
CONSERVATORS OF THE RIVER CAM

ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

CONSERVATORS OF THE RIVER CAM

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CONSERVATORS OF THE RIVER CAM

CONSERVATORS PARTICULARS

| | |
|--------------------|---|
| Conservators: | Cambridge University Mr S Morris Mr G Greenfield Cambridge City Council Dr M Block Cllr A Cox Miss C S Hurst Mr A Storer Cllr K Thornburrow Mr T Wotherspoon Cambridgeshire County Council Cllr A Bradnam Environment Agency Mr P Separvic Mr C Brown |
| Clerk: | Gillian Elwood 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 2022

OPINION

We have audited the financial statements of Conservators of the River Cam for the year ended 31 March 2022 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes, including a summary of significant accounting policies. 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 2022 and of its incoming resources and application of resources, including its income and expenditure 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Conservators' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Conservancy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Conservators with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Conservators are responsible for the other information. The other information comprises the information included in the Accounts document, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

We have nothing to report in this regard.

CONSERVATORS OF THE RIVER CAM

INDEPENDENT AUDITORS' REPORT TO THE CONSERVATORS OF THE RIVER CAM FOR THE YEAR ENDED 31 MARCH 2022

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, and for such internal control as the Conservators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Conservators are responsible for assessing the Conservancy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Conservators either intend to liquidate the Conservancy or to cease operations, or have no realistic alternative to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Audit procedures performed by the engagement team to identify and assess the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, were as follows:

- Identification of the laws and regulations which were significant in the context of the Conservancy through discussions with Conservators and other management, and from our commercial knowledge and experience.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including FRS102 and the River Cam Conservancy Act 1922.
- We obtained an understanding of the Conservancy's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.

We assessed the susceptibility of the Conservancy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected or alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

CONSERVATORS OF THE RIVER CAM

INDEPENDENT AUDITORS' REPORT TO THE CONSERVATORS OF THE RIVER CAM FOR THE YEAR ENDED 31 MARCH 2022

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In assessing the risk of fraud through management bias and override of controls, we:

- Tested the appropriateness of journal entries and other adjustments.
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings.
- Assessed whether the significant accounting judgements and estimates made in the financial statements, as detailed in the principal accounting policies, were indicative of potential bias.
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regularities, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Conservators and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our Auditors' Report.

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.

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 23 March 2023

CONSERVATORS OF THE RIVER CAM

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | General Fund £ | Permissive Path Fund £ | Capital Asset Fund £ | Capital Asset Maintenance Fund £ | Investment Fund £ | 2022 Total £ | 2021 Total £ |
|---|-------|-------------------------|------------------------------|----------------------------|---|-------------------------|-------------------------|------------------------|
| Incoming Resources | | | | | | | | |
| Operating Income | | | | | | | | |
| Registration Fees | 2 | 470,051 | - | - | - | - | 470,051 | 359,479 |
| Environment Agency - powered vessels | 3 | - | - | - | - | - | - | 8,335 |
| Environment Agency - interchange refund | 3 | - | - | - | - | - | - | (18,715) |
| Environment Agency - Anglian Pass | | 8,236 | - | - | - | - | 8,236 | - |
| | | <u>478,287</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>478,287</u> | <u>349,099</u> |
| Rents (gross) | | 28,642 | - | - | - | - | 28,642 | 29,243 |
| Event Licences | | 12,001 | - | - | - | - | 12,001 | 1,208 |
| Environment Agency - maintenance | | - | - | - | - | - | - | - |
| Sub-contract income | | 115,908 | - | - | - | - | 115,908 | 98,472 |
| Section 15 consent fees | | 25,782 | - | - | - | - | 25,782 | 73,961 |
| Pontoon licences | | 44,170 | - | - | - | - | 44,170 | 50,358 |
| Late fees | | - | - | - | - | - | - | (100) |
| Easement fees | | - | - | - | - | 45,001 | 45,001 | - |
| Permissive Path | | - | 80,000 | - | - | - | 80,000 | - |
| EA projects | | 94,198 | - | - | - | - | 94,198 | 47,642 |
| Equipment hire | | 870 | - | - | - | - | 870 | - |
| Sundry income | | 4,218 | - | - | - | - | 4,218 | 4,004 |
| Sales of property | | - | - | (14,794) | - | 540,000 | 525,206 | - |
| Grant income | 4 | - | - | - | - | - | - | 10,000 |
| | | <u>804,076</u> | <u>80,000</u> | <u>(14,794)</u> | <u>-</u> | <u>585,001</u> | <u>1,454,283</u> | <u>663,887</u> |
| Investment Income | | | | | | | | |
| Building society interest | | 169 | - | - | - | - | 169 | 1,488 |
| Investment income | | - | - | - | 2,770 | - | 2,770 | - |
| | | <u>169</u> | <u>-</u> | <u>-</u> | <u>2,770</u> | <u>-</u> | <u>2,939</u> | <u>1,488</u> |
| Total Incoming Resources | | <u>804,245</u> | <u>80,000</u> | <u>(14,794)</u> | <u>2,770</u> | <u>585,001</u> | <u>1,457,222</u> | <u>665,375</u> |
| Resources Expended | | | | | | | | |
| Payroll Costs | | | | | | | | |
| Salaries | | 218,141 | - | - | - | - | 218,141 | 220,857 |
| Employers' National Insurance | | 20,654 | - | - | - | - | 20,654 | 23,120 |
| Superannuation costs | | 21,250 | - | - | - | - | 21,250 | 21,250 |
| Operating costs of defined pension benefit schemes | 14 | 20,000 | - | - | - | - | 20,000 | 9,000 |
| | | <u>280,045</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>280,045</u> | <u>280,798</u> |
| Maintenance | | | | | | | | |
| Repairs and maintenance | 5 | 157,317 | - | - | - | - | 157,317 | 20,645 |
| Vehicle costs | | 14,301 | - | - | - | - | 14,301 | 12,882 |
| | | <u>171,618</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>171,618</u> | <u>33,527</u> |
| Other Running Costs | | | | | | | | |
| Sub contract / Rechargeable Expenses | | 169,618 | - | - | - | - | 169,618 | 105,512 |
| Rent and rates | | - | - | - | - | - | - | - |
| Electricity and gas | | 6,254 | - | - | - | - | 6,254 | 3,289 |
| Water | | 227 | - | - | - | - | 227 | 193 |
| Rental property costs | | 13,758 | - | - | - | - | 13,758 | 14,422 |
| Insurance | | 33,998 | - | - | - | - | 33,998 | 28,519 |
| Consultancy | | 24,000 | - | - | - | - | 24,000 | - |
| Training & employee costs | | 1,359 | - | - | - | - | 1,359 | 3,587 |
| | | <u>249,214</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>249,214</u> | <u>155,522</u> |
| Establishment and Finance Costs | | | | | | | | |
| Printing, postage and stationery | | 3,087 | - | - | - | - | 3,087 | 3,971 |
| Telephone & internet | | 5,537 | - | - | - | - | 5,537 | 5,158 |
| IT costs | | 8,037 | - | - | - | - | 8,037 | 4,818 |
| Legal and professional fees | 6 | 92,867 | - | - | - | - | 92,867 | 52,491 |
| HR & recruitment costs | | 11,355 | - | - | - | - | 11,355 | 5,710 |
| Subscriptions | | 191 | - | - | - | - | 191 | 1,098 |
| Travelling and room hire | | 746 | - | - | - | - | 746 | 771 |
| Health & safety and compliance | | 1,258 | - | - | - | - | 1,258 | 5,296 |
| Other office costs | | 5,291 | - | - | - | - | 5,291 | 2,239 |
| Bank charges and interest | | 1,140 | - | - | - | - | 1,140 | 2,155 |
| Net pension finance costs | 14 | 17,000 | - | - | - | - | 17,000 | 4,000 |
| Bad debts | | 21,534 | - | - | - | - | 21,534 | 8,000 |
| | | <u>168,043</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>168,043</u> | <u>95,707</u> |
| Total Resources Expended | | <u>868,920</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>868,920</u> | <u>565,554</u> |
| Depreciation / disposal of assets | | | | | | | | |
| Freehold property depreciation | | - | - | 9,363 | - | - | 9,363 | 10,660 |
| Property improvement depreciation | | - | - | 9,671 | - | - | 9,671 | 9,392 |
| Lock depreciation | | - | - | 9,456 | - | - | 9,456 | 9,456 |
| Plant and equipment depreciation | | - | - | 29,103 | - | - | 29,103 | 33,071 |
| Motor vehicle depreciation | | - | - | 3,750 | - | - | 3,750 | 3,750 |
| Furniture and fittings depreciation | | - | - | 229 | - | - | 229 | 228 |
| River management depreciation | | - | - | - | - | - | - | 1 |
| Disposal of assets | | - | - | 61,572 | - | - | 61,572 | 104,818 |
| | | <u>-</u> | <u>-</u> | <u>61,572</u> | <u>-</u> | <u>-</u> | <u>61,572</u> | <u>104,818</u> |
| Total resources expended including depreciation | | <u>868,920</u> | <u>-</u> | <u>61,572</u> | <u>-</u> | <u>-</u> | <u>930,492</u> | <u>670,372</u> |
| Net income before other gains and losses | | <u>(64,675)</u> | <u>80,000</u> | <u>(76,366)</u> | <u>2,770</u> | <u>585,001</u> | <u>526,730</u> | <u>(4,997)</u> |
| Actuarial (losses)/gains on defined benefit pension schemes | 14 | (216,000) | - | - | - | - | (216,000) | (87,000) |
| Net unrealised gains on properties | 8 | - | - | - | - | 700,288 | 700,288 | - |
| Net unrealised losses on investments | 8 | (8,264) | - | - | - | - | (8,264) | - |
| Net Operating (Deficit)/Surplus | | <u>(288,939)</u> | <u>80,000</u> | <u>(76,366)</u> | <u>2,770</u> | <u>1,285,289</u> | <u>1,002,754</u> | <u>(91,997)</u> |
| Transfers between funds | | | | | | | | |
| Adjustment for actual expenditure | | - | - | 116,879 | (116,879) | - | - | - |
| Transfer of properties to investment properties | | - | - | (24,712) | - | 24,712 | - | - |
| Net Surplus/(Deficit) for the Year | | <u>(288,939)</u> | <u>80,000</u> | <u>15,801</u> | <u>(114,109)</u> | <u>1,310,001</u> | <u>1,002,754</u> | <u>(91,997)</u> |
| Fund Balances | | | | | | | | |
| Brought forward | 13 | 31,279 | - | 858,013 | 207,024 | 750,000 | 1,846,316 | 1,938,313 |
| Carried forward | 13 | <u>(257,660)</u> | <u>80,000</u> | <u>873,814</u> | <u>92,915</u> | <u>2,060,001</u> | <u>2,849,070</u> | <u>1,846,316</u> |

The notes on pages 7-13 form part of these accounts.

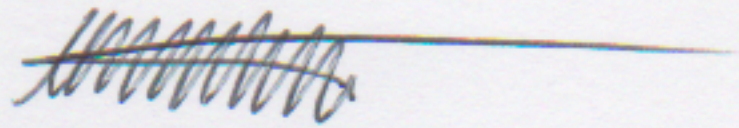
CONSERVATORS OF THE RIVER CAM

BALANCE SHEET
AS AT 31 MARCH 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 7 | 898,526 | 858,013 |
| Investments | 8 | 991,736 | - |
| Current Assets | | | |
| Trade debtors | 9 | 9,822 | 82,589 |
| Prepayments | | 4,385 | 12,376 |
| Cash at bank and in hand | | 1,011,357 | 1,392,194 |
| | | <u>1,025,564</u> | <u>1,487,159</u> |
| Current Liabilities | | | |
| Deferred income | 10 | 174,110 | 95,666 |
| Trade creditors | | 5,991 | 45,844 |
| Accruals | | 49,033 | 61,388 |
| Other creditors | | 2,910 | 13,958 |
| | | <u>232,044</u> | <u>216,856</u> |
| Net Current Assets | | 793,520 | 1,270,303 |
| Net Assets Excluding Pension Scheme Liabilities | | <u>2,683,782</u> | <u>2,128,316</u> |
| Defined benefit pension scheme liability | 14 | (535,000) | (282,000) |
| Net Assets Including Pension Scheme Liabilities | | <u>2,148,782</u> | <u>1,846,316</u> |
| Funds | | | |
| General fund | 13 | 277,340 | 313,279 |
| Designated pension fund | 13 | (535,000) | (282,000) |
| Permissive path fund | 13 | 80,000 | - |
| Capital asset fund | 13 | 898,526 | 858,013 |
| Capital asset maintenance fund | 13 | 92,915 | 207,024 |
| Investment fund | 13 | 1,335,001 | 750,000 |
| | | <u>2,148,782</u> | <u>1,846,316</u> |

Approved on behalf of the Conservators:

Ms C Hurst - Chair

Dated: 

2 February 2023

The notes on pages 7-13 form part of these accounts.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards under historical cost convention or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

Management have prepared cash flow forecasts up to March 2026 and performed scenario planning based on future business models and forecast spend. The Conservators have scrutinised the forecasts and 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.

Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Conservancy and it can be reliably measured.

Registration fees and associated income are recognised over the period of the licence.

Section 15 consent fees are recognised when the application for consent is approved.

Other income relating to the management of the river is recognised at the point the service is delivered.

Rental income is recognised over the period to which it relates.

Sub-contract income is recognised when a service has been delivered.

Government grants

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

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% - 10% 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.

CONSERVATORS OF THE RIVER CAM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (CONTINUED)

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment.

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or

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 2022

2. REGISTRATION FEES

| | 2022 | 2021 |
|--|---------|---------|
| | £ | £ |
| Received in year | 470,051 | 356,705 |
| Historic registrations less deferred registrations | - | 2,773 |
| | 470,051 | 359,478 |

3. EA INTERCHANGE

| | 2022 | 2021 |
|---|-------|----------|
| | £ | £ |
| Money paid in respect to EA interchange agreement | - | (18,715) |
| Money received in respect to EA interchange agreement | - | 8,335 |
| Environment Agency - Anglian Pass | 8,236 | - |
| | 8,236 | (10,380) |

4. GRANT INCOME

| | 2022 | 2021 |
|-------------------|------|--------|
| | £ | £ |
| Government grants | - | 10,000 |
| | - | 10,000 |

In 2021 the Conservancy received a government grant of £10,000 from South Cambridgeshire District Council under the COVID-19 small business support grant scheme.

5. REPAIRS AND MAINTENANCE

| | 2022 | 2021 |
|--------------------------------------|---------|--------|
| | £ | £ |
| River and Rural maintenance contract | 72,000 | - |
| Property maintenance costs | 3,011 | 2,572 |
| EA projects | - | - |
| Lock maintenance costs | 50 | 315 |
| Dangerous trees | 56,024 | - |
| General maintenance costs | 26,232 | 17,758 |
| | 157,317 | 20,645 |

6. LEGAL AND PROFESSIONAL FEES

| | 2022 | 2021 |
|--|--------|--------|
| | £ | £ |
| Legal, surveyors and professional fees | 64,298 | 24,370 |
| Audit and accountancy fee - current year | 15,840 | 13,680 |
| Management accountancy fees | 7,931 | 7,350 |
| VAT advice | - | - |
| Debt collection fees | 4,798 | 6,221 |
| Pension valuation report | - | 870 |
| | 92,867 | 52,491 |

Further analysis of legal costs:

| | 2022 | 2021 |
|-----------------------|--------|--------|
| Registrations | - | - |
| Other legal costs | 57,661 | 22,570 |
| Property legal advice | 6,637 | 1,800 |
| Other property fees | - | - |
| | 64,298 | 24,370 |

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

7. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Property Improvements £ | Locks £ | Plant & Equipment £ | Motor Vehicles £ | Fixtures & Fittings £ | Total £ |
|------------------------------------|---------------------------|-------------------------------|----------------------|---------------------------|------------------------|-----------------------------|-----------------------|
| Cost | | | | | | | |
| As at 1st April 2021 | 522,876 | 355,855 | 315,191 | 404,995 | 30,850 | 2,290 | 1,632,057 |
| Additions | - | - | - | 116,881 | - | - | 116,881 |
| Disposals | (65,032) | - | - | - | - | - | (65,032) |
| Transfer to investment properties: | (82,609) | - | - | - | - | - | (82,609) |
| As at 31st March 2022 | 375,235 | 355,855 | 315,191 | 521,876 | 30,850 | 2,290 | 1,601,297 |
| Depreciation | | | | | | | |
| As at 1st April 2021 | 143,151 | 92,178 | 228,633 | 286,504 | 22,100 | 1,480 | 774,046 |
| Charged for year | 9,363 | 9,671 | 9,456 | 29,103 | 3,750 | 229 | 61,572 |
| On disposals | (49,855) | (383) | - | - | - | - | (50,238) |
| Transfer to investment properties: | (57,897) | - | - | - | - | - | (57,897) |
| As at 31st March 2022 | 44,762 | 101,466 | 238,089 | 315,607 | 25,850 | 1,709 | 727,483 |
| Net Book Value | | | | | | | |
| As at 31st March 2021 | <u>379,725</u> | <u>263,677</u> | <u>86,558</u> | <u>118,491</u> | <u>8,750</u> | <u>810</u> | <u>858,011</u> |
| As at 31st March 2022 | <u>330,473</u> | <u>254,389</u> | <u>77,102</u> | <u>206,269</u> | <u>5,000</u> | <u>581</u> | <u>873,814</u> |

8. FIXED ASSET INVESTMENTS

| | Listed investments £ | Cash at brokers | Investment properties | Total £ |
|------------------------------------|----------------------------|---------------------|--------------------------|-------------------------|
| Cost or valuation | | | | |
| At 1 April 2021 | - | - | - | - |
| Additions | 996,747 | 3,253 | - | 1,000,000 |
| Revaluations | (8,264) | - | - | (8,264) |
| Movement in cash | - | - | - | - |
| Transfer from fixed assets | - | - | 24,712 | 24,712 |
| Uplift in fair value of properties | - | - | 700,288 | 700,288 |
| As at 31 March 2022 | 988,483 | 3,253 | 725,000 | 1,716,736 |
| Net Book Value | | | | |
| As at 31st March 2021 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| As at 31st March 2022 | <u>988,483</u> | <u>3,253</u> | <u>725,000</u> | <u>1,716,736</u> |

Due to the limitation on investment powers contained in Section XXIV of the River Cam Navigation Act 1851, the Conservancy has chosen to hold its investments in open-ended property funds, where they continue to own an equitable interest in real property. All the fixed asset investments are held in the UK and carried at their fair value, namely the bid price or the NAV value of the funds. Asset sales and purchases are recognised at the date of trade at cost (that is transaction value). The significance of financial instruments to the ongoing financial sustainability of the Conservancy is considered by the Conservators in establishing their investment policy. The main risk to the Conservancy from financial instruments lies in the combination of uncertain investment markets and volatility in yield. While it is accepted that investment in open-ended property funds involves a greater liquidity risk than investment in other financial instruments, the Conservancy is constrained by the limitations contained in the 1851 Act, and the liquidity risk is regarded as lower than direct investment in real property. The Conservancy has no material investment holdings in markets subject to exchange controls. The Conservancy manages its investment risks by the use of advisors, and, within the constraints of the 1851 Act, operates a balanced investment policy. The Conservancy does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield and total return, and historic studies of quoted financial instruments have shown that volatility in any particular five year period will normally be corrected.

Investment properties represents assets previously owned by the Conservancy for operations of the Conservancy. The properties are let to third parties and therefore the Conservancy earn a return on the investment. As such, these are now classified as investment properties which are held at their fair value.

CONSERVATORS OF THE RIVER CAM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. TRADE DEBTORS

| | 2022 | 2021 |
|--------------------|-----------------|-----------------|
| | £ | £ |
| Registration fees | 35,537 | 54,534 |
| Environment Agency | 1,440 | 46,055 |
| Bad Debt Provision | <u>(27,155)</u> | <u>(18,000)</u> |
| | <u>9,822</u> | <u>82,589</u> |

10. DEFERRED INCOME

| | 2022 | 2021 |
|---------------------------------------|----------------|---------------|
| | £ | £ |
| Registration fees received in advance | 171,633 | 92,508 |
| Rents received in advance | 2,039 | 2,933 |
| Event Fees | <u>438</u> | <u>225</u> |
| | <u>174,110</u> | <u>95,666</u> |

11. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Conservancy had future minimum lease payments under non-cancellable operating leases as follows:

| OTHER | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Not later than 1 year | 1,152 | 1,152 |
| Later than 1 year and not later than 5 years | <u>2,304</u> | <u>2,304</u> |
| | <u>3,456</u> | <u>3,456</u> |

12. CAPITAL COMMITMENTS

At 31 March 2022 the Conservancy had amounts contracted for but not provided in these financial statements of:

| | 2022 | 2021 |
|--------------------------------------|------|--------|
| | £ | £ |
| Acquisition of tangible fixed assets | - | 88,116 |

13. RESERVES**General fund**

The general fund includes all current and prior period operational retained profit and losses incorporating amounts set aside for the settlement of the defined benefit pension scheme.

Permissive path fund

The permissive path funds represents funds received up front for maintenance work the Conservancy will undertake on a third party's behalf for a period of 10 years.

Capital asset fund (formerly 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 operational fixed assets are required to be maintained in order for the Conservancy to continue its operations.

Capital asset maintenance fund (formerly 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.

Investment fund

The fund represents investments held by the Conservators and monies set aside for future investments. The income generated from this fund is used to supplement capital asset maintenance.

CONSERVATORS OF THE RIVER CAM

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

14. PENSION COMMITMENTS

The Conservancy offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charges represents pension contributions payable by the Conservancy to the fund and amounts to £13,352.

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 £7,898.

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 the Final Cessation Valuation report in January 2022 by a qualified independent actuary.

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

| | 2022 % p.a | 2021 % p.a |
|-----------------------|---------------|---------------|
| Discount rate | 1.50% | 2.00% |
| Salary increase rate | 3.20% | 3.35% |
| Pension increase rate | 2.60% | 2.85% |

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 1.5% 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 2022 are as follows

| | 2022 £ | 2021 £ |
|-----------------------------------|------------------|------------------|
| Market value of plan assets | 1,533,000 | 1,386,000 |
| Present value of plan liabilities | (2,068,000) | (1,668,000) |
| Total market value of assets | <u>(535,000)</u> | <u>(282,000)</u> |

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

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Current service cost (net of employee contributions) | 20,000 | 9,000 |
| Net interest cost | 17,000 | 4,000 |
| | <u>37,000</u> | <u>13,000</u> |

CONSERVATORS OF THE RIVER CAM

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. PENSION COMMITMENTS (continued)

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

| | 2022 | 2021 |
|---|-------------------------|-----------------|
| | £ | £ |
| Changes in financial assumptions | (338,000) | (326,000) |
| Return on assets excluding amounts included in net interest | 295,000 | 239,000 |
| Crystallisation of cessation event | (173,000) | - |
| Actuarial gain/(loss) | <u>(216,000)</u> | <u>(87,000)</u> |

Movements in the deficit in the year ending 31 March 2022 are as follows:

| | 2022 | 2021 |
|--|-------------------------|------------------|
| | £ | £ |
| Deficit in scheme at beginning of the year | (282,000) | (182,000) |
| Recognised in income and expenditure | (37,000) | (13,000) |
| Actuarial gain/(loss) recognised in other comprehensive income | <u>(216,000)</u> | <u>(87,000)</u> |
| | <u>(535,000)</u> | <u>(282,000)</u> |