

EASTERN SEA FISHERIES JOINT COMMITTEE

STATEMENT OF ACCOUNTS

2008/09

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EASTERN SEA FISHERIES JOINT COMMITTEE

STATEMENT OF ACCOUNTS 2008/09

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Explanatory Foreword

The statement of accounts for the year ended 31 March 2009 has to be reported to, and formally approved by, members of the Finance & General Purposes Sub-Committee before 30 June 2009 and submitted to the full Joint Committee at the Quarterly Statutory Meeting on 29 July 2009.

1. The core statements for 2008-2009 comprise :-

- The Income and Expenditure Account which shows the Joint Committee's actual financial performance for the year, i.e resources consumed and income generated during the year.
- The Statement of the Movement on the General Fund Balance which reconciles the surplus/deficit on the Income and Expenditure Account with the movement on the General Fund.
- The Statement of Total Recognised Gains and Losses which brings together all gains and losses to show the total movement in the Joint Committee's net worth for the year.
- The Balance Sheet which shows the Joint Committee's financial position as at 31st March 2009.
- The Cashflow Statement which shows the Joint Committee's cash transactions for the year, indicating income received and the actual cash spent analysed into revenue , capital and financing transactions.
- Notes to the above Statements.

2. Changes to the Accounts

There are no changes to the format of the core statements this year. However there are changes to some of the disclosures in the notes to the core statements. The notes to the accounts have also been expanded where appropriate to further comply with the latest CIPFA Statement of Recommended Practice (SORP).

3. 2008/09 Out-turn

The actual expenditure less miscellaneous income for the year ended 31 March 2009 was £1,129,129 (£1,081,644 in 2007/08). The table below shows a comparison of actual results compared with 2008/09 budget and 2008/09 projection analysed under the main budget headings.

	2008/09 Budget £	2008/09 Projection £	2008/09 Actual £
Salaries & Wages	720,515	665,100	650,448
General Expenditure	162,395	161,690	160,041
Vessels			
Moorings & Harbour Dues	15,320	15,531	16,161
Three Counties	137,970	127,045	119,878
ESF Protector III	97,395	121,030	116,871
Pisces III	6,618	4,055	3,690
Vessel replacement Fund	90,000	90,000	90,000
Vehicle Operating Costs	21,987	17,866	17,938
TOTAL EXPENDITURE	1,252,200	1,202,317	1,175,027
INCOME	-40,000	-40,000	-45,898
EXPENDITURE LESS INCOME	1,212,200	1,162,317	1,129,129

It is proposed that the difference between the actual and budgeted Expenditure less Income amounting to £83,071 be transferred to reserves. See note on transfers to and from reserves below.

4. Transfers to and from Reserves (Appropriations)

It is proposed to split the £83,071 underspend to add to two existing 'ear-marked' reserves and to create two additional specific 'ear-marked' reserve funds..

The sum of £10,000 will be utilised to create a new reserve, the Inshore Fisheries and Conservation Authority (IFCA) Contingency Fund Reserve This reserve will provide funds for possible expenditure relating to the Joint Committee's transition from Sea Fisheries Committee to that of an IFCA before the change-over date (1st April 2011).

The sum of £28,713 will be utilised to create a further new reserve the Legal and Enforcement Fund Reserve. This reserve will provide funds set aside for on-going legal fees, and the purchase of enforcement cameras as directed by members of the Joint Committee during the 2008/2009 financial year.

The sum of £6,590 will be added to the Vessel Contingency Fund Reserve specifically for the purpose of purchasing new outboard motors for Pisces III to replace those stolen in February 2009.

The remaining sum (£37,768) will be transferred to the Vessel Replacement Fund.

Vehicle Purchases

During the course of the year a Ford Tourneo was purchased as a replacement for the one which was sold in the previous financial year. Additionally a Peugeot 308 SW was purchased.

These vehicles were financed by utilising £7,000 from the Usable Capital Receipts Reserve towards the purchase of the new Ford Tourneo the balance being provided from the Vehicle Renewals Fund.

Vehicle Renewals Fund to General Fund

This transaction is shown in the accounts as a transfer of £19,592 from the Vehicle Renewals Fund to the General Fund.

5. Wash Fishery Order Fund and Wash and North Norfolk Coast European Marine Site Project Manager Fund.

The Joint Committee is the sole grantee of the Wash Fishery Order 1992 under the terms of the Sea Fisheries (Shellfish) Act 1967. The Joint Committee also holds monies from other organisations to cover the costs of the European Marine Site project Manager, to be employed by the Joint Committee.

Both funds are managed by, but do not belong to, the Joint Committee. A summary of the income and expenditure for the year is shown as a note to the Statement of Accounts.

6. Members' Expenses

The total amount paid to members in the year 2008/2009 was £1,239.

7. Further Information

Further information about the accounts is available from the Clerk & Chief Fishery Officer, 6 North Lynn Business Village, Bergen Way, King's Lynn, Norfolk, PE30 2JG. This is part of the Authority's policy of providing full information about its affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:-

- (a) 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 Authority, that officer is the Clerk and Chief Fishery Officer
- (b) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (c) Approve the statement of accounts.

The Clerk & Chief Fishery Officer's Responsibilities

The Clerk & Chief Fishery Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice').

In preparing this Statement of Accounts, the Clerk & Chief Fishery Officer has:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Clerk & Chief Fishery Officer has also:-

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

Clerk & Chief Fishery Officer's Certificate

I certify that the Statement of Accounts presents fairly the financial position of the Eastern Sea Fisheries Joint Committee at 31 March 2009 and its income and expenditure for the year ended 31 March 2009.

Clerk & Chief Fishery Officer
27 January 2010

Certification of Committee Resolution

I confirm that these accounts were approved by the Eastern Sea Fisheries Finance and General Purposes Sub-Committee at the meeting held on 24 June 2009.

Signed on behalf of Eastern Sea Fisheries Joint Committee:

Chair of the Finance & General Purposes Sub-Committee
24 June 2009

Annual Governance Statement

Scope of Responsibility

The Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs facilitating the effective exercise of the Joint Committee's functions and which includes arrangements for the management of risk.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the Joint Committee is directed and controlled, and its activities through which it accounts to and engages with the community.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Joint Committee for the year ended 31st March 2009 and up to the date of approval of the annual report and accounts.

The key elements of the systems and processes that comprise the Joint Committee's governance arrangements include arrangements for :-

1. Identifying and communicating the Joint Committee's vision of its purpose and intended outcomes for citizens and service users.

The Joint Committee's Aim and Strategic Objectives have been established and published. In addition to this a Business Plan is published, having been approved by members of the Joint Committee, in January of each year for the following financial year (April to March). This outlines a proposed plan of action to be carried out during the year for each of the Strategic Objectives.

2. Monitoring the achievement of the Joint Committee's objectives.

The achievement of the Joint Committee's objectives is monitored by the full committee at their Statutory Meeting and by meetings of sub-committees set up to deal with specific areas of the work of the Joint Committee. Actions to meet each of the 8 key objectives are identified, costed and agreed by members of the Joint Committee and are set out in the annual Business Plan.

3. Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff.

The Joint Committee has established codes of conduct for both members and staff.

4. Reviewing and updating Standing Orders, Financial Regulations and the controls required to manage risks.

The Clerk & Chief Fishery Officer is responsible for carrying out a review and if necessary updating the Joint Committee's Standing Orders and Financial Regulations biennially (at the time of the hand-over of the chairmanship) and taking them to Committee for approval. Risk management is reviewed on a regular basis and details are published in the annual Business Plan which is approved by the Joint Committee.

5. Ensuring compliance with established policies, procedures, laws and regulations and that expenditure is lawful.

The Clerk & Chief Fishery Officer is responsible for ensuring that the work of the Joint Committee is conducted and compliant with statute, policies, procedures and regulations.

6. Whistle-blowing and investigating complaints from the public.

This is covered by the Joint Committee's approved Anti-Fraud & Corruption Policy.

7. Establishing clear channels of communication with all sections of the community and other stakeholders ensuring accountability and encouraging open consultation.

The Joint Committee's Annual Report, Business Plan, confirmed Statutory Meeting minutes, Byelaws and Regulations are available and also appear on the Eastern Sea Fisheries Joint Committee website. The 20 Members of the Joint Committee are drawn from many different backgrounds, providing the basis from which wide stakeholder involvement in the decision making process is achieved. The Joint Committee also consults directly with stakeholders on many issues.

8. Provision of effective, efficient, and responsive systems of financial management.

The Clerk & Chief Fishery Officer is the Responsible Financial Officer. A system of internal financial control has been established based on a framework of regular management information, financial regulations, administrative procedures, management supervisions and a system of delegation and accountability.

In particular the system includes:

- a) a comprehensive budgeting system
- b) regular reviews of periodic and annual financial reports which indicate financial performance against forecasts
- c) the preparation of regular financial reports which indicate actual expenditure against forecasts.
- d) clearly defined capital expenditure guidelines and, as appropriate, formal project management disciplines.

9. Provision of a Health and Safety Policy

A policy statement on Health & Safety is issued to all employees. This is regularly reviewed and updated when necessary.

10. Provisions relating to environmental management, human resources and Equal Opportunities.

The Joint Committee takes its environmental responsibilities very seriously. The Aim of the Joint Committee is 'To regulate, protect and develop the fisheries within the Committee's District in a manner that ensures sustainable viability for the foreseeable future and compliance with the Committee's environmental responsibilities'.

The Joint Committee is an equal opportunities employer. Regular staff appraisals are carried out which identify any training needs for individual employees. The Joint Committee continues to successfully maintain its Investors in People accreditation.

Review of Effectiveness

1. Internal Audit

As the Joint Committee employs a relatively small number of staff, the Internal Audit function has been carried out by a former member of the Joint Committee who was removed from the decision making process..

The Internal Audit for 2008/2009 was partly carried out by the ex-committee member and completed by Norfolk Audit Services who have been appointed as the Joint Committee's Internal Auditors for 2009/2010 onwards.

The Internal Auditor, during the course of the year, inspects financial records, documents and vouchers relating to purchases from suppliers, payment of salaries, expenses and petty cash purchases, and certifies whether or not the Joint Committee's Financial Regulations in respect of these payments, are being correctly operated.

The Internal Auditor also examines the bank reconciliation statements at 31st March each year.

The Internal Auditor's findings are reported on an Annual Internal Audit Certificate.

The County Councils, who fund the Joint Committee, review the effectiveness of the work of the Joint Committee in their own internal committees.

Signed.....
Clerk & Chief Fishery Officer

Date.....

Signed.....
Chairman of the Eastern Sea Fisheries Joint Committee

Date.....

Independent Auditor's Report to the Members of the Eastern Sea Fisheries Joint Committee

Opinion on the financial statements

I have audited the accounting statements and related notes of Eastern Sea Fisheries Joint Committee for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Eastern Sea Fisheries Joint Committee in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Clerk and Chief Fisher Officer and auditor

The Clerk and Chief Fishery Officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Joint Committee and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Joint Committee's corporate governance procedures or its risk and control procedures

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Joint Committee in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Joint Committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

Opinion

In my opinion the financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Committee as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Joint Committee's Responsibilities

The Joint Committee is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Joint Committee for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Joint Committee has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Joint Committee's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to relevant criteria specified by the Audit Commission for other local government bodies, published by the Audit Commission in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Eastern Sea Fisheries Joint Committee made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mr A Perrin
District Auditor

Audit Commission

Regus House

1010 Cambourne Park

Cambourne

Cambridge

CB23 6DP

Date 17th February 2010

Statement of Accounting Policies

1. General

The accounts have been prepared in accordance with recommended accounting principles, as specified in the latest Code of Practice on Local Authority Accounting in the United Kingdom 2008 Statement of Recommended practice, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and also with guidance notes issued by CIPFA on the application of accounting standards. These standards comply with proper accounting practices in accordance with the Local Government and Housing Act 1989.

The Accounts are prepared on a historical cost basis, modified by the revaluation of fixed assets where appropriate.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the joint committee provides the relevant goods or services
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of the debtors is written down and a charge made to revenue for the income that might not be collected.

3. Provisions

Provisions are made for expenditure which is committed in the financial year for a particular purpose but where the precise costs are unlikely to be known. The amounts provided are based on best estimates.

4. Reserves

The Joint Committee, in accordance with the financial regulations, has created several ear-marked reserves for specific purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of movements on the General Fund. Income and expenditure relating to these reserves are recorded in the Income & Expenditure Account.

5. Government Grants and Contributions (Revenue)

Whether paid on account, by instalment or arrears, Government grants and third party contributions and donations are recognised as income at the date that the Joint Committee satisfies the conditions of entitlement to the grant/contribution and there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred.

6. Retirement Benefits

Employees of the Eastern Sea Fisheries Joint Committee are members of one pension scheme, the Local Government Pension Scheme, administered by Norfolk County Council.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 6.9% (based on the indicative rate of return on high quality corporate bonds, as measured by the yield on Iboxx Sterling Corporates Index, AA over 15 years)
- The assets of the Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value

The change in the net pensions liability is analysed into seven components:

- Current Service Cost – the increase in liabilities as result of years of service earned this year – allocated in the Income and Expenditure Account to the revenue accounts of services for which the employees worked
- Past Service Cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs
- Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to Net Operating Expenditure in the Income and Expenditure Account
- Expected Return on Assets – the annual investment return on the fund assets attributable to the Joint Committee, based on an average of the expected long-term return – credited to Net Operating Expenditure in the Income and Expenditure Account
- Gains/Losses on Settlements and Curtailments – the result of actions to relieve the Joint Committee of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited to the Net Cost of Services in the Income and Expenditure Account as part of Non Distributed Costs
- Actuarial Gains and Losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Statement of Total Recognised Gains and Losses
- Contributions paid to the Pension Fund – cash paid as employer's contributions to the pension fund.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Joint Committee to the

pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Statement of Movement on the General Fund Balance this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year-end.

Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Accounts for the Norfolk Pension Fund are available from Norfolk Pensions Services, Norfolk County Council, County Hall, Martineau Lane, Norwich. NR1 2UG

7. VAT

Income and Expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

8. Fixed Assets

Assets are initially valued at total cost price. In accordance with advice given by the Joint Committee's Auditors, a de-minimis level of £10,000 for the inclusion of Fixed Assets in the Balance Sheet has been set.

Where necessary, assets are revalued at net realisable value (open market value). A written estimate of net realisable value or open market value is obtained from an expert authority. The difference between the revalued amount and the historic cost of fixed assets is credited to the Revaluation Reserve. There is therefore, no effect on the revenue account.

Depreciation is charged in accordance with FRS15 and each class of asset is considered separately. Assets (excluding land) are depreciated at cost or revalued amount less estimated residual value. The depreciable amount (i.e. cost, or revalued amount, less residual value) of a tangible fixed asset is recognised in the Income and Expenditure Accounts, on a systematic basis that reflects as fairly as possible the pattern in which the assets economic benefits are consumed by the entity, over its useful economic life. No depreciation is calculated for assets in the financial year of acquisition.

9. Financial Assets

Financial Assets are classified into two types:

- Loans and Receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- Available for sale Assets – assets that have a quoted market price and/or do not have fixed or determinable payments. Eastern Sea Fisheries Joint Committee does not have any available-for-sale assets.

Loans and Receivables

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of the interest for the instrument.

10. Financial Liabilities

Financial Liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

11. Loans

The Joint Committee is in receipt of loans from the three Constituent County Councils towards the cost of the research vessel, the Three Counties. The loans are repayable over fifteen years on an annuity basis and interest was fixed at the rates available at the time the loans were granted.

Income and Expenditure Account

2007/08 £	Note		2008/09	
			£	£
		Income		
-11,805		Contributions from other bodies	-25,000	
-11,446	1	Other Income	-8,808	
-23,251		Total Income		-33,808
		Expenditure		
670,222		Salaries and Wages	616,448	
147,846	2	General Expenditure	183,329	
21,655		Moorings & Harbour Dues	16,161	
5,082		Pisces III	3,690	
59,661		Three Counties	43,591	
89,471		ESF Protector III	116,871	
18,812		Vehicle operating Costs	17,938	
119,699		Depreciation	122,388	
0		Non Distributed Costs	24,000	
1,132,448		Total Expenditure		1,144,416
-71,815		Interest Receivable		-60,829
29,248		Interest Payable		26,899
-6,117		Profit on Sale of Fixed Assets		0
-11,000	9	Pensions Interest Cost and Expected Return on Pension Assets		19,000
1,049,513		Net Operating Expenditure		1,095,678
		Funded by		
-473,400	5	Levy from Norfolk County Council	-484,880	
-355,050	5	Levy from Suffolk County Council	-363,660	
-355,050	5	Levy from Lincolnshire County Council	-363,660	
-1,183,500				-1,212,200
-133,987		(Surplus)/Deficit for the year		-116,522

Statement of Movement of the General Fund Balance

The income and expenditure account shows the Joint Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Joint Committee is required to account for the general fund on a different accounting basis, the main differences being:

- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.
- The General Fund Balance compares the authority's spending against the levies received for the year, taking into account the use of reserves built up in the past and reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

Statement of Movement of the General Fund Balance

2007/08		2008/09
£		£
-133,897	(Surplus)/Deficit on I&E Account	-116,522
	Net Additional amount required by statute and non-statutory proper practice to be debited or credited to the General Fund balance for the year	
<u>86,929</u>		<u>67,131</u>
-47,058	(Increase) / Decrease in General Fund Balance for the year	-49,389
-588,206	General Fund Balance b/f	-635,264
<u>-635,264</u>	General Fund Balance c/f	<u>-684,653</u>

Note of Reconciling Items for the Statement of Movement on the General Fund Balance

2007/08		2008/09
£		£
	<u>Items included in the Income and Expenditure account but excluded from the movement on the General Revenue Fund balance for the year</u>	
-119,699	Depreciation and impairment of fixed assets	-122,388
6,117	Net Gains / (Losses) on disposal of assets	0
-94,000	Net charge made for retirement benefits in accordance with FRS17	-100,000
<u>-207,582</u>		<u>-222,388</u>
	<u>Items not included in the Income and Expenditure account but included in the movement on the General Fund balance for the year</u>	
22,270	Capital financed from Revenue	19,591
94,000	Employers contributions to the Norfolk Pension Fund & benefits payable direct	91,000
<u>116,270</u>		<u>110,591</u>
	<u>Transfers to or from the General Fund balance that are required to be taken into account when determining the movement on the General Fund balance</u>	
178,241	Net transfer to or (from) earmarked reserves	178,929
<u>178,241</u>		<u>178,929</u>
<u>86,929</u>	Net additional amount required to be debited/(credited) to the General Fund for the year	<u>67,132</u>

Statement of Total Recognised Gains and Losses

This Statement brings together all the gains and losses of the Joint Committee for the year and shows the aggregate change in its net worth. In addition to the deficit generated on the Income & Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

2007/08		2008/09
Restated		
£		£
-133,987	Surplus / Deficit for the year on the Income and Expenditure Account	-116,522
0	Surplus / Deficit arising on the revaluation of fixed assets	0
-264,000	Actuarial (Gains) / Losses on the pension fund assets and liabilities	357,000
<u>-397,987</u>	Total recognised (Gains) / Losses for the year	<u>240,478</u>

Balance Sheet

31 March 2008 Restated				31 March 2009	
£	Note		£	£	
	9	Fixed Assets			
260,000		ESF Protector III	200,000		
664,560		Three Counties	614,560		
2,834		Pisces III	1,000		
37,570		Vehicles	53,608		
<u>964,964</u>					869,168
		Current Assets			
39,842	10	Debtors	49,644		
400,000	11	Treasury Deposit	630,000		
465,644	12	Suffolk County Council Deposit	764,845		
9		Cash in Hand	15		
<u>905,495</u>					1,444,504
		Current Liabilities			
-19,918		Norfolk County Council Loan (1year)	-20,889		
-14,818		Suffolk County Council Loan (1year)	-15,606		
-14,652		Lincolnshire County Council Loan (1yr)	-15,337		
-44,131	13	Creditors	-411,455		
-80,798		Bank Overdraft	-80,553		
<u>-174,317</u>					-543,840
		Long Term Liabilities			
-198,580	16	Norfolk County Council Loan	-177,691		
-150,732	16	Suffolk County Council Loan	-135,126		
-155,714	16	Lincolnshire County Council Loan	-140,377		
<u>-505,026</u>					-453,194
1,191,116		Total Assets less Liabilities			1,316,638
-278,000	9	Net Pensions Liability			-644,000
<u>913,116</u>		Net Assets			<u>672,638</u>
		Funded by			
-224,716	15a	Capital Adjustment Account			-320,512
0	15	Revaluation Reserve			0
7,000	15b	Usable Capital Receipts Reserve			0
635,264		General Fund			684,653
-278,000	9	Pensions Reserve			-644,000
773,568	15c	Earmarked Reserves			952,497
<u>913,116</u>					<u>672,638</u>

Clerk & Chief Fishery Officer
27 January 2010

Cash Flow Statement

2007-08			2008-09	
Restated		Note	£	£
£				
-218,597	20	Net Cash (Inflow) / Outflow from Revenue Activities		-571,502
		<u>Returns on Investments and Servicing of Finance</u>		
-71,815		Interest Received	-60,829	
29,248		Interest Paid	26,899	
		<u>Capital Activities</u>		
-7,000		Sale of Fixed Assets	0	
22,270		Purchase of Fixed Assets	26,592	
-245,894		Net Cashflow before Financing		-578,840
		<u>Management of Liquid Resources</u>		
99,960	21	Net increase/(decrease) in short term deposits		299,201
		<u>Financing</u>		
47,058		Repayments of amounts borrowed		49,388
-98,876		Net (Increase) / Decrease in Cash		-230,251

A note to the Cash Flow Statement reconciling the Net Cashflow Revenue Activities to the Surplus on the Income and Expenditure Account is shown as a Note to the Accounts.(20)

Notes to the Statement of Accounts

1. Other Income

Other income comprises of:

	2007/08	2008/09
	£	£
Recovery of Legal Costs	1,735	1,485
Sale of Vehicle	6,400	2,500
Sale of Miscellaneous Items	313	0
Environment Agency	2,998	3,073
Lowestoft Air Show	0	1,750
Total	11,446	8,808

2. General Expenditure

General expenditure comprises of:

	2007/08	2008/09
	£	£
Rent, Rates & Service Charges	55,738	60,847
Establishment Expenditure	48,376	48,533
Fishery Officers Travel	2,354	1,551
Fishery Officer Subsistence	27,261	28,135
Members Expenses	1,476	1,239
Fisheries Management	10,017	19,736
Research Fund	2,624	23,288
Total	147,846	183,329

3. Publicity

Section 5 of the Local Government Act 1986 requires the Eastern Sea Fisheries Joint Committee to maintain a separate account of expenditure on publicity. The Eastern Sea Fisheries Joint Committee has incurred the following fees relating to publicity:

	2007/08	2008/09
	£	£
Staff Recruitment	480	2,931
Other Advertising & Public Relations Activities	0	0
Total	480	2,931

4. Disclosure of Audit Costs

The Eastern Sea Fisheries Joint Committee has incurred the following fees relating to external audit:

	2007/08	2008/09 estimated
	£	£
<ul style="list-style-type: none">Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	7,424	8,000

5. Levies

Eastern Sea Fisheries received levies from the following organisations:

	2007/08	2008/09
	£	£
Norfolk County Council	473,400	484,880
Suffolk County Council	355,050	363,660
Lincolnshire County Council	355,050	363,660
Total	1,183,500	1,212,200

6. Staff Remuneration

The Joint Committee is required to disclose the number of employees whose remuneration, excluding pension contributions, is £50,000 or more in bands of £10,000. In 2008-09 there was 1 employee whose remuneration was in the £50,000 - £59,999 band (1 in the £50,000 - £59,999 band in 2007-08).

7. Related Party Transactions

The levy income is derived from the constituent County Councils of which four members from Norfolk County Council, three members from Suffolk County Council and three members from Lincolnshire County Council serve on the Joint Committee. The remaining members of the Joint Committee consist of nine DEFRA appointed members and one member appointed by the Environment Agency.

8. Pensions and Retirement Benefits

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers and other employees, Eastern Sea Fisheries Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make future payments and thus these need to be disclosed as a future entitlement. The Joint Committee participates in one pension scheme:

- The Local Government Pension Scheme for civilian employees, administered locally by Norfolk County Council – this is a funded defined benefit final salary scheme, meaning that the joint committee and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Change to Accounting Policy

Under the 2008 SORP quoted securities held as assets in the defined benefit pension scheme are now valued at bid price rather than mid-market value. The effect of this change is that the value of the scheme assets at 31 March 2008 has decreased by £1,000 from £2,321,000 to £2,320,000.

Transactions Relating to Retirement Benefits

The joint committee recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Joint Committee is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Statement of Movement in the General Fund Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	2007-08	2008-09
	£000s	£000s
Income and Expenditure Account		
Net Cost of Services:		
• current service cost	105	57
• past service cost	0	24
• settlements & curtailments	0	0
Net Operating Expenditure:		
• interest cost	159	181
• expected return on scheme assets	(170)	(162)
Net Charge to the Income and Expenditure Account	94	100
Statement of Movement in the General Fund Balance		
• reversal of net charges made for retirement benefits in accordance with FRS17	94	(100)
Actual amount charged against the General Fund Balance for pensions in the year:		
• employers contributions payable to the scheme	94	91
• contributions in respect of unfunded benefits	0	0
• retirement benefits payable to pensioners (including transfer values)	(66)	(67)

In addition to the recognised gains and losses included in the Income and Expenditure Account, actuarial losses of £357,000 (gains of £264,000 in 2007-08 as restated) were included in the Statement of Total Recognised Gains and Losses. The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses is £275,000.

Assets and Liabilities in Relation to Retirement Benefits

Reconciliation of present value of the scheme liabilities:

	2007-08	2008-09
	£000s	£000s
1 April	2,910	2,598
Current service cost	105	57
Interest cost	159	181
Contributions by scheme participants	37	37
Transfers in / out	0	0
Actuarial losses/(gains)	(547)	(300)
Benefits paid	(66)	(67)
Past service costs	0	24
31 March	2,598	2,530

Reconciliation of fair value of the scheme assets:

	2007-08	2008-09
	£000s	£000s
1 April	2,368	2,320
Expected rate of return	170	162
Actuarial gains and losses	(283)	(657)
Employer contributions	94	91
Contributions by scheme participants	37	37
Benefits paid	(66)	(67)
31 March	2,320	1,886

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was **-£495,000** (-£85,000 in 2007-08)

Scheme History

	2004-05	2005-06	2006-07	2007-08 (restated)	2008-09
	£000s	£000s	£000s	£000s	£000s
Fair value of assets in the pension scheme	1,625	2,095	2,370	2,320	1,886
Present value of liabilities in the pension scheme	(2,320)	(2,900)	(2,910)	(2,598)	(2,530)
Surplus/(deficit) in the pension scheme	(695)	(805)	(540)	(278)	(644)

The Joint Committee has elected not to restate fair value of scheme assets for 2004-05 and 2005-06 as permitted by FRS17 (as revised).

The liabilities show the underlying commitments that the joint committee has in the long run to pay retirement benefits. The total liability of £644,000 has a substantial impact on the net worth of the joint committee as recorded in the Balance Sheet, resulting in an overall balance of £637,335.

However, statutory arrangements for funding the deficit mean that the financial position of the Joint Committee remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2010 is £98,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Joint Committee Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2007.

The principal assumptions used by the actuary have been:

	2007-08	2008-09
Long term expected rate of return on assets in the scheme:		
Equity investments	7.7%	7.0%
Bonds	5.7%	5.4%
Property	5.7%	4.9%
Cash	4.8%	4.0%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	19.6	19.6
Women	22.5	22.5
Longevity at 65 for future pensioners:		
Men	20.7	20.7
Women	23.6	23.6
Rate of inflation	3.6%	3.1%
Rate of increase in salaries	5.1%	4.6%
Rate of increase in pensions	3.6%	3.1%
Rate for discounting scheme liabilities	6.9%	6.9%
Take up of option to convert annual pension into retirement lump sum	50%	50%

Assets in the Eastern Sea Fisheries Joint Committee Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the Fund.

	31 March 2008	31 March 2009
	%	%
Equity investments	64	62
Bonds	18	21
Property	14	10
Other assets	4	7
	100	100

History of experience gains and losses

The actuarial gains and losses identified as movements on the Pensions reserve in 2008-09 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2009.

	2004-05	2005-06	2006-07	2007-08 (restated)	2008-09
	%	%	%	%	%
Differences between the expected and actual return on assets	3.8	14.0	(0.5)	(11.0)	34.8
Experience gains and losses on liabilities	(1.5)	0.0	2.0	(2.9)	0.0

Movement in Pension Reserve

The movement on the pension reserve has two elements, the appropriations to/from revenue, and the actuarial gain as explained below. The net effect is a movement on the pension fund reserve of £366,000.

9. Fixed Assets

The code of practice on Local Authority accounting required fixed assets to be recorded in the balance sheet at current value. The basis of valuation for the various categories of assets is set out below

Category of Asset	Basis of valuation
ESF Protector III	Net Realisable Value
Three Counties	Cost
Pisces III	Open Market Value
Vehicles	Cost

Where necessary, assets are revalued at net realisable value (open market value). The difference between the revalued amount and the historic cost of fixed assets is credited to the Revaluation Reserve.

ESF Protector III was revalued at a net realisable value of £500,000 at 1 April 2004 by the original builder. It was considered to have a residual value of £200,000.

Pisces III was revalued at Open Market value of £6,500 at 31 March 2006 by Euromarine Surveys Ltd. It was considered to have a residual value of £1,000.

An annual impairment review has been undertaken in accordance with FRS15. As at 31 March 2009 no assets belonging to the joint committee were considered to be written down due to impairment

In accordance with the Code of Practice on Capital Accounting in Local Authorities, depreciation has been charged to the Income and Expenditure Accounts to represent the cost of using assets. Depreciation has been charged on the following basis:

Category of Asset	Depreciation method	Depreciation Period
ESF Protector III	Straight line	5 years
Three Counties	Straight line	15 years
Pisces III	Straight line	3 years
Vehicles	Straight line	5 years

Receipts below £5,000 arising from the sale of fixed assets are allocated to revenue.

Fixed Asset Schedule

	ESF Protector III (Vessel) £	Three Counties (Vessel) £	Pisces III (Vessel) £	Vehicles £	Total £
Gross Book Value as at 01/04/2008	500,000	914,560	6,500	52,770	1,473,830
Additions				26,592	26,592
Donated Assets					
Disposals					
Impairments					
Revaluations					
Gross Book Value as at 31/03/2009	500,000	914,560	6,500	79,362	1,500,422
Accumulated Depreciation at 01/04/2008	240,000	250,000	3,666	15,200	508,866
Depreciation for the year	60,000	50,000	1,834	10,554	122,388
Depreciation eliminated on disposal.					
Depreciation eliminated on revaluation					
Accumulated Depreciation as at 31/03/2009	300,000	300,000	5,500	25,754	631,254
Net Book Value 31/03/2008	260,000	664,560	2,834	37,570	964,964
Net Book Value 31/03/2009	200,000	614,560	1,000	53,608	869,168

10. Debtors due within 1 year

	2007/08	2008/09
	£	£
HM Customs & Excise	19,747	15,019
Sundry debtors and prepayments	20,095	34,625
Total	<u>39,842</u>	<u>49,644</u>

11. Treasury Deposit

Cash balances are placed with Treasury Deposit and are shown in the Balance Sheet at cost. At 31 March 2008 the balance of the Joint Committee's funds placed with Treasury Deposit was £630,000 (£400,000 at 31 March 2008)

12. Suffolk County Council Deposit

Additions to the Vessel Replacement Fund are deposited with Suffolk County Council in order to accrue more interest. In 2008/09 a further £75,000 was placed and interest earned for the year amounted to £19,859.

The total deposit at 31 March 2009 amounted to £560,503 (£465,644 at 31 March 2008).

When the Joint Committee's 2007/2008 accounts were approved, at the Finance & General Purposes Sub-Committee meeting in June 2008, it was agreed that the balance held in the Vessel Contingency Fund should also be deposited with Suffolk County Council. The balance of £200,463 was placed in a second account and interest earned for the remainder of the financial year amounted to £3,879.

The total deposit at 31 March 2009 amounted to £204,342 (£0 at 31 March 2008)

The total of the two deposits at 31 March 2009 amounted to £764,845 (£465,644 at 31 March 2008).

13. Creditors and Receipts in Advance

	2007/08	2008/09
	£	£
Inland Revenue	13,190	14,930
Levy received in advance	0	374,535
Sundry creditors and accruals	30,939	21,990
Total	<u>44,129</u>	<u>411,455</u>

14. Legal Liabilities

Following the unsuccessful joint prosecution of two cases on 18th January 2010, the District Judge made a 'defendant's case order', as defined in Section 16 of the Prosecution of Offenders Act 1985, that the defendants' costs are payable from central funds. This means that the Joint Committee is not liable to pay the defence costs. The joint prosecutors have agreed that each is responsible for their own costs.

15. Reserves

Reserve	Opening Balance £	Net Movement £	Closing Balance £	Description	Note
Revaluation Reserve	0	0	0	A revaluation reserve compliant with FRS15 (financial reporting standard 15 on Tangible Fixed Assets)	
Capital Adjustment Account	-224,716	-95,796	-320,512	Represents the amount of capital expenditure finance from revenue, depreciation charged, and impairments not taken to the revaluation reserve.	15a
Usable Capital Receipts	7,000	-7,000	0	The balance held in this reserve at 31 March 2008 represented the amount received for the sale of a Ford Tourneo and was set aside to purchase a new Ford Tourneo in 2008/2009.	15b
Pension Reserve	-278,000	-366,000	-644,000	Represents overall liability of the authority for pension payments to employees who are or have been members of the Norfolk Pension Fund	3
General Fund	635,264	49,387	684,653		
Earmarked Reserves	773,568	178,929	952,497		15c
Total	913,116	-275,781	637,335		

a) Capital Adjustment Account

	2007/08 £	2008/09 £
Balance brought forward	-126,404	-224,716
Depreciation for the year	-119,699	-122,388
Capital Expenditure financed from Revenue Activities	22,270	19,592
Use of Capital Receipts	0	7,000
Disposal of fixed assets	-883	0
Balance carried forward	-224,716	-320,512

b) Usable Capital Receipts Reserve

	2007/08	2008/09
	£	£
Balance brought forward	0	7,000
Capital Receipts	7,000	-7,000
Use of Capital Receipts	0	0
Balance carried forward	<u>7,000</u>	<u>0</u>

c) Earmarked Reserves

Research Fund Reserve

This reserve was created to hold contributions received towards the cost of provision of services to outside bodies which are 'ear-marked' for research studies linked with the Joint Committee's Fisheries and Environmental commitments, which cannot be anticipated within the scope of the Fisheries Management budget. The reserve has also been used for Joint Venture projects to hold funds from outside bodies towards the cost of research projects to which the Joint Committee has contributed 'in kind'. The funds are subsequently paid over to third parties for work specifically related to these projects.

Vehicle Renewals Fund Reserve

This reserve was created in order to hold funds to purchase vehicles for the business use of the Joint Committee's Staff.

Vessel Contingency Fund Reserve

This reserve was created in order to provide a contingency fund to cover the cost of a major break-down on the Joint Committee's vessels.

Vessel Replacement Fund Reserve

This reserve was created in order to build up a fund to cover some of the cost of replacing ESF Protector III. In 2008/2009 was also used to receive a budgeted contribution towards the cost of replacing Pisces III.

This fund consists of budgeted contributions from the Levy and possible contributions from savings made in other areas of the budget.

IFCA Contingency Fund Reserve

It is proposed to create this additional reserve in order to retain and provide funds for possible expenditure relating to the Joint Committee's transition from a Sea Fisheries Committee to that of an Inshore Fisheries and Conservation Authority (IFCA) before the change-over date (1st April 2011).

Legal and Enforcement Fund Reserve

It is proposed to create this additional reserve in order to retain and provide funds set aside for on-going legal fees, and the purchase of enforcement cameras as directed by members of the Joint Committee during the 2008/2009 financial year.

	Balance at 1 April 2008 £	Transfer to/ from Reserves £	Balance at 31 March 2009 £
Research Fund Reserve	70,610	1,712	72,322
Vehicle Renewal Fund Reserve	36,851	-19,592	17,259
Vessel Contingency Fund Reserve	200,463	10,469	210,932
Vessel Replacement Fund Reserve	465,644	147,627	613,271
IFCA Contingency Fund Reserve	0	10,000	10,000
Legal and Enforcement Fund Reserve	0	28,713	28,713
Total	773,568	178,929	952,497

16 Long Term Borrowing

Eastern Sea Fisheries took out a loan with each of the three constituent County Councils in order to purchase the Three Counties research vessel.

	Norfolk County Council	Suffolk County Council	Lincolnshire County Council
Loan Amount	£320,000	£240,000	£240,000
Length of Loan	15 years	15 years	15 years
Fixed Interest Rate	4.875% p.a.	5.250% p.a.	4.625% p.a.
Capital Repayment as at 31 March 2009	121,420	89,268	84,286
Loan outstanding as at 31 March 2009	198,580	150,732	155,714

17 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. This includes borrowing, investment and loans.

Long term borrowing is with three County Councils and is held at amortised cost, as is all short term borrowing. Investments are held at carrying value as there is deemed to be no risk of loss for these investments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories:

	31 March 2008	31 March 2009
	Carrying Amount /	Carrying Amount /
	Fair Value	Fair Value
	£	£
County Council Loans	554,414	505,026
Trade Creditors	44,131	415,168
Total Financial Liabilities	598,545	920,194
Investments	465,644	764,845
Trade Debtors	39,842	49,644
Total Loans and Receivables	505,486	814,489

Financial liabilities and financial assets represented by borrowings and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

- Fixed Interest Rate over the 15 years of the loan.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be invoices or billed amount.

After a review it was deemed that the carrying amount in the Balance Sheet is the same as the Fair Value.

The gains and losses recognised in the Income and Expenditure Account and the Statement of Total Recognised Gains and Losses in relation to the financial instruments are made up as follows:

	2007-08	2008-09
	£	£
Financial Assets		
Interest Receivable	-71,815	-60,829
Financial Liabilities		
Interest Payable	29,248	26,899
Net Interest Receivable	-42,567	-33,930

18 Nature and Extent of Risks Arising from Financial Instrument

The Authority's activities expose it to a variety of financial risks

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Eastern Sea Fisheries Joint Committee
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market investments.

The Eastern Sea Fisheries Joint Committee's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Credit Risk

Credit risk arises from deposits with Banks and financial institutions, as well as credit exposures to customers. Deposits are only made via Suffolk County Council under their Treasury Management Strategy which requires that deposits are not made with banks and financial institutions unless they are highly rated. Therefore the Eastern Sea Fisheries Joint Committee does not consider there to be any quantifiable risk in relation to investments.

The Authority's standard terms and conditions for payment of invoices are 30 day from invoice date. The Authority does not allow credit for customers, and only a small proportion of invoices were overdue and outstanding as at 31 March 2009 for which a bad debt provision had not been put in place.

Liquidity Risk

As the Eastern Sea Fisheries Joint Committee is funded by levies, there is no significant risk that it will be unable to meet its commitments under financial instruments. All financial liabilities are due to be repaid within one year with the exception of the three County Council loans. Therefore there is no risk of having to borrow at unfavourable rates in future to replenish borrowings.

Market Risk

With the exception of the three County Council loans, the Eastern Sea Fisheries Joint Committee is debt free. Excess cash is invested at variable or fixed money market rates depending on forecasts for interest rates under the period of review.

Foreign Exchange Risk

The Eastern Sea Fisheries Joint Committee has no financial assets or liabilities denominated in foreign currencies, therefore it has no exposure to loss arising from movements in exchange rates.

19 Stock Market Performance

The most recent pension scheme formal funding valuation was completed as at 31 March 2007. Since March 2008, stock market values around the world have fallen sharply, and this will have an effect on pensions scheme funding valuations in future years. As there is no change of conditions at the balance sheet date, no amendment to the financial statements is required

20 Reconciliation of operating surplus to net cash inflow from revenue activities.

2007/08		2008/09
£		£
-133,987	(Surplus)/Deficit –Income and Expenditure account	-81,219
3,687	(Decrease)/Increase in Debtors	9,802
-17,282	Decrease/(Increase) in Creditors	-371,037
0	Decrease/(Increase) in Provisions	-31,590
71,815	Interest Received	60,829
-29,248	Interest Paid	-26,899
-119,699	Depreciation and impairment of Fixed Assets	-122,388
6,117	Profit/Loss on disposal of Fixed Assets	0
0	Net Charges made for retirement benefits in accordance with FRS17	-100,000
0	Employers contributions to the Norfolk Pension Fund and Benefits payable direct	91,000
-218,597	Net Cash (Inflow)/Outflow from Revenue Activities	-571,502

21 Analysis of Cash and Investments

	31 March	31 March	Movement
	2008	2009	
	£	£	£
Cash in Hand, at Bank and Treasury Deposit	319,211	549,462	230,251
Suffolk County Council Deposit	465,644	764,845	299,201
	<u>784,855</u>	<u>1,314,307</u>	<u>529,452</u>

22 Authorisation for Issue.

Under regulation 11 of the Accounts and Audit Regulations 2003 the Statement of Accounts has been updated to reflect events up to the date that the Clerk & Chief Fishery Officer authenticates and signs them in preparation for the giving of the Auditor's opinion.

The Statement of Accounts were authorised for issue by the Clerk & Chief Fishery Officer on the 29.January 2010.

23 Wash Fishery Order Fund

The Joint Committee is the sole grantee of the Wash Fishery Order 1992 under the terms of the Sea Fisheries (Shellfish) Act 1967.

This fund consists of monies held by the Joint Committee on behalf of the Wash Fishery Order of which the Joint Committee is the Grantee. This fund is managed by, but the funds do not belong to, the Joint Committee.

Balance as at 31 March 2008	Income	Expenditure	Balance as at 31 March 2009
£	£	£	£
64,870	22,863	-6,635	81,098

24 Wash and North Norfolk Coast European Marine Site Project Manager Fund

This fund consists of monies from other organisations, held by the Joint Committee, to cover the costs of the European Marine Site project Manager to be employed by the Joint Committee. The funds are managed by, but do not belong to the Joint Committee.

Balance as at 31 March 2008	Income	Expenditure	Balance as at 31 March 2009
£	£	£	£
43,931	48,768	-59,049	33,650

Glossary of Terms

ACCRUAL ACCOUNTING

The inclusion of income and expenditure in the accounts for the period in which they are earned or incurred, rather than the period in which the cash is received or bills paid.

AMORTISATION

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

AMORTISED COST

This is cost that has been adjusted for amortisation.

ASSET

An item owned by the Eastern Sea Fisheries Joint Committee, or that they have use of to support their activities, which has a value, for example cash.

BUDGET

The statement of the Eastern Sea Fisheries Joint Committee expressed in financial term usually for the current forthcoming year.

CAPITAL EXPENDITURE

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

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 national parks.

CORPORATE & DEMOCRATIC CORE (CDC)

Corporate and Democratic Core represents costs associated with democratic representation and management and corporate management. Democratic representation and management includes all aspects of Members' activities. Corporate Management concerns the cost of the infrastructure that allows services to be provided and the cost of providing information that is required for public accountability. Such costs form part of total service expenditure, but are excluded from the costs of any particular service.

CREDITORS

Amounts owed by the Eastern Sea Fisheries Joint Committee for goods and services provided for which payment has not been made at the end of the financial year.

DEBTORS

Sums of money due to the Eastern Sea Fisheries Joint Committee but not received at the end of the financial year.

DEFICIT

Arises when expenditure exceeds income or when expenditure exceeds budget.

DEPRECIATION

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

FAIR VALUE

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

FINANCIAL ASSET & FINANCIAL LIABILITY

A financial asset is a right to future economic benefits. A financial liability is an obligation to transfer economic benefits.

FINANCIAL INSTRUMENT

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

GOVERNMENT GRANTS DEFERRED ACCOUNT

When a government grant or other contribution is received in respect of the acquisition of a fixed asset it is recorded in a government grants deferred account. The grant is subsequently charged to the revenue account over the life of the asset to match the depreciation charge.

IMPAIRMENT

Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage or a deterioration in the quality of the service provided, or by a general fall in prices of that particular asset or type of asset.

MARKET PRICE

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

NON-DISTRIBUTED COSTS

These are specific overheads relating to unused assets and certain pension costs for employee's service in previous years. These are not allocated to service departments because they do not relate to the in-year cost of providing the service.

OUTTURN

The actual amount spent in the financial year.

RESERVES

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

REVENUE EXPENDITURE AND INCOME

Revenue expenditure is the day to day expenses, mainly salaries and wages, and other general running expenses. Revenue income is money received in return for providing goods and services.

SORP

The Code of Practice on Local Authority Accounting in the United Kingdom 2008: A Statement of Recommended Practice (SORP) aims to achieve consistent financial reporting between all English local authorities. It is based on generally accepted accounting standards and practices.

SURPLUS

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

VALUE ADDED TAX (VAT)

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

VARIATION

The difference between budgeted expenditure and actual outturn, also referred to as an over or under spend.