

UPPER MEDWAY INTERNAL DRAINAGE BOARD
STATEMENT OF ACCOUNTING POLICIES
YEAR ENDING MARCH 2026

1. Accounting Concepts

In general, the accounts are prepared in accordance with the fundamental accounting concepts set out below:

Relevance

The accounts are prepared so as to provide readers with information about the Board's financial performance and position that is useful for assessing the stewardship of public funds.

Reliability

The accounts are prepared on the basis that the financial information contained within them is reliable, i.e. they are free from material error, deliberate or systematic bias, complete within the bounds of materiality and represent faithfully what they intend to represent. Where there is uncertainty in measuring or recognising the existence of assets, liabilities, income and expenditure then caution or prudence has been used as a basis to inform the selection and application of accounting policies and estimation techniques.

Comparability

The accounts are prepared so as to enable comparison between financial periods. To aid comparability the Board has applied its accounting policies consistently both during the year and between years.

Understandability

Every effort has been made to make the accounts as easy to understand as possible. Nevertheless, an assumption has been made that the reader will have a reasonable knowledge of accounting.

Materiality

Certain information may be excluded from the accounts on the basis that the amounts involved are not material either to the fair presentation of the financial position and transactions of the Board or to the understanding of the accounts.

Accruals

The accounts are prepared on an accruals basis. The accruals basis of accounting requires the non-cash effect of transactions to be reflected in the accounts for the year in which those effects are experienced and not in the year in which the cash is actually received or paid.

Going Concern

The accounts are prepared on a going concern basis, i.e. on the assumption that the Board will continue to operate for the foreseeable future.

Primacy of Legislative Requirements

Where a particular accounting treatment is prescribed by legislation, then that treatment prevails even if it conflicts with one or other of the accounting concepts outlined above. In the unlikely event of this arising, a note to that effect will be included in the accounts.

2. Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis. In defining capital expenditure, the Board operates a *de minimis* level of £5,000 for tangible assets. Any expenditure below this level is charged to revenue in the year of acquisition.

The Board's principal assets have been revalued and any surpluses or deficits are reflected in the Revaluation Reserve.

Fixed assets will be included in the Boards accounts at the actual purchase price, in line with the revised Governance and Accountability in Internal Drainage Boards in England – A Practitioners' Guide. It does not reflect the value the Board could obtain on the open market, nor does it reflect the figure used for insurance purposes.

3. Depreciation

Depreciation is provided for on all fixed assets with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- newly acquired assets are depreciated in the year of acquisition
- depreciation is calculated using the straight-line method

The standard useful lives for each category of asset are as follows:

- Vehicles – 4 to 5 years depending on mileage
- Plant and machinery – 4 to 8 years depending on the type and hours worked

4. Impairment

In accordance with Financial Reporting Standard (FRS) 11 '*Impairment of Fixed Assets and Goodwill*', fixed asset revaluations reviews also take account of material changes arising from impairment due to one or more of the following events:

- a significant decline in market value
- evidence of obsolescence or physical damage
- a significant adverse change in the Board's working environment
- a commitment by the Board to undertake a significant reorganisation

Impairment losses arising from asset use (e.g. physical damage or deterioration) are charged to the accounts. Impairment losses may be reversed if circumstances change.

5. Disposal

Income from the disposal of fixed assets is accounted for on an accruals basis.

6. Government Grants and Contributions

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

7. Debtors and Creditors

The accounts of the Board are maintained on an accruals basis in accordance with FRS 18 '*Accounting Policies*', i.e. sums due to or from the Board during the year are included whether or not the cash has actually been received or paid in the year.

Debts due to the Board are recorded as they become due and the item Debtors shown in the Balance Sheet represents the amounts due during the year which remain unpaid at the year-end.

8. Stock

Stocks in the stores are valued at the latest price paid. This is a departure from the requirements of SSAP9 '*Stocks and Long-term Contracts*', which require stocks to be shown at actual cost or net realisable value, if lower. The effect of the different treatment is not considered material.

9. Reserves

Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management. Statements concerning the purpose and usage of all provisions and specific reserves appear in the notes to the Balance Sheet.

10. Investments

Short-term investments are shown in the Balance Sheet as 'Current Assets' and solely represent cash balances deposited with banks.

11. VAT

VAT is accounted for separately and is not included in income and expenditure accounts, whether of a capital or revenue nature. Input VAT which is not recoverable from HM Revenue & Customs will be charged to revenue accounts or added to the capital expenditure as appropriate.

12. Post Balance Sheet Events

Changes are made to the accounts where a material post balance sheet event occurs that either provides additional evidence relating to conditions existing at the balance sheet date or indicates that the application of the going concern concept to a material part of the Board is not appropriate.

13. Pension Scheme

Contributions to the pension scheme are determined by the Fund's actuary on a triennial basis. The last actuarial valuation took place on 31 March 2020 and the change in contribution rates as a result of that valuation took effect from 1 April 2023. The next valuation is scheduled to take effect from 1 April 2026, although a standard Employer

Revaluation was completed in December 2024 with the changes coming into effect in April 2025 as per the Occupation Pensions (Revaluation) Act.

Approved by the Board **21st January 2025**

[Oliver Pantrey](#)

Clerk

15/1/25

[Amendments March 2022](#)

- Formatting

[Amendments Jan 2025](#)

Changed date of revaluation to April 2023