	<u>144,022</u>

5. LEGAL AND PROFESSIONAL FEES

	2020	2019
	£	£
Legal, surveyors and professional fees	46,177	15,831
Audit and accountancy fee - current year	12,360	12,000
Management accountancy fees	3,960	5,288
Payroll bureau services	159	774
VAT advice	1,920	-
SDLT advice	-	390
Cashflow forecasting	-	-
Pension valuation report	1,020	1,400
	<u>65,596</u>	<u>35,683</u>

Further analysis of legal costs:

	2020	2019
Registrations	328	4,088
Other legal costs	5,580	1,361
Management consultancy	-	3,700
Property legal advice	22,211	4,675
Other property fees	18,058	1,560
Property management fees	-	447
	<u>46,177</u>	<u>15,831</u>

6. REPAIRS AND MAINTENANCE

	2020	2019
	£	£
Property maintenance costs	12,788	25,449
EA projects	22,385	-
Lock maintenance costs	-	12,793
Mooring and bank repairs	10,645	9,461
General maintenance costs	44,504	11,992
	<u>90,322</u>	<u>59,695</u>

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

7. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the Conservancy had future minimum lease payments under non-cancellable operating leases as follows:

OTHER	2020 £	2019 £
Not later than 1 year	1,167	1,273
Later than 1 year and not later than 5 years	-	1,167
	<u>1,167</u>	<u>2,440</u>

8. RESERVES

General fund

The general fund includes all current and prior period operational retained profit and losses.

Capital expenditure fund

The capital expenditure fund represents accumulated amounts expended on fixed assets less depreciation. The adjustment in the year represents additions to fixed assets purchased in the year. The fixed assets are required to be maintained in order for the Conservancy to continue its operations.

Repairs and renewals fund

The repairs and renewals fund is a reserve designated for future capital spend and repairs to the assets the Conservancy are required to maintain.

Designated investment fund

The designated investment fund represents monies set aside for future investment. The income generated from this fund is to be used to supplement the operational income.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. PENSION COMMITMENTS

The Conservators of the River Cam is a member of a multi-employer defined benefit Local Government pension scheme. Pension costs in the year amounted to £60,815 (2019 - £46,644).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The following information is based upon a full actuarial valuation of the fund at 31 March 2013, updated to 31 March 2020 by a qualified independent actuary.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020 % p.a	2019 % p.a
Discount rate	2.30%	2.40%
Salary increase rate	2.40%	2.80%
Pension increase rate	1.90%	2.50%

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2010 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male years	Female years
Current pensioners	22.0	24.0
Future pensioners*	22.7	25.5

* Figures assume members aged 45 as at the last formal valuation date.

The amounts recognised in the balance sheet as at 31 March 2020 are as follows

	2020 £	2019 £
Market value of plan assets	1,133,000	1,284,000
Present value of plan liabilities	(1,315,000)	(1,500,000)
Total market value of assets	<u>(182,000)</u>	<u>(216,000)</u>

The amounts recognised in the Income and Expenditure Account are as follows:

	2020 £	2019 £
Current service cost (net of employee contributions)	-	(3,000)
Net interest cost	5,000	4,000
	<u>5,000</u>	<u>1,000</u>

The amounts recognised in other gains and losses are as follows:

	2020 £	2019 £
Changes in financial assumptions	241,000	(127,000)
Return on assets excluding amounts included in net interest	(202,000)	46,000
Actuarial gain/(loss)	<u>39,000</u>	<u>(81,000)</u>

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2020	2019
	£	£
Opening defined benefit obligation	1,500,000	1,305,000
Interest cost on defined benefit obligations	36,000	36,000
Contributions by scheme participants	6,000	6,000
Actuarial (gains)/losses	(241,000)	127,000
Current service cost	45,000	35,000
Benefits paid	(31,000)	(9,000)
Closing defined benefit obligation	<u>1,315,000</u>	<u>1,500,000</u>

Changes in the fair value of scheme assets were as follows:

	2020	2019
	£	£
Opening fair value of scheme assets	1,284,000	1,171,000
Return on assets	31,000	32,000
Actuarial (gains)/losses	(202,000)	46,000
Contributions by employer	45,000	38,000
Contributions by scheme participants	6,000	6,000
Benefits paid	(31,000)	(9,000)
Closing fair value of scheme assets	<u>1,133,000</u>	<u>1,284,000</u>

The expected employer contributions for the year ended 31 March 2021 are £21,000.

	2020	2019
Equities	68%	76%
Bonds	12%	12%
Property	17%	11%
Cash	3%	1%

Movements in the deficit in the year ending 31 March 2020 are as follows:

	2020	2019
	£	£
Deficit in scheme at beginning of the year	(216,000)	(134,000)
Recognised in income and expenditure	(5,000)	(1,000)
Actuarial gain/(loss) recognised in other comprehensive income	39,000	(81,000)
	<u>(182,000)</u>	<u>(216,000)</u>

During the year the Conservancy had 3 remaining employees that were members of the pension scheme. One employee retired at the end of the year leaving 2 remaining contributing employees. In order to plan for this, a cessation valuation was obtained from the actuaries. The actuaries were only able to prepare this up to the latest valuation date which was 31 March 2019 at that time. This estimates the cessation valuation at this date as a deficit of £455,000. This is the estimated amount that would be payable should the remaining contributing members retire. The average age of the contributing members is 58.9.