



WEST NORTHAMPTONSHIRE
DEVELOPMENT CORPORATION

Annual Report
and Accounts

For the year ended 31 March 2011

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Annual Report and Accounts presented to Parliament pursuant to paragraph (13)3 of Schedule 31
of the Local Government, Planning and Land Act 1980
Ordered to be printed by the House of Commons 14 July 2011

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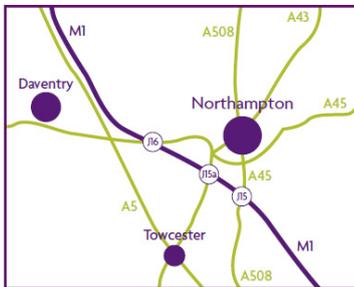
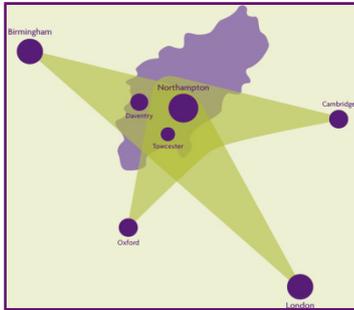
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Introduction

Created in December 2004, West Northamptonshire Development Corporation (WNDC) works with its local authorities, to deliver new jobs, development and investment in Northampton, Daventry and Towcester.

As the only Urban Development Corporation (UDC) outside of London, WNDC benefits from a wide range of powers, including:

- **Investment** - So far WNDC has invested over £80million towards the regeneration of Northampton, Daventry and Towcester, with major schemes underway in all three town centres.
- **Planning** - WNDC has the power to determine strategic planning applications in its area of operation.
- **Development** - As a UDC, WNDC has a range of further powers, including the ability to acquire, manage and sell land and other property, together with powers to develop, invest and provide business support.



‘A local economy of national importance’

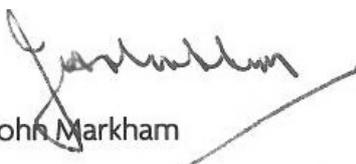
West Northamptonshire has a local economy of regional and, potentially, national importance. Benefiting from a strategic location at the centre of England, a series of major businesses have chosen to invest in the area during 2010/11, including world class companies such as BMW.

However, there is much work to be done before the area can fulfil its unparalleled potential for economic growth. Lack of town centre capacity, infrastructure constraints and a low wage economy are just some of the factors restricting its success. That’s why the work of WNDP is so important and over the past 12 months we have focused on supporting the local authorities to deliver new jobs, investment and town centre development.

Progress has been impressive, with major schemes in Northampton, Daventry and Towcester all taking big steps forward during the last year. This has ranged from the new marina at Northampton’s Becket’s Park to the completion of the iCon Environmental Innovation Centre in Daventry.

I am very pleased that the Government recognises the importance of West Northamptonshire and, in 2010, renewed our mandate to finish the job we have started. It is also supporting us to ensure the Corporation is as locally accountable as possible by introducing changes to our board composition

On behalf of the Corporation, I’d like to say thank you to all the board members that left WNDP towards the end of the year - they have made a lasting contribution to the long term regeneration of West Northamptonshire. Looking forward, I’m pleased to welcome Deirdre Newham onto the board and believe the organisation is exceptionally well placed for another successful year.


John Markham
Chair

Date: 29 June 2011



‘Delivering more for less’

It has been a year of progress and evolution, not only for West Northamptonshire but for the Corporation itself.

Our programme includes the delivery of over 1 million m² of high quality commercial floorspace, creating thousands of new jobs in the heart of England. Well over half of this floorspace has already been approved and is at varying stages of development. Crucially, we have continued to prioritise the transformation of Northampton town centre, where we are actively encouraging new enterprise, investment and the delivery of 170,000 m² of flagship commercial space.

2010/11 was my second year as Chief Executive of WNDC, and in this relatively short space of time I have witnessed a huge amount of progress throughout Northampton, Daventry and Towcester. I also feel that the Corporation has changed for the better, becoming a more streamlined organisation that is able to deliver more effectively with less resources. In the past 12 months, we have reduced our running costs by 25%, while maintaining momentum on a portfolio of world class development projects. This has been made possible by becoming more clearly focused on the priorities of our local authority customers.

The Corporation’s clarity of purpose has been reflected in the evolution of our powers and remit. At the end of the year we completed the first phase transfer of our planning powers to the local authorities. This has seen us return responsibility for the smaller, locally significant planning applications, enabling the Corporation to focus on the strategic applications.

WNDC has led a number of innovations in the industry, and I am particularly proud of our approach to strategic development control. Not least because of our ability to harness the power of the planning system for the public good. This has ranged from securing infrastructure investment, to helping local young people take their first steps into work. By using a standard charge approach for developer contributions to infrastructure, we have been able to secure over £50 million to date, with much more investment in the pipeline.

We have also used our planning powers to establish our ground breaking ‘construction futures’ training scheme, which provides local people with practical construction training on local developments.

Yet planning is only one of the tools at our disposal. Our land acquisition programme is setting the foundations for the regeneration of Northampton town centre, particularly in the Waterside area of the town, where we are transforming disused, brownfield land into a major commercial destination. Where necessary, we will also use our compulsory purchase powers (CPO) to overcome the barriers to progress, and the Board has for example, approved CPO proceedings at the Avon/Nunn Mills development site.

During 2010/11 we made over £13 million of targeted investment to support our delivery programme. Much of this has been in vital infrastructure ranging from new roads, such as the Sandy Lane Improvement North, to the regeneration of Castle Railway Station in Northampton. Combined with our previous activity, this means we have directly invested over £80million of Central Government funding in the area since being established. This has levered significant additional investment from the public and private sector as well as the European Union. Together with the intelligent and pioneering use of our powers, as well as those of our partners, this activity is creating a new city-size economy in the centre of the country.



SIGNATURE

Peter Mawson

Accounting Officer and Chief Executive

Date: 29 June 2011

‘Transforming Town Centres’



During the past 12 months, local people have seen new landmarks emerging in the town centres of West Northamptonshire. In Northampton, construction of the Becket’s Park Marina has become a symbol of optimism for Northampton’s waterside. And this optimism is well founded, with WNDC making a number of strategic land acquisitions along the river front and setting the foundations for major mixed use waterside development. This will include a new innovation centre, for which the Corporation has secured funding from the European JESSICA fund.

Nearby, work started on vital junction improvements between Northampton’s London Road and Ransome Road. The work will boost capacity and improve safety at the junction, paving the way for development at the neighbouring Ransome Road site – a key part of plans for the wider waterside area.



Daventry’s rise as a key business location has continued, with the completion of the iCon Environmental Innovation Centre – a beacon for the low carbon economy in the UK and beyond. The building, which was project managed and part funded by WNDC, is an international centre of excellence for green technologies and sustainable construction. It is a leading example of energy efficiency in its own right and was recognised with a Green Apple award for architecture in 2010.

In Towcester, the Moat Lane regeneration scheme is showcasing the historic heart of the town alongside 16,000 m² of high quality, mixed use development. WNDC granted planning permission for the project in 2010 and has been helping to secure a development partner. The first phase of the scheme, comprising the restored Bury Mount and Water Meadows, has been hailed as an exemplar for heritage based regeneration, and has won multiple awards in the past 12 months. Most importantly, the new facilities have been used and enjoyed by the local community, who can see the face of their town centre changing for the better.

‘Supporting Business’

Buoyed by private sector confidence and a local vision for growth, West Northamptonshire’s economy continued to make a strong recovery in 2010/11.

The area has received strong interest from investors and developers, particularly at its flagship business parks. At Pineham, the Corporation granted planning permission for a series of high quality developments including the new worldwide headquarters of EBC Brakes Ltd, and a national distribution centre for BMW, which will employ 200 people in the town. Other key developments approved during the past 12 months include a major distribution centre and office development in Grange Park, Northampton. The scheme, which will create 600 new jobs, will breathe new life into a brownfield, disused industrial site.

Alongside this development control activity, WNDC has been investing in local infrastructure to help ensure West Northamptonshire is an excellent place to do business. In January 2011, the Sandy Lane Improvement North was officially opened. It is the latest in a series of three new roads being delivered in the west of Northampton. As part of a wider regeneration plan, it is improving transport connections in a key part of the town and contributing to growth in the local economy.

Together, local partners have been breaking down the barriers to commercial development in the area. Part funded by WNDC, the ‘Fit For Market’ scheme aims to stimulate the supply of high quality business space in the county. It has enabled a range of schemes to get off the ground, including the Axis Forty Three office development in Towcester, which started construction in 2010 and will help to address the chronic undersupply of office space in the town.



‘Empowering the Community’

Whether it’s more jobs, better town centres or improved infrastructure, local people are the ultimate beneficiaries of everything WNDC’s does.

In 2010/11 the Corporation also continued to support a range of schemes that help local communities to help themselves. It was the third year of our Stronger Communities Fund, an initiative which has awarded £800,000 in small grants to not-for-profit and voluntary groups across Northampton, Daventry and Towcester.

Designed to support the creation of stronger, healthier communities, a wide array of groups have benefited from the fund, ranging from community radio stations and rehabilitation services to athletics and canoeing clubs.

Helping young people into work is a key priority for the Corporation and its ‘Construction Futures’ training programme has really taken off in the past 12 months. The ground breaking initiative is the first scheme in the UK to link construction training with the determination of planning applications. In 2010/11 around 200 weeks of training were delivered to local young people on construction sites across West Northamptonshire, while a further 2,000 weeks of training have been secured on forthcoming developments. Alongside this, the Corporation started working with other local planning authorities to share the Construction Futures approach and help them truly harness the power of the planning system.

In August 2010, the transformation of Upton Lodge Farm House in Northampton from a rundown, derelict building to a first class community facility was completed. The scheme offers temporary accommodation, support and advice for local disadvantaged young people. The centre, which was part funded by WNDC and is run by the YMCA, will offer a fresh start in life to its residents, providing them with the skills, knowledge and confidence to lead successful lives.



MANAGEMENT COMMENTARY

Statutory Context	<p>“Sustainable Communities: building for the future” (ODPM, February 2003) set out the Government’s aim of achieving a step change to deliver successful, thriving and inclusive communities. As part of the Plan, four Growth Areas were identified, including Milton Keynes South Midlands. West Northamptonshire is a key area within the Milton Keynes South Midlands (MKSM) Growth Area and the West Northamptonshire Development Corporation (WNDC) is the delivery vehicle established to lead delivery of new jobs, homes and investment. The Order establishing an Urban Development Corporation (UDC) for West Northamptonshire – specifically the towns of Northampton, Daventry and Towcester – was approved by Parliament in December 2004.</p>
Accounts Direction	<p>The financial statements contained within this Report and Accounts have been prepared under the Accounts Direction given by The Secretary of State, with the consent of the Treasury in accordance with Paragraph 10(3) of Schedule 31 to The Local Government, Planning and Land Act 1980. The full document, together with the attached Schedules 1 & 2, is reproduced on pages 49 to 51.</p>
Financial Performance	<p>The net expenditure for the period 1 April 2010 to 31 March 2011 was £9.855million (2009/10: £11.740million). This net expenditure is not a loss but instead will be fully met by ‘grant-in-aid’. The Statement of Financial Position at 31 March 2011 shows Total Assets less Liabilities of £5.043million (2009/10: £2.915million).</p>
Going Concern basis of	<p>As set out in Note 1 (a) to the Financial Statements, the Accounts have been prepared on a going concern basis.</p>
Performance Payment	<p>The Corporation’s policy is to pay a supplier within 30 days of the submission date of a valid invoice unless the terms of contract dictate otherwise, however in line with government requirements our aim is to pay invoices within 10 days. During the period under review WNDC paid suppliers within an average of 12 days and did not incur any interest charges with respect to late payments against submitted invoices (as defined by the Payment of Commercial Debts (Interest) Act 1988).</p>
Environmental Policy	<p>WNDC aims to be carbon-neutral over our lifetime. We aim to minimise our impact on the environment by reducing our consumption, re-using resources wherever possible, and recycling what cannot be re-used. Current working practices include participating in an approved recycling programme, whereby all discarded office stationery and packaging is collected and passed to recycling contractors each week, and wherever possible, all new office stationery is ordered from sustainable or recycled products.</p>

Corporate Performance

The Corporation has developed key corporate policies and has an internal audit programme, which is provided under a service level agreement by the internal audit division of Communities and Local Government and carried out to Government Internal Audit Standards.

Employee Policies

The Corporation aims to be a responsible employer and to this end has produced and distributed to all staff a guidance document ('The Corporation's 'Employee Handbook') modelled on the terms and conditions of employment of other non-departmental public bodies and CLG. The Corporation is fully committed to a policy of equal opportunities in respect of employment and to ensure the fair and equal treatment of all employees, customers and contractors regardless of race, colour, age, nationality, ethnic or national origin, disability, sex or marital status, sexual orientation, religion or belief.

WNDC employees have undertaken corporate social responsibility activities which involved volunteering their time and skills to help a number of local charities and community groups.

Our sickness level per employee per annum is 5.0 days.

Information on personal data related incidents is given on page 22.

KEY OBJECTIVES

Projects	2010/11 Objectives	10/11 Target Date	Progress
Castle Station	Complete Station and Multi Storey Car Park Outline design	Q3	Achieved in Q4
	Complete development agreement	Q4	Draft Heads of Terms agreed
	Confirm project funding commitments	Q4	Commenced /ongoing in 2011/12
Waterside	Detailed master plan complete	Q1	Commenced /ongoing in 2011/12
	Complete acquisition of commercially owned land	Q2	Achieved in Q4
	Procure development partner	Q3	Not achieved
	Develop understanding with National Grid regarding strategy for the early removal of their operational facilities	Q3	Commenced and ongoing in 2011/12
Avon/Nunn Mills/Ransome Road	London Road Junction improvements commenced	Q1	Achieved in Q4
	Planning Application for development at Ransome Road	Q2	Achieved
	Collaboration Agreement signed	Q2	Not achieved
	Compulsory Purchase Order submitted	Q2	Not achieved
	Avon and Nunn Mills planning applications to be submitted	Q3	Not submitted by applicant
Grosvenor/Grey friars	Work with local authority and public sector partners to develop the funds needed to move project to the next stage	Q3	Commenced /ongoing in 2011/12
St. John's	Engage with local authority partners to establish a route-map for delivery of the project	Q2	Commenced /ongoing in 2011/12
Dallington Grange	Potential re-submission of revised application	Q2	Not submitted by applicant
Upton Lodge	Completion of section 106 agreement	Q2	Outstanding technical issues under review
Upton Park	Application to be submitted	Q1	Not submitted by applicant
Daventry iCon	Practical completion	Q4	Achieved
Towcester Urban Extension	Re-assessment of application	Q2	Achieved
	Re-consultation on application	Q2	Awaiting developer information
Towcester Moat Lane	Application submitted	Q1	Achieved
	Consultation	Q2	Achieved
	Planning Committee Consideration	Q2/3	Achieved
Stronger Communities	Award full financial allocation to community groups in the area	Q4	Achieved

Fund			
Construction Futures	Business Plan finalised	Q1	Commenced /ongoing in 2011/12
	Agreement reached with an external local authority to adopt the scheme, establishing the scheme as UK best practice	Q2	Not achieved
Pineham Village	Planning Committee consideration	Q2	Not achieved
Collingtree	To be submitted	Q4	Not submitted by applicant
Operational Efficiency	Human Resources Strategy and Knowledge Management Strategy complete	Q1	Achieved
	Full Systems Analysis complete	Q2	Commenced /ongoing in 2011/12
Innovation	Alternative delivery models identified and assessed	Q2	Commenced /ongoing in 2011/12
Community Engagement	New WNDC website launched	Q2	Achieved
	Community exhibition held in Northampton	Q2	Unable to proceed, following Government marketing freeze.
Collaborative Working	Code of practice refreshed	Q1	Achieved
	Developers forum established	Q2	Utilising existing developer's forum instead.
Marketing	Commence delivery of a Northampton focused place marketing campaign in conjunction with key partners	Q2	Unable to proceed, following Government marketing freeze.

Disclosures to Auditors

The Comptroller and Auditor General is the statutorily appointed auditor under the provisions of the Government Resources and Accounts Act 2000.

So far as I am aware there is no relevant audit information of which the Corporation's auditor is unaware. I have taken all the steps I should as Accounting Officer in order to make myself aware of any relevant audit information and to establish that the Corporation's auditor is aware of that information.

The cost of work performed by the auditors in respect of the year ended 31 March 2011 is as follows:

Fee for statutory audit work:	£26,500
Fee to CLG for Internal Audit Services	£12,040

BOARD AND EXECUTIVE

BOARD MEMBERS

John Markham (Chair)
John Weir (Deputy Chair)
Cllr Chris Millar
Cllr Sandra Barnes
Cllr Tony Woods
Cllr Richard Church
Cllr Joy Capstick
Cllr Jim Harker
Deirdre Newham (from 23 March 2011)
Nick Thompson (to 14 March 2011)
Mary Burrows (to 14 March 2011)
David Dickinson (to 31 December 2010)
Ann Tate (to 31 December 2010)
John Farrow (to 31 December 2010)

EXECUTIVE DIRECTORS

CHIEF EXECUTIVE OFFICER (CEO)	Peter Mawson
DEPUTY CHIEF EXECUTIVE & CHIEF OPERATING OFFICER	Roger Mendonca
DIRECTOR OF PLANNING SERVICES	Adrian Arnold
DIRECTOR OF REGENERATION & DEVELOPMENT	Christopher Garden
DIRECTOR OF DELIVERY AND IMPLEMENTATION	William Allen (to 31 December 2010)
ACCOUNTING OFFICER	Peter Mawson
EXTERNAL AUDITOR	The Comptroller and Auditor General

THE BOARD

During 2010, CLG announced its intention to reduce the number of Board members to nine. From the 1 April 2010 to 31 December 2010, WNDC's Board was made up of thirteen members, including the Chair and Deputy Chair.

In December 2010, John Farrow, Ann Tate and David Dickinson retired from the Board. In line with CLG's aim to reduce the Board to nine members, these vacancies were not filled.

From the 1 January 2011, WNDC's board consisted of ten members, including the Chair and Deputy Chair. On the 14 March 2011, the contracts of Mary Burrows and Nick Thompson expired.

From 23 March 2011, WNDC's Board is made up of nine members. Deirdre Newham was appointed to the Board through open competition on 23 March 2011. The Deputy Chair's contract was extended until the end of the corporation's lifetime. Six members were nominated by local authorities, the other three members including the Chair and Deputy Chair, were selected in open competition.

All nine members were selected on merit by the Secretary of State in accordance with the rules for Ministerial appointments set out by the Office of the Commissioner for Public Appointments (OCPA). Board member biographies are available on the WNDC website, www.wndc.org.uk under the 'About Us/Board Members' section.

Board members are collectively responsible for the conduct of all business undertaken by WNDC. In addition to the statutory powers and duties of WNDC, members have both fiduciary duties and general duties of skill and care. This means that they are responsible for the Board's strategic direction and policies, and for ensuring that WNDC is properly and effectively managed. In particular, members are responsible for the stewardship of the public funds entrusted to the Board.

Register of Declarable Interests

The Register of Declarable Interests for the Board members of WNDC is available on the WNDC website, www.wndc.org.uk under the Publications/Board governing documents section.

REMUNERATION REPORT

Directors' contracts

Remuneration Committee membership

Nick Thompson	Chair – to 14 March 2011
Richard Church	Deputy Chair
Sandra Barnes	Board member
John Markham	Board member (ex Officio)
John Weir	Acting Chair – from 14 March 2011
	Board member (ex Officio) – to 14 March 2011

Policy

1. As set out in section 12 of Schedule 26 of the Local Government, Planning and Land Act 1980, the WNDC Board is responsible for determining the remuneration for WNDC staff.
2. The Remuneration Committee will provide advice and support to the Chief Executive and assurance to the Board. The Committee is an advisory body with no executive authority. The Chair's Board member contract expired on 14 March 2011 and John Weir took over as Acting Chair on that date. His appointment was approved by the Board on 17 May 2011.
3. The Committee will advise the WNDC Board on all aspects of the Rewards Strategy for WNDC officers.
4. The Committee is authorised by the Board to investigate any activity within these terms of reference and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries.
5. The Remuneration Committee is authorised to obtain independent professional advice if it considers it necessary.
6. The specific duties of the Remuneration Committee in advising the WNDC Board shall be through reviewing and commenting upon (inter alia):
 - The Chairman's proposals for the remuneration of the Chief Executive
 - The Chief Executive's proposals for the remuneration of the other members of the Executive team.
 - The Chief Executive's proposals for WNDC's overall remuneration strategy and whether it enables the Corporation to recruit and retain key staff.
7. The Committee report their findings to the Board and produce a formal written report to the next appropriate Board Meeting.

Performance related pay

The Corporation does not operate a performance related pay scheme. The Corporation may make an award on the basis of exceptional performance in the year. There were no such awards in 2010/2011.

Chief Executive	Service Agreement Commenced 1 August 2009 6 months notice for both parties
Deputy Chief Executive/Chief Operating Officer	Service Agreement Commenced 1 August 2010 6 months notice for both parties
Planning Services	Service Agreement Commenced 1 January 2010 3 months notice for both parties
Regeneration and Development	Service Agreement Commenced 1 January 2010 3 months notice for both parties
Delivery and Implementation	Commenced 19 July 2010 Resigned 31 December 2010

Termination costs

There were no costs in respect of early termination of contracts

Board members' costs	Name	2010-11 £ Salary	Pension Contributions	2009-10 £ Salary
	John Markham – Chair	47,332	-	47,332
	John Weir – Deputy Chair	35,556	-	35,031
	Cllr Jim Harker from - 26 March 2010	12,300	-	-
	Cllr Joy Capstick – from 26 March 2010	12,300	-	-
	Cllr Chris Millar	11,968	-	11,968
	Cllr Sandra Barnes	11,968	-	11,968
	Cllr Tony Woods	11,968	-	11,968
	Cllr Richard Church	11,968	-	11,968
	Nick Thompson – to 14 March 2011	11,469	-	11,968
	Mary Burrows – to 14 March 2011	11,469	-	11,968
	John Farrow – to 31 December 2010	8,977	-	11,968
	David Dickinson – to 31 December 2010	8,977	-	11,968
	Ann Tate – to 31 December 2010	8,977	-	11,968
	Lee Barron – to 14 March 2010		-	11,470
	Cllr Ben Smith – to 14 March 2010		-	11,470

John Markham, as Chair had not taken up the offer of a 'by-analogy' pension by 31 March 2011. The Deputy Chair has declined to take up the offer of a 'by-analogy' pension scheme.

No other Board Members were entitled to any by-analogy pension arrangements.

Salaries of Senior Managers

	2010-11	2010-11	2009-10	2009-10
	Salary £'000	Bonus £,000	Salary £'000	Bonus £'000
Peter Mawson Chief Executive	120-125	25-30	75-80 (120-125 full year)	-
Roger Mendonca Deputy Chief Executive/Chief Operating Officer	120-125	10-15	120-125	10-15
Adrian Arnold Director of Planning Services	80-85	5-10	75-80	-
Christopher Garden Director of Regeneration & Development	80-85	5-10	65-70	-
William Allen Director of Delivery and Implementation (left 31 December 2010)	35-40 (80-85 full year)	-	-	-

The information on Board members and Senior Managers' costs above is subject to audit.

There were no benefits in kind in the year ended 31 March 2011 (2010 £Nil).

Pensions

WNDC is an admitted body within the Local Government Pension Scheme (LGPS) as administered by Northamptonshire County Council (NCC). The LGPS is a contributory defined benefit final salary scheme. The appointed Actuaries to the scheme are Hymans Robertson LLP. The Corporation and its employees pay contribution into the fund at rates intended to meet the growth in pension liabilities over the longer term.

The Service Level Agreement between NCC and Hymans Robertson LLP requires the provision of full IAS 19 disclosure details to each of the admitted bodies. The full disclosure of the WNDC scheme details is given in Note 18 to the Accounts.

As regards to individual members of the scheme, the following details apply to senior management:

	Accrued pension at age 65 as at 31/03/11 and related lump sum	Real increase in pension and related lump sum at age 65	CETV At 31/03/2011	CETV at 31/03/2010	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
Peter Mawson Chief Executive	0-5.0	0-2.5	41	13	28
Roger Mendonca Deputy Chief Executive/Chief Operating Officer	25-30 plus lump sum of 60-65	0-2.5 plus lump sum of 0-2.5	301	321	(33)
Adrian Arnold Director of Planning Services	25-30 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	427	439	(30)
Christopher Garden Director of Regeneration & Development	25-30 plus lump sum of 60-65	0-2.5 plus lump sum of 0-2.5	392	405	(30)

* The CETV values at 31 March 2011 are based on the member's pensions at the date of leaving.

The information on senior managers' pensions above is subject to audit.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which this disclosure applies.

The CETV figures also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

**Real
Increase in
CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



SIGNATURE

Peter Mawson

Accounting Officer and Chief Executive

Date:

29th JUNE 2011

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Local Government, Planning and Land Act 1980 the Secretary of State with the consent of the Treasury has directed West Northamptonshire Development Corporation to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of West Northamptonshire Development Corporation and of its income and expenditure, changes in taxpayer's equity and cash flows for the financial year.

In preparing the accounts, the Corporation is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

Observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

Make judgements and estimates on a reasonable basis;

State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements, and

Prepare the financial statements on a going concern basis.

The Secretary of State has designated the Chief Executive as Accounting Officer of West Northamptonshire Development Corporation. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the West Northamptonshire Development Corporation's assets, are set out in the *Government Financial Reporting Manual* published by HM Treasury.

STATEMENT ON INTERNAL CONTROL

1 Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of WNDC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible in accordance with the responsibilities assigned to me in "Managing Public Money". This brings with it responsibility for governance issues and includes custody of risk management and its adoption throughout the organisation.

The Chief Executive provides Board level leadership for corporate governance and risk management. The Board committee that oversees these processes, namely the Audit and Risk Committee, is chaired by a non-executive Board member of the West Northamptonshire Development Corporation. The Chief Operating Officer & Deputy Chief Executive and Head of Finance & Resources attend the committee to ensure an effective and integrated governance process.

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:

- i. Identify and prioritise the risks to the achievement of the Corporation's policies, aims and objectives;
- ii. Evaluate the likelihood of those risks being realised and assess their impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in WNDC for the year ended 31 March 2011, and up to the date of approval of the annual report and accounts, and accords with Treasury guidelines.

3 Capacity to handle risk

As WNDC's role has change during the year to become a more project delivery focused organisation, the Corporation's risk management process has had to evolve to match. I have given clear leadership to this process, taking personal responsibility for developing a new system to record and manage risk, and to report it regularly to Executive Team, Audit & Risk Committee and Board.

Building on the formal Managing Successful Programmes (MSP) and Management of Risk (MOR) training activity undertaken last year, development activity has focused more on embedding good practice and creating the right environment for continuous learning and improvement. Key to this has been the Risk Management Group, chaired by the Chief Operating Officer & Deputy Chief Executive, which brings together members of each team within WNDC once every six weeks to discuss risk-related issues and suggest improvements to the Corporation's processes. This helps ensure the risk framework is applied effectively and remains relevant to organisational needs.

4 The Risk and Control Framework

WNDC's Risk Management Process remains focused on defining our tolerance and thresholds for risk. Where outcomes are predicted to deviate from plan, beyond prescribed limits, referral must happen as soon as the deviation is forecast. This includes forecasts that may enhance objectives as well as those that may erode objectives.

All individuals and teams with identified risk management roles and responsibilities assess risk in their area of operations as an integral part of their normal monthly routine.

The Risk Register forms the basis for the identification and assessment of risks. Following the internal audit recommendations the review of the risks contained within the register forms part of the monthly cycle for each directorate within the organisation: for example the Operational Project Review for each project reviews risks and agrees the level of reporting and action required.

The reporting of risks is in the process of being embedded within WNDC at all operational levels, from departmental team meetings to inclusion in relevant Board reports. In addition at the regular weekly Executive team meeting all red risks and others as required are discussed and necessary actions agreed. Required actions are noted and communicated to the relevant risk owner or actionee.

5 Information Risk

Effective management of Information & Security Risk remains an important priority for the organisation and action has been taken during the year to further improve our processes. All members of the Executive Team have undergone relevant Cabinet Office training as information asset owners.

All members of staff have undertaken information security risk awareness training. Relevant policies, such as document retention schedules, have been reviewed, updated or introduced. An Information & Records Manager has been appointed to provide the Corporation with a dedicated resource to improve the way we handle information and data, and a new intranet system is in the process of being introduced.

Once fully operational, this system will provide greater central control over the Corporation's information and data, reducing the risk of information loss. It is a requirement to report information risk related incidents to the Information Commissioner's Office and the Corporation takes very seriously the way it handles the information that is generated and received by the organisation. WNDC is not aware of any protected personal data related incidents and there were none formally reported to the Information Commissioner's office in 2010-11.

6 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system is informed by the work of the internal auditors and the executive managers within the Corporation who have the responsibility for the development and maintenance of the internal control framework; and comments made by the external auditors in their management letter and other reports.

Internal Audit has also produced an annual audit report and opinion for 2010/11 which is considered by the Audit Committee. The report provides the Head of Internal Audit's conclusion on the adequacy and effectiveness of risk management, control and governance within the Corporation. The Head of Internal Audit's opinion is "that the risk management, control and governance structures are operating adequately and effectively except in some areas where weaknesses, primarily in risk management, have been identified. My opinion concluded that there were no significant control issues that required disclosure in the Corporation's Statement on Internal Control". The internal audit reports are presented to the Audit & Risk committee on a regular basis and the response by the Corporation to audit findings has been prompt, with the majority of recommendations being dealt with within a month of issue of the final audit report.

Our Health & Safety and Business Continuity arrangements have continued to develop during 2010/11. Regular reviews of all aspects of health & safety are routinely conducted and reported to the weekly Executive team meetings, Audit & Risk Committee and Board. A Health & Safety Working Group, chaired by the Chief Operating Officer & Deputy Chief Executive, brings together staff from each part of the organisation to discuss relevant issues and suggest improvements to the organisation's processes. A new Business Continuity Plan has been produced during the year and is currently being tested through a series of exercises.

During the course of the year a potential weakness from not having finance professionals sitting, as a matter of course, on our Project Boards was identified. This created the potential for technical financial issues to go unrecognised or not be given sufficient weight in deliberations. This weakness has now been addressed. The Corporation became liable for a claw back of European Regional Development Funds in respect of the iCon project primarily as a result of an administrative error by a third party. As a result of this, WNDC will now seek its own assurance of the efficacy of third party actions before proceeding with funding applications.

In order to fulfil my responsibilities to the Board and the Public, a system of governance is in place that provides the necessary challenge and scrutiny of the functions of West Northamptonshire Development Corporation. As part of an objective assessment of this process, we continue to work with the National Audit Office and the Internal Audit Service of our sponsor department, Communities and Local Government, which hold the Board, and myself to account for financial probity and corporate governance.

I am content that the control systems are operating effectively.



SIGNATURE

Peter Mawson

Accounting Officer and Chief Executive

Date: 29 June 2011

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the West Northamptonshire Development Corporation (the Corporation) for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Corporation, the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Corporation and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Corporation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporation; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Report to identify material misstatements or inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Corporation's affairs as at 31 March 2011 and of its net expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions issued there under with the consent of the Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions made there-under with the consent of the Treasury; and
- the information given in the Chief Executive's Report and the Management Commentary included within the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

*Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP*

Date: 6 July 2011

FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE NET EXPENDITURE
for the year ended 31 March 2011

Expenditure	Note	Total 2010-11 £'000	Total 2009-10 £'000 Restated
Staff Costs	4	(2,087)	(3,112)
Depreciation	9	(89)	(95)
Amortisation	10	(32)	(63)
Impairment	9/10/11	(1,083)	(41)
Grants Payable (Project Costs)	7	(11,462)	(12,341)
Planning Appeal Costs	6	(175)	(626)
Other Expenditure	5	(1,417)	(1,562)
		(16,345)	(17,840)
Income			
Income from Activities	3a	4,967	4,763
Other Income	3b	1,579	1,438
		6,546	6,201
Net Expenditure		(9,799)	(11,639)
Finance (charge) for pensions	18	(55)	(56)
		(55)	(56)
Net Expenditure after Interest		(9,854)	(11,695)
Taxation	16	(1)	(45)
Net Expenditure after Tax for the Year	2	(9,855)	(11,740)
Net Expenditure retained for the year		(9,855)	(11,740)

All the activities derive from continuing operations.

The notes on pages 30 to 48 form part of these accounts

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION as at 31 March 2011

	Note	2010-11 £'000	2009-10 £'000
Non-Current Assets			
Property, Plant and Equipment	9	110	260
Intangible Assets	10	15	52
Total Non-Current Assets		125	312
Current Assets			
Inventories	11	3,729	2,912
Trade and Other Receivables	12a	1,507	2,334
Cash and Cash Equivalents	13	4,146	3,285
Total Current Assets		9,382	8,531
Total Assets		9,507	8,843
Current Liabilities			
Trade and Other Payables	14a	(3,256)	(3,769)
Provision for Liabilities and Charges	15	(175)	-
Total Current Liabilities		(3,431)	(3,769)
Non-Current Assets plus/less net current assets/liabilities		6,076	5,074
Non-Current Liabilities			
Pension Liability	18	(1,033)	(2,159)
Total Non-Current Liabilities		(1,033)	(2,159)
Assets Less Liabilities		5,043	2,915
Taxpayers' Equity			
General Grant Reserve	17a	63,726	52,869
I&E	17b	(57,650)	(47,795)
Pension Reserve	18	(1,033)	(2,159)
Total Taxpayers' Equity		5,043	2,915

The notes on pages 30 to 48 form part of these accounts

(Signed)  (Chair)

(Signed)  (Accounting Officer)

Date: 29 June 2011

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS as at 31 March 2011

	2010-11 £'000	2009-10 £'000
Cash Flows from operating activities		
Net expenditure	(9,799)	(11,639)
Depreciation / amortisation / impairment	187	199
(Increase) / decrease in Inventories	(817)	(2,462)
Transfer to Pension reserve	(463)	(71)
Increase in trade and other receivables	827	(1,158)
Decrease in trade and other payables	(338)	(762)
<i>Net cash outflow from operating activities</i>	(10,403)	(15,893)
Cash Flows from investing activities		
Purchase of property, plant and equipment	-	(57)
Purchase of intangible assets	-	(9)
Interest received	-	-
<i>Net cash outflow from investing activities</i>	-	(66)
Cash Flows from financing activities		
Grants from parent department	11,265	15,941
Corporation tax	(1)	(45)
<i>Net financing</i>	11,264	15,896
Net decrease in cash and cash equivalents in the period	861	(63)
Cash and cash equivalents at the beginning of the period	3,285	3,348
Cash and cash equivalents at the end of the period	4,146	3,285
	861	(63)

FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY as at 31
March 2011**

	General Grant Reserve £'000	I&E Reserve £'000	Pension Reserve £'000	Total Reserves £'000
Balance at 31 March 2010	52,869	(47,795)	(2,159)	2,915
Changes in reserves 2010-11				
Net gain on Pension actuarial assumption	-	-	718	718
Transfers between reserves	(408)	-	408	-
Income from activities	-	(9,855)	-	(9,855)
<i>Total Recognised Income and Expense for 2010-11</i>	(408)	(9,855)	1,126	(9,137)
Grant from Parent	11,265	-	-	11,265
Balance at 31 March 2011	63,726	(57,650)	(1,033)	5,043

FINANCIAL STATEMENTS

Notes to the Accounts

1 (a) Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by H.M. Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances for the West Northamptonshire Development Corporation, WNDC hereafter, for the purpose of giving a true and fair view has been selected. The particular policies adopted by the WNDC are described below:

The Corporation's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

WNDC has considered, in accordance with IAS 8, whether there have been any changes to accounting policies (either voluntary or arising from IFRS and/or the FReM) which have an impact on the current or prior period, or may have an effect on future periods. WNDC has also reviewed any new or amended standards issued by the IASB but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRS's that are or will be applicable (references to 'new IFRS's include new interpretations and any new amendments to IFRS's and interpretations).

It is not anticipated that the amended standards will impact materially on the financial statements for the Corporation.

On 14 October 2010, Cabinet Office Minister, Francis Maude, announced plans to substantially reform hundreds of public bodies as part of the Government's commitment to radically increase the transparency and accountability of all public services and enable the Government to operate in a more efficient way. For WNDC the proposed reforms are:

- it will no longer be an NDPB and will be abolished; and
- its functions will be devolved to a locally led delivery body.

This is subject to Parliamentary approval, the process for which is not expected to start for at least two years.

The Corporation has considered its continuing operations as a going concern. After making enquiries and discussing the situation with its sponsor Department, the Board and Chief Executive are satisfied that the remit and funding for the Corporation remain in place for 2011/12. Indeed the Corporation has received confirmation of funding from CLG for not only 2011/12, but also for 2012/13 and 2013/14. The Board and Executive are satisfied that sufficient funding is in place to enable the Corporation to continue operations and to meet its obligations as they fall due.

For these reasons, the Corporation continues to adopt the going concern basis in preparing the annual report and financial statements.

1 (b) Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. The Accounts have been prepared on a going concern basis.

1 (c) Recognition of income

Under the FReM, funding from Parliament is treated as an injection of capital rather than income.

WNDC recognises revenue in the period in which services are provided and has four main revenue streams;

Project Management Recharge

As part of the funding awarded to projects, WNDC agrees with the applicant an amount in respect of WNDC programme management costs, which will be recharged to the Grant funding recipient. This income and the related costs are recognised over the life of the project. Its recovery is subject to the availability of funding and the completion of projects.

Planning Fees

WNDC receives a statutory fee for each Planning Application lodged. The accounting policy adopted by WNDC in respect of these fees is to apportion the fee over the period from receipt of application to final determination. Any balance of fees received not credited to income by the end of the accounting period is shown as deferred income, amounts falling due within one year.

S106 Income

All monies received by WNDC from S106 agreements, which includes those signed by WNDC and those inherited on the granting of WNDC planning powers, are held in a separate bank account. These funds are solely for the provision of infrastructure and services as specified in the S106 agreement and as such are not treated as WNDC income but included within the payable balance.

Grant Income

WNDC may receive grants from various bodies as contributions towards the provision of specific projects. This income and the related cost fall due over the life of the project. The percentage of completion method is utilised to recognise revenue on long term projects. Any balance of grant not credited to income by the end of the accounting period is shown as deferred income. At the completion of the project, any grant not spent may be repayable.

Rental Income

WNDC may receive rental income from the stock of development properties held as inventories. Any rental income will be recognised on an accruals basis.

Grant in Aid

The Corporation's activities are funded primarily by way of grant-in-aid provided by the Corporation's sponsor, CLG. In accordance with Government guidance this is credited directly to the General Reserve.

1 (d) Employee Benefits

Retirement Benefit Costs

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS).

WNDC employees are invited to join the LGPS administered by Northampton County Council, a final salary defined benefit scheme. Pension costs are currently accounted for under IAS 19 as calculated by the scheme appointed Actuaries, Hymans Robertson LLP.

Holiday Pay

Employees of WNDC are entitled to 28 days paid leave each year (pro rata where necessary).

The organisation has a fixed holiday year from January to December. The balance of untaken leave at the end of the financial year is accrued.

This is calculated using a day rate for each employee and multiplying it by the number of days untaken from their entitlement at the financial year end. An element for National Insurance Contributions is then accrued on top of the employee's day rate.

1 (e) Plant Property & Equipment (PPE)

PPE comprise of computer and office equipment which are deemed to have a useful economic life of four years, and furniture and fittings which are deemed to have a useful economic life of eight years. All WNDC's PPE are valued on historical cost basis, as stated in IAS 16, they are deemed to be short life, low value assets and eligible to be valued under the historical cost basis.

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- Individually have a cost of at least £5,000; or
- They are lower than the threshold value and can be grouped into a single asset where they form part of a distinct of specific project.

Depreciation

Depreciation for fixed furniture and fittings is provided to write off the costs of individual assets over their useful economic life.

Depreciation for other individual PPE is provided to write off the cost over their useful economic life on a straight line basis at the following rates:

- Computer Equipment 25%
- Office Equipment 25%
- Other Movable Items 12.5%

1 (f) Intangible Assets

Intangible assets comprise of software licences and are deemed to have a useful economic life of four years. All WNDC's intangible assets are valued on historical costs basis, as stated in IAS 38, they are deemed to be short life, low value assets and eligible to be valued under the historical cost basis.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**1 (i) Provisions,
Contingent
Liabilities and
Contingent
Assets**

As per IAS 37, WNDC recognises a provision when; it has a present legal obligation as a result of a past event, it is probable that WNDC will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties.

Where the provision is measured using the cash flows estimated to settle the obligation, no discounting has been applied as it is deemed unlikely to be materially affected by the time value of money.

When some or all the economic benefits required to settle a provision are expected to be received from a third party, the receivable amount is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where WNDC has a contract under which the avoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when WNDC has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of WNDC.

**1 (j) Change in
accounting
policy-Notional
Cost of
Capital**

HM Treasury announced the removal of cost of capital charges from Government accounts as part of the Clear Line of Sight Project. This is a change in accounting policy and the notional cost of capital charge has been removed and previous year comparative figures have been restated. This affects the Statement of Comprehensive Net Expenditure. The relevant guidance is contained in the 2010/11 FReM at paragraph 11.5.2 which states, 'Notional costs should not be recorded for cost of capital, though actual costs will be charged in circumstances where the Treasury directs that it is appropriate.'

1 (k) VAT

WNDC is registered for VAT. On 1 January 2007 WNDC brought in-house the Development Control function in respect of planning applications received by WNDC and as a result the Planning Fees for those applications are paid direct to WNDC.

Such fees are deemed 'Out of Scope' for VAT purposes. A partial recovery of VAT has been agreed with HM Revenue & Customs whereby WNDC expenditure is matched to the relevant income stream and the VAT dealt with accordingly. Income and expenditure will be included in the accounts either gross or net depending upon the VAT recovery for that particular item.

1 (l) Project costs

WNDC deems that project costs are payable only when the terms of the grant have been met.

1 (m) Financial instruments

Financial assets and liabilities are valued in the Statement of Financial Position at fair value. This is usually the amount expected to be received or paid unless the terms of the contract make the use of such a basis of valuation misleading

1 (n) Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Investments made comply with WNDC's Treasury Management Policy.

1 (o) Leases

Expenditure under operating leases is recognised in the Net Expenditure Account on a straight line basis over the period of the lease.

2. Analysis of Net Expenditure by Segment

	Planning	Regeneration	Other- Core	Total
	£'000	£'000	£'000	£'000
Gross Expenditure	1,129	13,313	1,959	16,401
Income:				
Income from Activities	-	(4,967)	-	-
Project Management Recharge	-	(668)	-	-
Planning Fees	(540)	-	-	-
Other Income	(30)	(173)	(168)	-
Net Expenditure	559	7,505	1,791	9,855
Total Assets / (Liabilities)	(1,873)	7,839	(923)	5,043

3. Income

	2010-11 £'000	2009-10 £'000
a. Income from Activities	4,967	4,763
	668	855
b. Other Income		
Project Management Recharge		
Planning Fees	540	382
Other Income	371	201
Total other income in the year	1,579	1,438
Total Income for the year	6,546	6,201

4. Staff numbers and related costs

	Permanent Staff £'000	Agency & Temp Staff £'000	Board Members £'000	Total 2010-11 £'000	Total 2009-10 £'000
Wages and salaries	1,768	175	205	2,148	2,721
Social security costs	154	-	17	171	213
Other pension costs	231	-	-	231	249
Pension past service cost	(463)			(463)	(71)
Total net costs	1,690	175	222	2,087	3,112

No staff costs were capitalised during the year (2009/10: nil).

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS).

WNDC is an admitted member of the Scheme as administered by Northamptonshire County Council. LGPS is a contributory final salary, defined benefit scheme with a variable contribution rate, between 5.5% and 7.5% from employees, a 10.6% contribution rate from WNDC together with an annual lump sum payment.

There is 1 loan to an employee for £828 (2009/10: 2 loans £2,398)

The average number of whole-time equivalent persons employed during the year was as follows:

	Permanent Staff	Others	Total 2010-11	Total 2009-10
Directly Employed	38	0	38	48
Other	2	1	3	6
Total	40	1	41	54

Average number of persons employed by Segment

	Planning	Regeneration	Other Core	Total 2010-11	Total 2009-10
Directly Employed	12	12	14	38	48
Other	1	1	1	3	6
Total	13	13	15	41	54

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band (total cost)
< £10,000	7 (4)	- (-)	7 (4)
Total 2010/11 (2009/10)	7(4)	- (-)	7 (4)

WNDC made 5 compulsory redundancy payments in line with the statutory redundancy scheme. Following the adoption of a Discretionary Redundancy Policy by WNDC a further 2 compulsory redundancy payments were made based on the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006.

5. Other Expenditure

	2010-11 £'000	2009-10 £'000
IT Services and External consultancy fees	461	562
Office running costs	67	60
Communications & PR	76	184
Rentals under operating leases & licences	124	164
Recruitment	32	107
Legal fees	133	62
Professional fees	177	199
Bad and Doubtful Debt provision	169	-
Training	105	127
Travel & Subsistence	32	53
Auditors' remuneration for audit work:		
National Audit Office – statutory audit work	27	25
National Audit Office – IFRS transition work	-	6
CLG Internal Audit Service	12	11
Actuaries Fee	2	2
	1,417	1,562
<i>Non-Cash Items</i>		
Depreciation	89	95
Amortisation	32	63
Impairment of Property, Plant and Equipment Assets	61	4
Impairment of Intangible Assets	5	37
	187	199

6. Planning Appeal Costs

11	2010- £'000	10	2009- £'000
	175		626

7. Grants Payable (Project costs)

	2010-11 £'000	2009-10 £'000
Grants payable to the public sector in respect of the following approved growth area projects:		
I Net Revenue	261	282
Northampton, SNEAP Implementation project	188	750
Northampton, Community Foundation	221	375
Northampton, Becketts Park	1,307	657
Northampton, Sandy Lane Improvements	1,238	800
Towcester, Watermeadows	75	107
Daventry Library	-	126
Northampton, Waterside	-	36
Northampton Public Realm Phase 1	-	1,976
Towcester, Moat Lane	-	1,420
Towcester, Bury Mount & Mill Streams	-	275
Northampton, Upton Park	-	215
Northampton, Market Square Lighting	-	354
Northampton, A45/Flore Weedon Bypass	-	336
Northampton, Junctions Congestion Relief	-	160
	3,290	7,869

Amounts payable directly to suppliers for WNDC projects:

WNDC Project Northampton Waterside	530	471
WNDC Project Northampton Castle Station	277	838
WNDC Project Northampton Avon Nunn Mills	272	232
WNDC Project Daventry iHub	6,061	2,556
WNDC Project Northampton Avon / London Road	838	-
Construction Futures	162	191
Sport England	5	49
Sustainable Design Solutions	12	79
Arts Council Arts Delivery plan	15	35
Arts Monitoring Officer	-	7
Arts Council Innovation Pot	-	14
	8,172	4,472
Total Project costs	11,462	12,341

8. Leases

The operating lease with Northampton RFC Limited (Company registered in England: number 3139409), in respect of office premises, was terminated on 31st March 2011. No new lease has been signed. The full term of the original lease was from 1st February 2005 to 13th December 2014.

WNDC has exercised its right to break from the operating lease with Daventry District Council, in respect of office premises, effective from 3rd March 2011.

Various other operating leases are held for office equipment expiring between April 2011 and March 2015.

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

Obligations under operating leases comprise	2010-11	2009-10
	£'000	£'000
Expiry within 1 year	26	149
Expiry after 1 year but not more than 5 years	51	98
Expiry hereafter	-	-

The Corporation had no finance leases during either period.

9. Property Plant & Equipment

	Fixtures & Fittings	Information Technology	Total
	£'000	£'000	£'000
Cost or valuation			
At 31 March 2010	199	402	601
Additions	-	-	-
Disposals	(110)	(16)	(126)
At 31 March 2011	89	386	475

Depreciation & Impairment

At 31 March 2010	75	266	341
Charged in year	26	63	89
Impairment	55	6	61
Disposals	(110)	(16)	(126)
At 31 March 2011	46	319	365
Net Book Value at 31 March 2011	43	67	110
Net Book Value at 31 March 2010	124	136	260
Asset Financing			
Owned	43	67	110

10. Intangible Assets

Intangible fixed assets comprise software licences

Cost or valuation	Total
	£'000
At 31 March 2010	151
Additions	-
Disposals	(15)
At 31 March 2011	136
Amortisation	£'000
At 31 March 2010	99
Charged in year	32
Impairment	5
Disposals	(15)
At 31 March 2011	121
Net book value 31 March 2011	15
Net book value 31 March 2010	52

11. Inventories

	2010-11	2009-10
	£'000	£'000
Balance as at 1 April	2,912	450
Additions in the year	1,834	2,462
Impairment	(1,017)	-
Balance as at 31 March	3,729	2,912

WNDC will seek to purchase land and property where appropriate for development and regeneration purposes. The continuing impact of the recession on the property market resulted in an impairment charge of £1,016,859 in 2010/11 (2009/10 Nil). The property re-valuation report has been prepared by C.B Richard Ellis – Commercial Valuation Advisors on 31 March 2011.

12. Receivables

Analysis by type		2010-11 £'000	2009-10 £'000
a	Amounts falling due within one year		
	Trade Receivables	1,394	2,051
	Other Receivables – VAT	46	154
	Prepayments and accrued income	66	127
	Loans to employees	1	2
	Total	1,507	2,334
b Receivable by Segment		2010-11 £'000	2009-10 £'000
	Regeneration	1,976	2,334
	Planning	(689)	(382)
	Other – Core	220	382
	Total	1,507	2,334
c	Bad Debt Provision		
	A bad debt provision of £169,162 was made in the year ended 31 March 2011 (2010 £Nil) in respect of the iCon project which represents the WNDL element of the total European funds withheld by EMDA on behalf of CLG.		
d Intra Government Balances		2010-11 £'000	2009-10 £'000
	Balances with other central government bodies	614	1,785
	Balances with local authorities	8	112
	Balances with bodies external to government	885	437
	Total	1,507	2,334

13. Cash & Cash Equivalents

	2010-11 £'000	2009-10 £'000
Balance as at 1 April	3,285	3,348
Net change in cash balances	861	(63)
Balance as at 31 March	4,146	3,285
The following balances at 31 March were held at:		
Commercial banks and cash in hand	4,146	3,285

Note that the cash at bank and in hand balance includes S106, £1,433,216 (2010: £2,458,046) & Planning £32,938 (2010: £27,189) monies held.

14. Payables

Analysis by type		2010-11	2009-10
		£'000	£'000
a	Amount falling due within one year		
	Other taxation and social security	87	101
	Trade Payables	160	177
	Other Payables – S106	2,006	2,618
	Accruals and deferred income	981	828
	Corporation Tax	22	45
	Total	3,256	3,769
		2010-11	2009-10
		£'000	£'000
b	Payables by Segment		
	Regeneration	352	487
	Planning	2,386	2,940
	Other – Core	518	342
	Total	3,256	3,769
		2010-11	2009-10
		£'000	£'000
c	Intra Government balances		
	Balance with other central government bodies	110	152
	Balance with local authorities	19	12
	Balance with bodies external to government	3,127	3,605
	Total	3,256	3,769

15. Provisions for liabilities and charges

There is a provision of £175,000 for liabilities and charges in respect of Planning Appeal costs as at 31 March 2011 (31 March 2010 £Nil). The provision is based upon estimates received from suppliers in respect of legal fees, technical assessments and expert opinion which will be required by WNDG in order to provide the necessary information for the enquiry. These costs will be incurred within the next financial year.

16. Taxation

	2010-11	2009-10
	£'000	£'000
Corporation tax @ 21% (2010: 21%)	22	45
Less prior year Corporation Tax adjustment	(21)	-
	1	45

17. Reserves

	2010-11 £'000	2009-10 £'000
a		
General Grant Reserve		
Balance at 1 April	52,869	36,943
Transfers to other reserves	(408)	(15)
Grant in Aid received towards resource expenditure	3,000	4,473
Growth Area fund received towards project expenditure	8,265	11,468
Balance at 31 March	63,726	52,869
	2010-11 £'000	2009-10 £'000
b		
I&E Reserve		
Balance at 1 April	(47,795)	(36,055)
Net Expenditure	(9,855)	(11,740)
Balance at 31 March	(57,650)	(47,795)
	2010-11 £'000	2009-10 £'000
c		
Reserves by Segment		
Regeneration	(12,165)	(10,512)
Planning	1,682	2,202
Other-Core	5,440	5,395
Total	(5,043)	(2,915)

18. Pension Cost

The Local Government Pension Scheme run by Northampton County Council to which WNDC belongs is a defined benefit final salary scheme.

A full actuarial valuation was carried out at 31 March 2011 by a qualified independent actuary.

In the UK Budget Statement of 22 June 2010, the Chancellor of the Exchequer announced that, with effect from 1 April 2011. The Government would use the Consumer Prices Index (CPI) rather than the Retail prices Index (RPI) for the price indexation of benefits and tax credits; and that this would also apply to public sector pensions through the statutory link to the indexation of the Second State Pension.

The change from RPI to CPI for the purposes of updating index-linked features of post employment benefits has been recognised as a negative past service cost in accordance with IAS 19. This accounting treatment has been adopted by all central Government reporting entities where RPI has been used for inflation indexing for many years.

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings.

The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when the Government had adjudged that deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

The major assumptions used by the actuary are being reported on a restated IAS 19 standard as follows:

	At 31/03/2011	At 31/03/2010
Rate of increase in salaries	5.1%	5.3%
Rate of increase in pensions- RPI		3.8%
Rate of increase in pensions- CPI	2.8%	
Discount rate	5.5%	5.5%
Expected return on assets	6.8%	7.2%

The assets in the scheme and the expected rate of return at 31 March 2011

	£'000	£'000
Equities	7.5% 2,438	7.8% 1,809
Bonds	4.9% 677	5.0% 381
Property	5.5% 203	5.8% 143
Cash/Liquidity	4.6% 68	4.8% 48
Total market value of assets	3,386	2,381

Present value of scheme	£'000 (4,419)	£'000 (4,540)
Deficit in the scheme	(1,033)	(2,159)

Analysis of the amount charged to operating profit

Current service cost	(320)	(172)
Past service cost	553	-
Total operating charge	233	(172)

Analysis of the amount charged to other finance income

Expected return on pension scheme assets	182	103
Interest on pension scheme liabilities	(237)	(159)
Net charge	(55)	(56)

**Analysis of amount recognised in Statement of
Recognised income and expense (SRIE)**

Actuarial Gains / (Losses) on Plan Assets	518	486
Actuarial Gains / (Losses) on Obligation	200	(1,943)
Actuarial Gain / (Losses) recognised in SRIE	718	(1,457)

Reconciliation of defined benefit obligation

Opening Defined Benefit Obligation	4,540	2,163
Current Service Cost	320	172
Interest on Obligation	237	159
Contributions by Members	111	116
Actuarial (Gains)/Losses	(200)	1,943
Past Service costs	(553)	-
Estimated Benefits Paid	(36)	(13)
	4,419	4,540

Reconciliation of fair value of employer assets

Opening Fair Value of Employer Assets	2,381	1,446
Expected Return on Assets	182	103
Contributions by Members	111	116
Contributions by Employer	230	243
Actuarial Gains/ (Losses)	518	486
Benefits Paid	(36)	(13)
	3,386	2,381

**Amounts for the current and previous accounting
periods**

Fair Value of Employer Assets	3,386	2,381
Present Value of Defined Benefit Obligation	(4,419)	(4,540)
Deficit	(1,033)	(2,159)
Experience Gains/(Losses) on Assets	518	486
Experience Gains/(Losses) on Liabilities	(455)	-
Actuarial Gains/(Losses) on Employer Assets	518	486
Actuarial Gains/(Losses) on Obligation	200	(1,943)
Actuarial Gains/(Losses) recognised in SRIE	718	(1,457)

Year Ended	2008-09	2007-08	2006-07
	£'000	£'000	£'000
Fair Value of Employer Assets	1,446	1,510	1,179
Present Value of Defined Benefit Obligation	(2,163)	(2,485)	(1,425)
Deficit	(717)	(975)	(246)
Experience Gains/(Losses) on Assets	(484)	146	(12)
Experience Losses on Liabilities	-	(774)	(102)
Actuarial Gains/(Losses) on Employer Assets	(484)	146	(12)
Actuarial Losses on Obligation	826	(845)	(13)
Actuarial Losses recognised in SRIE	342	(699)	(25)

Projected Pension Expense for 2011-12

Year Ended 2011-12	£'000	% of pay
Projected Current Service Cost	270	17.8%
Interest on Obligation	253	16.7%
Expected Return on Plan Assets	(250)	(16.5%)
	<u>273</u>	<u>18.0%</u>

	2010-11	2009-10
	£'000	£'000
Movement in deficit during the year		
Deficit at 1 April	(2,159)	(717)
Current service cost	(320)	(172)
Past Service cost	553	-
Employer contributions	230	243
Other finance charge	(55)	(56)
Actuarial gain/(loss)	718	(1,457)
Deficit at 31 March	(1,033)	(2,159)

History of experience gains and losses	At	At
	31/03/2011	31/03/2010
	£'000	£'000
Difference between the expected and actual return on scheme assets	518	486
Percentage of scheme assets	15.3%	20.4%
Actuarial gains/ (losses) on scheme liabilities	200	(1,943)
Percentage of the present value of the scheme liabilities	(4.5%)	(42.8%)
Total amount recognised in statement of changes in taxpayers equity	718	(1,457)
Percentage of the value of the scheme liabilities	(16.2%)	(32.1%)

Pension Reserve	2010-11	2009-10
	£'000	£'000
Balance at 1 April	(2,159)	(717)
Actuarial Asset gain during year	518	486
Actuarial Liability gain/(loss) during the year	200	(1,943)
Net Interest charge	(55)	(56)
Transfer from I&E	463	71
Balance at 31 March	(1,033)	(2,159)

19. Financial Instruments

Except for short term receivables and payables the only financial instrument maintained by WNDC is cash held at bank.

International Financial Reporting Standard (IFRS) 7 requires WNDC to disclose information on the significant of financial instruments to its financial position and performance.

WNDC is exposed to very little credit risk resulting from the non payment of debts relating to the private sector. Payment for planning applications is received up front and Project Management Recharges are received from third parties via the Growth Area Fund.

As a Non-Departmental Public Body (NDPB) funded almost exclusively by CLG and with no borrowings, WNDC is not exposed to any market or liquidity risk.

WNDC has no material deposits in interest bearing accounts given that the majority of cash held on the balance sheet relates to S106 agreements. As all material assets and liabilities are denominated in sterling, WNDC is not exposed to any significant interest rate or current risk.

20. Contingent Liabilities

Planning appeals

WNDC holds a specific provision for the existing planning appeal but does not hold a general contingency for appeal costs. However, the Corporation is able to call on a central reserve held by our sponsor Department (CLG) to meet the costs of any future appeals where such costs cannot be met from the Corporation's administration budget.

VAT on land sale

WNDC recognises that the VAT recovered on the land acquired in 2007/08 may be repayable to HM Revenue & Customs if sold, depending upon the VAT status of the subsequent purchaser.

21. Contingent Asset

Project Management Recharge Income

WNDC has entered into a grant funding agreement with NCC in respect of the London Road Junction Improvements capital project which is due to complete in 2012. This agreement establishes potential income from a project management recharge, the recovery of which is anticipated might be in the next financial year but the timing and amount is uncertain.

22. Related Party Transactions

As WNDC is a NDPB sponsored by CLG, CLG is regarded as a related party, as are other entities that it sponsors.

As part of its strategy for sustainable development, WNDC had an interest with four other parties in iCon (East Midlands), a company limited by guarantee. By the financial year end this interest had ceased. WNDC acted as grant recipient for the entity and in order to ensure funding objectives are met. In the year, WNDC has granted £1,683k of GAF funding in 2010/11 and at the date of the Statement of Financial Position, WNDC had a receivable of £289k due from iCon (EM) Ltd.

WNDC had transactions during the normal course of its business with Northampton Borough Council, Northamptonshire County Council, Daventry District Council and South Northamptonshire Council. Cllr Sandra Barnes (South Northamptonshire), Cllr Chris Millar (Daventry), Cllr Tony Woods (Northampton), Cllr Richard Church (Northamptonshire), Cllr Joy Capstick (Northampton) and Cllr Jim Harker (Northamptonshire), are Board Members of the corporation nominated by those local authorities.

John Markham and Cllr Jim Harker are members of the NEL Board and Deirdre Newman is Chair of Governors of the University of Northampton.

No other Board member, key management staff or other related parties have undertaken any material transactions with WNDC during the year.

23. Commitments

As at the 31 March 2011 WNDC had an outstanding agreed capital grant commitment amounting to £1.207m.

24. Liquid Resources

WNDC operates current account facilities with Lloyds TSB plc and a Deposit Account with National Westminster Bank plc. There were no other financial instruments maintained by the Corporation during the year.

25. Events after the reporting period

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when the Government had adjudged that deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

WNDC's financial statements are laid before the House of Parliament by the Secretary of State for Communities and Local Government. IAS 10 requires WNDC to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are despatched to the Secretary of State for Communities and Local Government.

The authorised date for issue is 6 July 2011

ACCOUNTS DIRECTION

WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE WITH THE CONSENT OF THE TREASURY, IN ACCORDANCE WITH PARAGRAPH 10(3) OF SCHEDULE 31 TO THE LOCAL GOVERNMENT, PLANNING AND LAND ACT 1980

1. The annual financial statements of West Northants Development Corporation (hereafter in this accounts direction referred to as “the Corporation”) shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the financial statements for 2009/10 and for subsequent years shall be prepared in accordance with:-

- (a) the accounting and disclosure requirements given in *Managing Public Money* and in the *Government Financial Reporting Manual* issued by the Treasury (“the FReM”) as amended or augmented from time to time;
- (b) any other relevant guidance that the Treasury may issue from time to time;
- (c) any other specific disclosure requirements of the Secretary of State;

insofar as these requirements are appropriate to the Corporation and are in force for the year for which the financial statements are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the financial statements.

- 2. Schedule 1 to this direction gives additional disclosure requirements of the Secretary of State.
- 3. This direction shall be reproduced as an appendix to the financial statements.
- 4. This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for Communities and Local Government



An officer in the Department for Communities and Local Government

Date 31 March 2011

SCHEDULE 1

ADDITIONAL DISCLOSURE REQUIREMENTS

The following information shall be disclosed in the annual accounts, as a minimum, and in addition to the information required to be disclosed by paragraph 1 of this direction.

- (a) an analysis of grants from:
 - (i) government departments
 - (ii) European Community funds
 - (iii) other sources identified as to each source;
- (b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;
- (c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income and expenditure account;
- (d) details of employees, other than board members, showing:-
 - (i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to the Corporation, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)
 - (ii) the total amount of loans to employees
 - (iii) employee costs during the year, showing separately:-
 - (1) wages and salaries
 - (2) early retirement costs
 - (3) social security costs
 - (4) contributions to pension schemes
 - (5) payments for unfunded pensions
 - (6) other pension costs
 - (7) amounts recoverable for employees on secondment or loan to other organisations

(The above analysis shall be given separately for the following categories:

- (i) employed directly by the Corporation
- (ii) on secondment or loan to the Corporation
- (iii) agency or temporary staff

(iv) employee costs that have been capitalised);

(e) in the note on receivables, prepayments and payments on account shall each be identified separately;

(f) a statement of debts written off and movements in provisions for bad and doubtful debts;

(g) a statement of losses and special payments during the year, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £250,000, with separate disclosure and particulars of any individual amounts in excess of £250,000. Disclosure shall also be made of any loss or special payment of £250,000 and below if it is considered material in the context of the Corporation's operations.

* (h) particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the yearend (other than those arising from a contract of service or of employment with the Corporation), between the Corporation and a party that, at any time during the year, was a related party. For this purpose, notwithstanding anything in the accounting standard, the following assumptions shall be made:

(i) transactions and balances of £5,000 and below are not material

(ii) parties related to board members and key managers are as notified to the Corporation by each individual board member or key manager

(iii) the following are related parties:

(1) subsidiary and associate companies of the Corporation

(2) pensions funds for the benefit of employees of the Corporation or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds)

(3) board members and key managers of the Corporation

(4) members of the close family of board members and key managers

(5) companies in which a board member or a key manager is a director

(6) partnerships and joint ventures in which a board member or a key manager is a partner or venture

(7) trusts, friendly societies and industrial and provident societies in which a board member or a key manager is a trustee or committee member

(8) companies, and subsidiaries of companies, in which a board member or a key manager has a controlling interest

(9) settlements in which a board member or a key manager is a settler or beneficiary

(10) companies, and subsidiaries of companies, in which a member of the close family of a board member or of a key manager has a controlling interest

(11) partnerships and joint ventures in which a member of the close family of a board member or of a key manager is a partner or venture

(12) settlements in which a member of the close family of a board member or of a key manager is a settler or beneficiary

(13) the Department for Communities and Local Government, as the sponsor department for the Corporation.

For the purposes of this sub-paragraph:

- (i) A key manager means a member of the Corporation's management board.
- (ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, "spouse" includes personal partners, and "relatives" means brothers, sisters, ancestors, lineal descendants and adopted children.
- (iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at Corporation meetings of the company.

* Note to paragraph (h) of Schedule 1: under the Data Protection Act 1998 individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.



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