



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

Conservators of the River Cam
Clayhithe Office
Horningsea
Cambridge
CB25 9JB

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Dear Sirs

Conservators of the River Cam

This representation letter is provided in connection with your audit of the financial statements of Conservators of the River Cam for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other conservators and officials of the entity, the following representations given to you in connection with your audit of the entity's financial statements for the year ended 31 March 2017.

General

1. We acknowledge as conservators our responsibility under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the entity have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial statements, including minutes of conservators' meetings (and of all relevant management meetings) have been made available to you.
2. The financial statements are free of material misstatements, including omissions.
3. We confirm our agreement to adjustments made by you during the course of the audit as summarised in the Key Issues Memorandum.
4. We believe that the effects of uncorrected misstatements as summarised in the Key Issues Memorandum are immaterial, both individually and in total.

Internal control and fraud

5. We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant



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role in internal control or other that could have a material effect on the financial statements. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

6. The entity has satisfactory title to all assets and there are no liens or encumbrances on the entity's assets, except for those that are disclosed in the notes to the financial statements.
7. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties.
8. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

9. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

10. The entity has not granted any advances or credits to, or made guarantees on behalf of, conservators other than those disclosed in the financial statements.

Legal claims

11. We have disclosed to you all claims in connection with litigation that have been made, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

12. We have disclosed to you all known instances of non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

13. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of entity law or accounting standards.

Subsequent events

14. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.



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Going concern

15. We believe that the entity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the entity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the entity's ability to continue as a going concern need to be made in the financial statements.

16.

Provision of information

17. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:

- so far as each conservator is aware, there is no relevant audit information of which you as auditors are unaware; and
- each conservator has taken all the steps that they ought to have taken as a conservator to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

As minuted by the board of conservators at its meeting on

~~Chairman~~ Deputy Chairman
On behalf of the board of conservators

24 April 2018



CONSERVATORS OF THE RIVER CAM

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

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CONSERVATORS OF THE RIVER CAM

CONSERVATORS PARTICULARS

Conservators:	Dr R D Walker - Chairman Mr J Macnaghten - Deputy Chairman Mr N Arnold Cllr I Bates (appointed July 2017) Mr C Brown (appointed April 2017) Ms L Golliday Mr A Gosling (resigned September 2016) Cllr M McGuire (resigned September 2016) Mr S Moeed (appointed September 2016) Dr D Munday Cllr C O'Reilly (resigned September 2016) Prof K Richards Cllr D Ratcliffe (appointed April 2017) Cllr P Roberts (appointed April 2017) Mr M Schofield Ms A Tillson (resigned January 2017) Cllr D Tunnacliffe
Clerk:	Ms A Rhys-Davies Clayhithe Office Clayhithe Road Horningsea Cambridge CB25 9JB
Auditors:	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Principal Bankers:	Barclays Bank Plc 9/11 St Andrews Street Cambridge CB2 3AA

CONSERVATORS OF THE RIVER CAM

INDEPENDENT AUDITORS' REPORT TO THE CONSERVATORS OF THE RIVER CAM FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of The Conservators of the River Cam for the year ended 31 March 2017 which comprise the Income and Expenditure Account, the Balance Sheet and related notes. These accounts have been prepared under the historic cost convention and the accounting policies set out therein.

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 auditor's 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 Conservators' as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Conservators and auditors

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.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Conservator's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Conservators; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Conservators Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Conservators affairs as at 31 March 2017, and its deficit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Matters on which we 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:

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

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Dated:

CONSERVATORS OF THE RIVER CAM

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

Notes	General Fund £	Capital Expenditure Fund £	Repairs & Renewals Fund £	2017 Total £	2016 Total £
Incoming Resources					
Operating Income					
	427,141	-	-	427,141	411,424
Registration Fees					
Environment Agency - interchange refund	(44,012)	-	-	(44,012)	(42,070)
	383,129	-	-	383,129	369,354
Rents (gross), pontoons and wayleaves	96,110	-	-	96,110	69,331
Event Licences	10,709	-	-	10,709	3,916
Environment Agency - maintenance	18,157	-	-	18,157	15,368
Environment Agency - powered vessels	6,749	-	-	6,749	-
Queen's College repairs	14,030	-	-	14,030	-
Contribution from (CCC)	6,611	-	-	6,611	676
Contribution from (CCounty C)	596	-	-	596	6,558
Sundry income and work done	7,971	-	-	7,971	8,627
	544,062	-	-	544,062	473,830
Investment Income					
Deposit account interest	67	-	-	67	138
Building society interest	190	-	-	190	1,990
	257	-	-	257	2,128
Total Incoming Resources	544,319	-	-	544,319	475,958
Resources Expended					
Payroll Costs					
Salaries					
	177,893	-	-	177,893	188,604
Employers' National Insurance	15,425	-	-	15,425	14,863
Superannuation costs	44,767	-	-	44,767	37,233
Operating costs of defined pension benefit schemes	(5,000)	-	-	(5,000)	4,000
	233,085	-	-	233,085	244,700
Maintenance and Depreciation					
Repairs and maintenance	32,622	-	-	32,622	35,403
Vehicle costs	7,176	-	-	7,176	9,082
Profit on disposal of fixed assets	-	-	-	-	(7,800)
Freehold property depreciation	-	12,555	-	12,555	5,204
Property improvement depreciation	-	9,166	-	9,166	9,145
Lock depreciation	-	4,495	-	4,495	4,508
Plant and equipment depreciation	-	15,796	-	15,796	12,798
Furniture and fittings depreciation	-	1,098	-	1,098	668
River management depreciation	-	6,716	-	6,716	11,017
	39,798	49,826	-	89,624	80,105
Other Running Costs					
Rent and rates	1,870	-	-	1,870	2,260
Electricity and gas	2,449	-	-	2,449	1,838
Water	1,537	-	-	1,537	400
Other office costs	4,567	-	-	4,567	8,311
Premises expenses	6,935	-	-	6,935	16,339
Insurance	22,871	-	-	22,871	23,326
Temporary River Manager fees	28,000	-	-	28,000	-
Training & employee costs	3,467	-	-	3,467	713
	71,696	-	-	71,696	53,187
Establishment and Finance Costs					
Printing, stationery, advertising and sundries	3,835	-	-	3,835	3,901
Telephone & internet	10,420	-	-	10,420	5,509
IT costs	8,763	-	-	8,763	5,261
Postage and carriage	984	-	-	984	572
Legal and professional fees	54,309	-	-	54,309	59,041
HR & recruitment costs	12,105	-	-	12,105	4,517
Subscriptions and donations	909	-	-	909	1,194
Travelling and room hire	939	-	-	939	2,634
Bank charges and interest	2,369	-	-	2,369	1,667
Net pension finance costs	7,000	-	-	7,000	10,000
Bad debts	1,952	-	-	1,952	4,570
	103,585	-	-	103,585	98,866
Total Resources Expended	448,164	49,826	-	497,990	476,858
NET INCOME BEFORE OTHER GAINS AND LOSSES	96,155	(49,826)	-	46,329	(900)
Actuarial gains on defined benefit pension schemes	57,000	-	-	57,000	110,000
Net Operating (Deficit)/Surplus	153,155	(49,826)	-	103,329	109,100
Transfers between funds					
Adjustment for actual expenditure	(66,376)	66,376	-	-	-
Net Surplus/(Deficit) for the Year	86,779	16,550	-	103,329	109,100
Fund Balances					
Brought forward	(97,715)	965,473	-	867,758	758,658
Earned forward	(10,936)	882,023	-	971,087	867,758

The notes on pages 5-10 form part of these accounts.

CONSERVATORS OF THE RIVER CAM

BALANCE SHEET
AS AT 31 MARCH 2017

		2017 £	2016 £
Fixed Assets			
Tangible assets	2	982,023	965,473
Current Assets			
Trade debtors	3	60,389	21,429
Prepayments		23,321	27,563
Other debtors		5,000	6,152
Cash at bank and in hand		206,520	217,601
		<u>295,230</u>	<u>272,745</u>
Current Liabilities			
Deferred income	4	48,605	28,698
Trade creditors		35,762	31,794
Accruals		73,272	100,719
Other creditors		11,527	17,249
		<u>169,166</u>	<u>178,460</u>
Net Current Assets		126,064	94,285
Net Assets Excluding Pension Scheme Liabilities		<u>1,108,087</u>	<u>1,059,758</u>
Defined benefit pension scheme liability	8	(137,000)	(192,000)
Net Assets Including Pension Scheme Liabilities		<u>971,087</u>	<u>867,758</u>
Funds			
General fund		(10,936)	(97,715)
Capital expenditure fund		982,023	965,473
Repairs and renewals fund		-	-
		<u>971,087</u>	<u>867,758</u>

Approved on behalf of the Conservators:

Dated:

The notes on pages 5-10 form part of these accounts.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

Accounting Convention

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

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	2.5% 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.

Capital Expenditure Fund

The Conservators have established a Capital Expenditure Fund to absorb the depreciation charges derived from historic capital costs.

Repairs and Renewals Fund

The Conservators have established a Repairs and Renewals Fund to provide for the future replacement costs of fixed assets.

CONSERVATORS OF THE RIVER CAM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. TANGIBLE FIXED ASSETS

	Freehold Property £	Property Improvements £	Locks £	Plant & Equipment £	Motor Vehicles £	Fixtures & Fittings £
Cost						
As at 1st April 2016	250,324	334,823	314,437	282,466	23,850	6,679
Additions	-	33,531	755	12,000	-	4,653
Disposals	-	-	-	-	-	-
Transfers	374,685	-	-	-	-	-
As at 31st March 2017	625,009	368,354	315,192	294,466	23,850	11,332
Depreciation						
As at 1st April 2016	158,587	42,714	200,855	197,233	23,850	1,930
Charged for year	12,555	9,166	4,495	15,796	-	1,098
On disposals	-	-	-	-	-	-
As at 31st March 2017	171,142	51,880	205,350	213,029	23,850	3,028
Net Book Value						
As at 31st March 2016	91,737	292,109	113,582	85,233	-	4,749
As at 31st March 2017	453,867	316,474	109,842	81,437	-	8,304

	River Management £	Assets Under Construction £	Total £
Cost			
As at 1st April 2016	55,085	359,249	1,626,913
Additions	-	15,436	66,375
Disposals	-	-	-
Transfers	-	(374,685)	-
As at 31st March 2017	55,085	-	1,693,288
Depreciation			
As at 1st April 2016	36,270	-	661,439
Charged for year	6,716	-	49,826
On disposals	-	-	-
As at 31st March 2017	42,986	-	711,265
Net Book Value			
As at 31st March 2016	18,815	359,249	965,474
As at 31st March 2017	12,099	-	982,023

The freehold buildings were valued at £2,000,000 in February 2013.

Included within River Management are Coir Rolls which provide a cost effective method of introducing marginal habitat to artificially lined lakes, rivers and canals. They are being written off over their useful life of 5 years.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

3. TRADE DEBTORS

	2017	2016
	£	£
Registration fees	51,854	18,844
Environment Agency	1,012	3,985
Cambridge City Council	7,523	37,217
Bad Debt Provision	-	(6,522)
	<u>60,389</u>	<u>53,524</u>

4. DEFERRED INCOME

	2017	2016
	£	£
Registration fees received in advance	48,605	28,698
	<u>48,605</u>	<u>28,698</u>

5. LEGAL AND PROFESSIONAL FEES

	2017	2016
	£	£
Legal, surveyors and professional fees	28,659	48,393
Audit and accountancy fee - current year	12,000	6,720
Audit and accountancy fee - prior year	944	2,488
Management accountancy fee	5,250	-
Payroll bureau services	772	-
VAT advice	324	1,440
Pension valuation report	6,360	-
	<u>54,309</u>	<u>59,041</u>

Further analysis of legal costs:

Punt enforcement	10,637	15,083
Registrations	246	15,614
Byelaw enforcement	2,608	1,009
Other legal costs	1,465	35
Management consultancy	-	630
Human resources consultancy	324	-
Property legal advice	1,504	-
Property fees	11,875	16,022
	<u>28,659</u>	<u>48,393</u>

6. REPAIRS AND MAINTENANCE

	2017	2016
	£	£
Pollarding	11,844	14,568
General maintenance costs	20,778	20,835
	<u>32,622</u>	<u>35,403</u>

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

7. 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 £39,767 (2016 - £41,233).

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 2017 by a qualified independent actuary.

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

	2017 % p.a	2016 % p.a
Discount rate	2.60%	3.60%
Salary increase rate	2.70%	4.20%
Pension increase rate	2.40%	2.20%

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	22.4	24.4
Future pensioners*	24.0	26.3

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

The amounts recognised in the balance sheet as at 31 March 2017 are as follows

	2017 £	2016 £
Market value of plan assets	1,125,000	883,000
Present value of plan liabilities	(1,262,000)	(1,075,000)
Total market value of assets	<u>(137,000)</u>	<u>(192,000)</u>

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

	2017 £	2016 £
Current service cost (net of employee contributions)	(5,000)	4,000
Net interest cost	7,000	10,000
	<u>2,000</u>	<u>14,000</u>

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

	2017 £	2016 £
Changes in financial assumptions	(95,000)	156,000
Return on assets excluding amounts included in net interest	152,000	(46,000)
Actuarial gain/(loss)	<u>57,000</u>	<u>110,000</u>

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

7. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	1,075,000	1,156,000
Interest cost on defined benefit obligations	40,000	39,000
Contributions by scheme participants	9,000	7,000
Actuarial (gains)/losses	95,000	(156,000)
Current service cost	46,000	32,000
Benefits paid	(3,000)	(3,000)
Closing defined benefit obligation	<u>1,262,000</u>	<u>1,075,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	883,000	868,000
Return on assets	33,000	29,000
Actuarial (gains)/losses	152,000	(46,000)
Contributions by employer	51,000	28,000
Contributions by scheme participants	9,000	7,000
Benefits paid	(3,000)	(3,000)
Closing fair value of scheme assets	<u>1,125,000</u>	<u>883,000</u>

The expected employer contributions for the year ended 31 March 2017 are £39,000.

	2017	2016
Equities	78%	74%
Bonds	13%	15%
Property	6%	8%
Cash	3%	3%

The actuary estimates the bid value of the fund's assets as at 31 March 2017 to be £2,272,000 based on information provided by the Administering Authority.

Movements in the deficit in the year ending 31 March 2017 are as follows:

	2017 £	2016 £
Deficit in scheme at beginning of the year	(192,000)	(288,000)
Recognised in income and expenditure	(2,000)	(14,000)
Actuarial gain/(loss) recognised in other comprehensive income	57,000	110,000
	<u>(137,000)</u>	<u>(192,000)</u>

