North Kent Marshes WLMB

END OF YEAR ACCOUNTS REPORT

FOR THE YEAR ENDING

31 MARCH 2026

Unit 13 Conqueror Court
Sittingbourne
Kent
ME10 5BH

CONTENTS

SUMMARY

The Board has **not** elected to prepare a full Statement of Accounts required by larger Public Bodies (Category 1 authorities), as provided for in the Local Audit and Accountability Act 2014.

The Lower Medway Internal Drainage Board is a Public Body, and an independent flood Risk Management Authority created under land drainage statutes. The IDB has a duty to work in partnership with other Risk Management Authorities in Kent including IDB's, the Environment Agency, and Local Authorities.

The Board is responsible for flood risk, land drainage and water levels management, works and improvement schemes and operational maintenance of watercourses and pumping stations within its defined Drainage District of Swale, Medway, Gravesham and Canterbury.

The Board comprises 18 including a Chairman (S Mair), Vice Chairman (J Mair). Members are either elected by and represent the occupiers of land in the Drainage District or are appointed by one of the four Local Authorities who pay Special Levy, namely, Tonbridge and Malling Borough Council, Medway Council, Swale Borough Council, Canterbury City Council. All members have a corporate responsibility to represent the interests of the Board.

The Board's role is to determine strategy, direction, and policy for the organisation and to ensure the IDB operates within an appropriate Governance framework. The Board is supported by Officers, led by the Clerk, who advise the Board, implement the Board's agreed policies and operationally manage and provide the Board's services.

The Board secures income from two main sources. Firstly, through a direct drainage rate on owners and occupiers of agricultural land within the Drainage District, with rates being payable on 01 April each year. Secondly via special levies paid by each of the four Local Authorities.

The rates and levies for the forthcoming year are set at a Board meeting prior to the 15th February each year when the Board are asked to consider and agree a proposed budget.

On 08 December 2025, a rate uplift for 2025-2026 of 3% was agreed in order to set a balanced budget.

All figures exclude VAT

The Board achieved as of 31 March 2026 a year end surplus position of £345,592 (compared with a surplus of £801,010 on 31 March 2025.

MEMBERS 2025-2026

The Board comprises 18 Members, including 7 directly elected members representing land, and 11 members appointed by the four Local Authorities who pay Special Levies to the Board.

Elections of occupiers of land are every 3 years and the latest term of office runs from 2024 to 2027.

Term of office is 4 years for Councillors (appointed members) and 3 years for landowners (elected members). Members of the Finance Committee are highlighted in bold and elected members are highlighted in bold text.

		Date Appointed	Term
Cllr M Bonney	Swale B.C	01 June 2025	Term 1
Cllr H Browne	Medway Council	01 May 2019	Term 2
Cllr D Carnell	Swale B.C	01 June 2019	Term 2
Cllr S Curry	Medway Council	24 May 2023	Term 1
Cllr D Davis	Tonbridge + Malling B.C	01 April 2014	Term 4
Cllr Etheridge	Medway Council	01 May 2015	Term 3
Mr G Fulton	Landowner	01 September 2015	Term 4
Mr R Hall	Landowner	01 March 2010	Term 6
Mr J Hinge	Landowner	01 April 2022	Term 2
Mr J H Mair	Landowner	01 August 2018	Term 3
Mr S J Mair	Landowner	01 November 2012	Term 5
Mr T Malpas	Landowner	01 April 2022	Term 2
Cllr P Marchington	Swale B.C	01 May 2021	Term 2
Mrs E Stickings	Landowner	10 June 2024	Term 1
Mr B Stone	Elec Dis 4	01 February 2004	Term 8
Cllr T Thompson	Swale B.C	19 May 2023	Term 1
Cllr D Wooster	Swale B.C	19 May 2023	Term 1
Cllr T Winckless	Swale B.C	19 May 2023	Term 1

STATEMENT OF INTERNAL CONTROL FOR YEAR ENDING 31 MARCH 2025

1 Scope of Responsibility

The Lower Medway Internal Drainage Board (the Board) 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.

In discharging this overall responsibility, the Board is also responsible for ensuring that there is a sound system of Internal Control which facilitates the effective exercise of the Board's functions and which includes arrangements for the management of risk.

2 The Purpose of The System of Internal Control

The system of Internal Control 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 Board'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 system of Internal Control has been in place at the Board for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts and, except for the details of significant Internal Control issues at section 5, included where relevant, and accords with proper practice.

3 The Internal Control Environment

- The Board has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Board decisions are lawful.
- The Board has appointed a Clerk who acts as the Board's advisor and administrator. The Clerk is the Board's Responsible Financial Officer and is responsible for administering the Board's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Board is subject to and for managing risks. The Clerk also ensures that the Board's procedures, control systems and polices are adhered to.
- The full Board meets at least twice a year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Clerk.
- The Board reviews its obligations and objectives and approves budgets for the following year at its November meeting.
- The Board has appointed a Finance Committee of Members who meet four times each year and monitor progress against objectives, financial systems and procedures, budgetary control and carry out regular reviews of financial matters. At the fourth meeting, the End of Year Accounts Report, Annual Return, Annual Governance Statement, and Internal Controls are reviewed and approved. The minutes of the meetings of the Finance Committee are reported to and approved by the Board.

- During the financial year, quarterly budget monitoring reports have been made to the Finance Committee to ensure that expenditure is in line with the approved budget, and to review and agree any variances.
- The Corporate Risk Register is formally reviewed by the Board twice yearly, with periodic review and oversight undertaken by the Finance Committee throughout the year.
- The Board has appointed an Independent Internal Auditor who reports to the Board on the adequacy of its financial controls, procedures, and risk management.
- The Board's External Auditors, PKF LittleJohn, complete an annual limited assurance review and award an External Auditor Report and Certificate, which is presented to the Board.

4 Review of Effectiveness

The Board has responsibility for conducting an annual review of the effectiveness of the system of Internal Control. The review of the effectiveness of the system of internal control is undertaken by the work of the Clerk, Finance Committee and informed by the reports of internal and external auditors.

5 Significant Internal Control Issues

The Board strives for the continuous improvement of the system it has adopted for Internal Control and has addressed/noted all the minor issues and weaknesses raised and reported during the review process.

STATEMENT OF ACCOUNTING POLICIES

1 FINANCIAL REPORTING STANDARDS, REGULATION AND GUIDANCE

As a Board, we acknowledge our responsibility for ensuring that there is a sound system of Internal Control, including arrangements for the preparation of the accounting statement, following the below account concepts.

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 GOVERNMENT GRANTS AND SUBSIDIES

Government grants and contributions have been credited to the Income and Expenditure Account.

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.

3 PENSIONS

The Board participates in the Local Government Pension Scheme, a defined benefit scheme operated by Kent County Council. The Board paid a contribution of 38.5% on employees pensionable pay into the pension fund in 2025-2026.

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 2025 and will continue to remain at 38.5%.

4 TAXATION

Drainage Boards are exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the Income and Expenditure Account only to the extent that it is irrecoverable.

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.

5 EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

There are no material exceptional or extraordinary item to disclose in the Accounts.

Profits or losses on the disposal of fixed assets are shown separately on the face of the Income and Expenditure Account prior to the Operating Net Surplus/(Deficit).

6 INCOME RECOGNITION

Income is recognised at the time of invoicing. In the case of Drainage Rates this is on the 1st April annually.

7 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 Board's 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.

8 DEPRECIATION

Land and buildings are not depreciated on the grounds that an ongoing repairs and maintenance policy results in an extension of useful life and negates the necessity for material 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.

9 DISPOSAL

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

10 DEBTORS AND CREDITORS

The revenue accounts of the Board are made maintained on an accruals basis, that is, sums due to or from the Board during the year are included whether or not the cash has actually been received or paid in year. If the invoice spans two financial years and the apportionment is not material, then this will be charged to the financial year with the larger portion.

11 RESERVES

The Board holds the following reserves, the adequacy of which is reviewed annually. These are allocated to ensure prudent financial management, long-term asset planning, and delivery of strategic objectives, in accordance with the Joint Panel on Accountability and Governance (JPAG) guidance. JPAG states that reserves should be reviewed annually and their purpose justified in a manner that is "defensible," rather than formulaic.

General Reserve
Held to provide overall financial resilience and to mitigate operational and emergency financial risks. The Board has historically maintained a reserve broadly equivalent to approximately one year of operational expenditure, with the level reviewed periodically to ensure it remains appropriate and prudent.

Plant Reserve Fund
Established to support the planned replacement of operational plant and vehicles, including tractors and trucks, ensuring continued operational resilience and compliance with health and safety requirements.

Asset Reserve Fund
Held to support the long-term renewal and replacement of key Board infrastructure and assets, including pump stations and other operational assets. This reserve will also support the development of a wider capital investment programme informed by the Board’s emerging asset register and whole life asset planning approach.

Elverton Sluice Fund
Earmarked reserve to support improvement works and associated project expenditure within the Luddenham and Elverton catchment area.

Ecology Reserve
Held to support ecological enhancement, environmental mitigation, and biodiversity-related initiatives across the district.

Bells Access Path Reserve
Earmarked reserve for access improvement and maintenance works associated with the Bells access route.

South Sheppey Embankment Reserve
Held to support future improvement, maintenance, and resilience works associated with the South Sheppey embankment.

Pennywort Management Project / Invasive Species Reserve
Established to support the management and control of invasive non-native species, including ongoing floating pennywort management activities.

Provision for New Depot
Ringfenced reserve established to support the potential acquisition or development of a future operational depot and associated operational facilities.

Surface Water Development Reserve
Funded through developer contributions and held specifically for investment in surface water and drainage infrastructure improvements associated with development impacts within the district.

Wise Use of Water Reserve
Earmarked to support the Wise Use of Water project and associated strategic water management initiatives.

Strategic Improvement Fund
Held to support the long-term renewal, replacement, and improvement of operational assets and infrastructure across the Board's district. The reserve will help underpin future capital investment planning informed by the Board's developing asset register and asset condition assessments.

Fixed Asset Reserve
This reserve reflects the net book value of the Board's fixed assets as recorded within the accounting system, including property, plant, vehicles, and equipment, following depreciation. The Board notes that this differs from the Annual Governance and Accountability Return reporting requirement, which requires fixed assets to be reported at historical cost and not depreciated. The corresponding historical cost figure reported within the Annual Governance and Accountability Return for 2025–2026 is £1,709,487.

LMIDB Reserves Overview:

LMIDB Reserve Name	Opening Balance April 26	
Operational Balance	£	345,592
General Reserve	£	1,870,500
Plant Reserve Fund	£	346,938
Pump Reserve Fund		
Bells	£	263,200
Harty	£	27,520
Leysdown	£	27,540
Twyford	£	29,430
Luddenham/Elverton Fund	£	61,763
Ecology	£	8,548
Bells Access Path	£	9,343
South Sheppey Embankment	£	55,000
Pennywort Management Project/Invasive Species	£	28,000
Provision for New Depot	£	320,000
Surface Water Development Contribution	£	237,160
Wise Use of Water LMIDB	£	150,000
Wise Use of Water NKM		
Strategic Improvement Fund	£	486,765
Total Earmarked Reserves		
Cash In Bank - BOX 8 AGAR	**£**	**4,267,299**
Fixed Assets	**£**	**1,356,259**

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.

There have been no material post balance sheet events requiring disclosure or adjustment to these accounts.

INCOME AND EXPENDITURE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2026

This statement summarises the resources that have been generated and consumed in providing services and managing the IDB during 2025-2026.

Date: 09/04/2026 **ARCHIVE<Year End 2026> Lower** **Page:** 1
Time: 14:33:12 **Profit and Loss**

From: Month 1, April 2025
To: Month 12, March 2026

Chart of Accounts: Default Layout of Accounts

	Period		Year to Date	
Sales				
Ratepayers Due	1,808,325.98		1,808,325.98	
Upper Medway IDB	2,496.40		2,496.40	
Rechargable Works	7,332.98		7,332.98	
E A Contribution	83,000.00		83,000.00	
Highland Water Contribution	85,533.00		85,533.00	
Rechargeable Works - Other	13,096.19		13,096.19	
Surface Water Development Contribution	157,264.29		157,264.29	
Credit Charges (Late Payments)	5,297.25		5,297.25	
Consent Fees	1,055.00		1,055.00	
Interest Received	118,134.86		118,134.86	
		2,281,535.95		2,281,535.95
Direct Expenses				
Annual Precept paid to EA	375,000.00		375,000.00	
Bells Pumping Station - Costs	35,028.36		35,028.36	
Harty Pumping Stations - Costs	8,375.14		8,375.14	
Channel Maintenance - Costs	55,350.81		55,350.81	
Rushenden Pumping Station - Costs	1,266.25		1,266.25	
Leysdown Pumping Station - Costs	4,539.28		4,539.28	
Materials Purchased	10,162.31		10,162.31	
EA / PSCA - Costs	9,159.09		9,159.09	
Depot Stock Adblue Expense	460.80		460.80	
Depot Stock Gasoil Expense	10,742.50		10,742.50	
Twyford Pumping Station - Costs	8,451.12		8,451.12	
Harty and Leydown PS	31,598.37		31,598.37	
Bells Track	444.79		444.79	
New Harty & Leysdown Costs	10,603.99		10,603.99	
		561,182.81		561,182.81
Gross Profit/(Loss):		1,720,353.14		1,720,353.14
Overheads				
Gross wages - Workman	142,077.34		142,077.34	
Staff Salaries	239,953.63		239,953.63	
Employers NI - Staff	30,345.60		30,345.60	
Employers Pensions - Staff	92,060.28		92,060.28	
Employers NI - Workman	8,502.48		8,502.48	
Employers Pensions - Workman	52,702.78		52,702.78	
Benenden Health	2,108.00		2,108.00	
Depot Rent	33,073.39		33,073.39	
Business Rates	46,075.26		46,075.26	
Heating & Lighting Costs	6,572.31		6,572.31	
Motor Expenses	24,524.02		24,524.02	
Travelling & Entertainment	1,592.84		1,592.84	

ARCHIVE<Year End 2026> Lower
Profit and Loss

From: Month 1, April 2025
To: Month 12, March 2026

Chart of Accounts: Default Layout of Accounts

	Period		Year to Date	
Heavy Plant Insurance	4,781.29		4,781.29	
Heavy Plant Inspections/Repairs & Servicing	6,817.14		6,817.14	
Printing & Stationery	6,506.22		6,506.22	
Telephone & Computer Charges	6,604.29		6,604.29	
Professional Fees	40,935.62		40,935.62	
Equipment Hire & Rental	6,602.37		6,602.37	
Maintenance	29,051.29		29,051.29	
Bank Charges & Interest	817.70		817.70	
Depreciation	96,336.27		96,336.27	
Bad Debts	0.43		0.43	
General Expenses	174,131.67		174,131.67	
Suspense & Mispostings	(120.95)		(120.95)	
Board and Staff Expenses	2,878.96		2,878.96	
Biodiversity	30,851.09		30,851.09	
		1,085,781.32		1,085,781.32
Net Profit/(Loss):		634,571.82		634,571.82

BALANCE SHEET FOR YEAR ENDING 31 MARCH 2026

This statement is fundamental to the understanding of the Board's financial position as of 31 March 2026. It shows the balances and reserves at the Board's disposal and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board.

31 MAR 2026

Balance Sheet

North Kent Marshes Water Level Management Board
As at 31 March 2026

	31 MAR 2026
Fixed Assets	
Tangible Assets	
Office - Conqueror Court	1,112,505
Heavy Plant	435,882
Heavy Plant Depreciation	(270,439)
Motor Vehicles	133,923
Motor Vehicles Depreciation	(57,942)
Office Equipment	27,172
Office Equipment - Depreciation	(24,846)
Pump Station - Harty	1
Pump Station - Leysdown	1
Pump Station - Rushenden	1
Pump Station - Twyford	1
Pump Station Bells / Mockett	1
Total Tangible Assets	**1,356,259**
Total Fixed Assets	**1,356,259**
Current Assets	
Cash at bank and in hand	
CCLA	1,055,178
Handelsbanken Savings Account	3,168,961
Handelsbanken Current ACCOUNT	43,050
HSBC Current Account	5
HSBC Deposit Account	4
Nat West Special Interest Bearing Account	10
Petty Cash - DO NOT USE	91
Total Cash at bank and in hand	**4,267,299**
Debtors Control Account	8,416
Ratepayers Due	4,750
Prepayments	13,620
VAT Liability	7,211
Total Current Assets	**4,301,295**
Creditors: amounts falling due within one year	
Creditors Control Account	12,881
MNE - Deposit Held	9,000
Accruals	8,465
Pension Fund	14,266
Total Creditors: amounts falling due within one year	**44,613**