



WNDC

**West Northamptonshire Development Corporation
Annual Report and Accounts**

For the year ended 31 March 2013

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For the year ended 31 March 2013

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2. Introduction

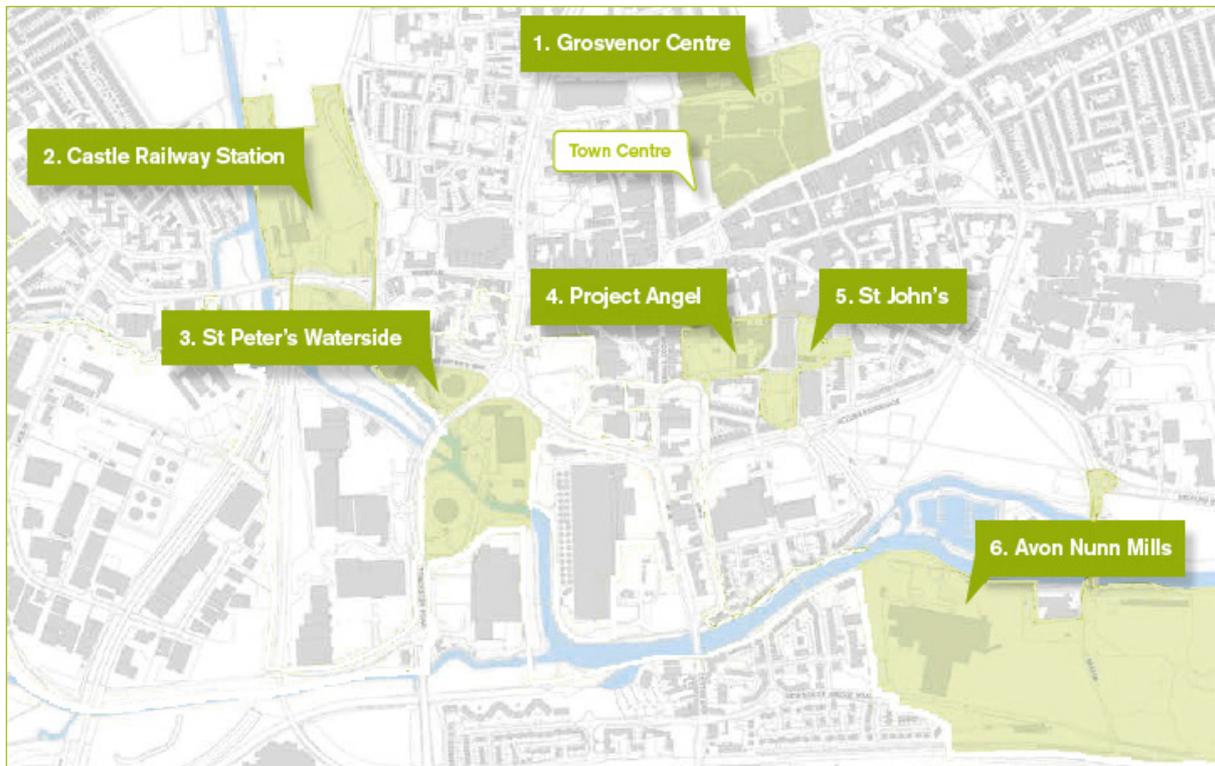


Working alongside the local authorities, West Northamptonshire Development Corporation (WNDC) delivers major regeneration schemes in Northampton, Daventry and Towcester.

As an Urban Development Corporation, it has benefited from a wide range of specialist powers, including:

- Development - a portfolio of development-focused powers, including the ability to acquire, manage and sell land, together with powers to develop, invest and provide business support.
- Investment – targeted investment of almost £100m in the regeneration of Northampton, Daventry and Towcester, with major schemes underway in all three town centres.
- Planning - WNDC was established with the power to determine strategic planning applications in its area of operation. These powers were returned to the local authorities on 31 March 2012, enabling the Corporation to focus on its regeneration priorities.

In unison with the local authorities, WNDP's overall priority in its final three years is 'The Big Six' regeneration projects in Northampton town centre.



- 1. Grosvenor Centre:** A redevelopment of the Grosvenor Shopping Centre, as well as construction of a modern bus interchange, replacing the Greyfriars Bus Station.
- 2. Northampton 'Castle' Railway Station:** An iconic new gateway to Northampton, which will offer better facilities and more capacity.
- 3. St Peter's Waterside:** A new beginning for Northampton's waterside area, featuring up to 40,000 sqm of office development, starting with a £7.5m Innovation Centre.
- 4. Project Angel:** A major office development that will bring over 2,000 public sector workers into the town centre, boosting the viability of neighbouring projects.
- 5. St John's:** A student accommodation complex, as well as a new hotel to complement the various cultural attractions in the surrounding area.
- 6. Avon Nunn Mills:** A £330m campus for the University of Northampton on brownfield riverside land, which includes a derelict factory and a disused power station.

3. *'Most eventful year yet'*

2012/13 was the penultimate year in WNDC's delivery programme, although there were certainly no signs of our relentless pace slowing down.

In fact, it was the most eventful year yet in Northampton, where ambitious town centre development plans have decisively sparked into life.



The headline figures speak for themselves. During the past 12 months, over £100m has been secured or invested in the regeneration of central Northampton. This ranges from public sector schemes, such as the new Bus Interchange, to private developments, including Carlsberg's £25m bottling line. The state-of-the-art production plant was the first new building to open in the Waterside Enterprise Zone. It is a sign of improvements to come along the River Nene, with the Corporation's land acquisition programme close to its conclusion.



In these turbulent economic times, the level of private sector confidence in Northampton has been particularly encouraging. The town has become one of the country's pace setters for economic recovery in terms of job creation and business formation. Of course, it would be

naive to think this is purely down to our local regeneration programme. However, it has certainly helped to build market confidence – a great asset for any town.

Notably, vacancy rates for industrial units and office space in Northampton remain below the national average. This is no coincidence; it's because Northampton has an enviable proposition, with excellent infrastructure links and a strategic location. But above all, it's because the town is on a wave of confidence about its long-term economic prospects.

Equally, Daventry and Towcester have great cause for optimism. Together, WNDC and the local authorities have laid the foundations for further growth in those already thriving market towns. In the last 12 months alone, we saw Daventry's University Technical College start to rise, and planning approval secured for Towcester's award-winning Moat Lane regeneration scheme.



Crucially, none of these local achievements would have been possible without the support we have received from various levels of government. WNDC has invested £9.5m in the last 12 months alone, and has a further £14.5m to underpin our final delivery phase next year. It's clear that the Government, as well as our other funding partners, has been energised by our ability to deliver.

Personally, it has been very gratifying to work in such close partnership with all of the representatives on our Board, who have collectively strived to continue the transformation of the area. I'd like to thank everyone who is helping us to build a local economy of national importance, here in West Northamptonshire.

John Markham
Chairman

4. 'Well on track'

In our final delivery phase, WNDP has a clear but challenging mission – supporting delivery of 'The Big Six' regeneration projects. After a highly successful year, that mission is well on track.



From a WNDP perspective, 2012-13 was an exciting and often frenetic year. No more so than in November, when two Compulsory Purchase Orders went to public inquiry. It has become increasingly rare for public bodies to attempt one CPO, let alone two in the same month. However, we felt they were essential to the future of Northampton, and we certainly got the results we were hoping for.

After launching the CPO for Avon Nunn Mills, we completed an unprecedented deal with the landowners, which will see the University of Northampton move to a new £330m campus at the rundown site. It is a huge opportunity, with the potential to transform Northampton town centre in an economic, social and cultural sense.



Our second CPO was for land at St Peter's Waterside, which is a prominent site at the heart of the Northampton Enterprise Zone. We were very pleased when the Secretary of State for the Department for Communities and Local Government (DCLG) approved the Order in March 2013, ushering in a new beginning for Northampton's riverfront.

By using our development powers in this way, we are able to break down the long-standing barriers to progress. It is what has made WNDP, and other Urban Development Corporations before us, such a powerful force for change.

At St Peter's Waterside, there are plans for up to 40,000 sqm of high quality office space, starting with a six storey Innovation Centre, which begins construction this summer. Here again, we are working in partnership with the University of Northampton, which will run the centre once it is open. It is the third time that we have collaborated on a building of this nature, following the expansion of the University's Portfolio Centre in 2009 and the completion of Daventry's award-winning iCon Centre in 2011.

Waterside Innovation Centre



With buildings like this on the horizon and others already completed, the Waterside Enterprise Zone has certainly got off to a flying start. However, to attract even more development, bigger and better infrastructure is crucial. That is why we were delighted to secure the full £20m funding package in May to deliver a new Northampton Railway Station.



Working with Network Rail, we have since moved into action; finalising the development plans, commencing archaeological investigations on-site and getting set for main construction works to start in mid-2013. Yet the railway station is not the only new and improved transport hub being delivered in Northampton. Local partners are seizing the opportunity to improve the town, by strengthening its infrastructure backbone.

In September, we saw work start on the new bus interchange, making a real statement of intent about the town's regeneration. Part-funded by WNDC, it will provide an efficient, modern and attractive point of arrival in the town. But most importantly, without a new bus interchange, the notorious Greyfriars Bus Station will continue to be a blockage on new retail development in the town centre. Once it is demolished, there will be the opportunity for the Grosvenor Centre to expand, securing around £200m in private sector investment.

Our major capital projects have really captured the imagination of the local public, as well as the development fraternity. However, in some ways, our smaller community based-initiatives are just as exciting. This includes our groundbreaking Construction Futures training scheme, as well as our support for the new home of Northampton Arts Collective. Now located at 9 Guildhall Road, the collective is at the pulse of Northampton's fast-emerging cultural quarter.

Put simply, it has been a fantastic 12 months. Nevertheless, it is just the start of a remarkable stage in the regeneration of Northampton. I would like to thank everyone that has played their part so far, and look forward to more of the same in our final and most important delivery phase.

Peter Mawson
Accounting Officer and Chief Executive

5. Management Commentary

Statutory Context

“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. In 2011 WNDC’s existence as an Arm’s Length Body was confirmed by the Department of Communities and Local Government (DCLG).

Accounts Direction

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. As required the Accounts Direction is reproduced in full, together with the attached Schedules 1 & 2 on pages 60 to 64 of this report.

Financial Performance

The net expenditure for the period 1 April 2012 to 31 March 2013 was £10.910m (2011-12: £9.241m). 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 2013 shows Total Assets Less Liabilities of £6.565m (2011-12: £4.626m).

Going Concern Basis of Accounting

As set out in Note 1 (a) to the Financial Statements, the Accounts have been prepared on a going concern basis.

Performance Payment

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.

WNDC recognise that the government’s extant prompt payment policy is to pay 80 per cent of undisputed invoices within 5 days. The Corporation’s internal processes are not currently

able to ensure full compliance with this policy; however suppliers, the majority of whom are local, are consistently paid within their payment terms.

During the period under review WNDC paid suppliers within an average of 14 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).

Environmental Policy

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.

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 Cross-Departmental Internal Audit Services 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 DCLG. 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 7 days.

In 2012-13 there were no personal data related incidents and, therefore, none reported to the Information Commissioner's Office.

Key Objectives

Avon Nunn Mills: Key Milestones		Target	Progress
1	Route to market delivery strategy completed	Q1	Achieved
2	Strategic regeneration case for the closure of the Brackmills Branch railway line completed	Q2	Achieved
3	Network Rail announces closure of the Brackmills Branch railway line	Q2	Achieved
4	Confirmation of the CPO by the Secretary of State	Q4	Decision from Secretary of State expected in Q1 2013-14
5	Development partner appointed	Q4	No longer required
6	Utilities surveys undertaken	Q4	No longer required

St Peter's Waterside: Key Milestones		Target	Progress
1	Make the CPO	Q1	Achieved
2	Ownership, management & funding confirmed for Innovation Centre	Q2	Achieved
3	National Grid determine future of gasholders	Q2	Achieved
4	Delivery strategy for phase 1 is confirmed	Q2	Achieved
5	Procurement of delivery partner for St Peter's West commences	Q2	Achieved
6	Orders placed for Innovation Centre utilities diversions	Q3	Achieved
7	Innovation Centre RIBA Stage E to G is completed	Q3	Achieved
8	CPO confirmed by Secretary of State	Q4	Achieved
9	Collaboration arrangement signed with National Grid	Q4	Moved to Q1 2013-14
10	Tenders for Innovation Centre construction contract issued	Q4	Achieved

Northampton 'Castle' Station: Key Milestones		Target	Progress
1	Scheme review, including value engineering	Q1	Achieved
2	Local partners confirm funding package for station	Q1	Achieved
3	Funding agreements in place to enable delivery	Q2	Achieved
4	GRIP Stage 4 revised design approved by Network Rail	Q3	Achieved
5	Implementation agreement signed with Network Rail	Q4	Moved to Q1 2013-14

St John's: Key Milestones		Target	Progress
1	Student accommodation planning application determined	Q1	Achieved
2	Student accommodation construction commenced	Q1	Achieved
3	Hotel planning application submitted	Q3	Moved to Q1 2013-14

Project Angel: Key Milestones		Target	Progress
1	Cabinet approve outline business case	Q2	Achieved
2	Planning application submitted	Q3	Moved to Q4 2013-14
3	Planning application determined	Q4	Moved to Q1 2014-15
4	RIBA Stage E commenced	Q4	Moved to Q3 2013-14

Grosvenor Centre: Key Milestones		Target	Progress
1	Planning application submitted for Bus Interchange	Q1	Achieved
2	Planning decision for Bus Interchange	Q2	Achieved
3	Demolition works commence for Bus Interchange	Q2	Achieved
4	Main construction works commence on Bus Interchange	Q3	Achieved
5	Legal & General submit planning application for Grosvenor Centre development	Q4	Design under review
6	Stagecoach complete work on new bus layover facility	Q4	Achieved

Disclosures to Auditor

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 2013 is as follows:

Fee to NAO for statutory audit work	£36,000
Fee to DCLG for Cross-Departmental Internal Audit Services	£9,306

6. Board and Executive Report

Board Members

Chairman	John Markham
Deputy Chairman	John Weir
Northamptonshire County Council nominees	Cllr Richard Church Cllr Jim Harker
Northampton Borough Council nominees	Cllr Joy Capstick Cllr Tim Hadland
Daventry District Council nominee	Cllr Chris Millar
South Northamptonshire Council nominees	Cllr Mary Clarke
Appointed by open competition	Deirdre Newham

Executive Directors

Chief Executive (CEO) and Accounting Officer	Peter Mawson
Deputy Chief Executive and Chief Operating Officer	Roger Mendonca
Director of Regeneration and Development	Christopher Garden

The Board

In April 2012, WNDC's Board was made up of nine members. 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.

7. Remuneration Report

Remuneration Committee Membership

- John Weir - Chair
- Cllr Richard Church - Vice Chair
- Deidre Newham - Board member
- Cllr Jim Harker - Board member
- John Markham - Board member (ex-officio)

Terms of Reference

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 of WNDC staff.
2. The Remuneration Committee will provide advice and support to the Chief Executive as Accounting Officer and assurance to the Board. The Committee is an advisory body with no executive authority.
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, and

- 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 three exceptional performance awards in 2012-2013.

Directors' Contracts

Chief Executive	Service Agreement Commenced 1 August 2009 18 months notice for both parties
Deputy Chief Executive/Chief Operating Officer	Service Agreement Commenced 1 August 2010 12 months notice for both parties
Regeneration and Development	Service Agreement Commenced 1 January 2010 3 months notice for both parties
Planning Services	Service Agreement Commenced 1 January 2010 Terminated on 10 April 2012

Board Member Costs

	2012-13	2011-12
	Salary	Salary
	(£)	(£)
John Markham – Chair	47,332	47,332
John Weir – Deputy Chair	35,556	35,556
Cllr Jim Harker	11,968	11,968
Cllr Joy Capstick	11,968	11,968
Cllr Chris Millar	11,968	11,968
Cllr Richard Church	11,968	11,968
Dierdre Newham – from 23 March 2011	11,968	12,198
Cllr Tim Hadland – from 1 August 2011	11,968	7,979
Cllr Mary Clarke - from 1 August 2011	11,968	7,979
Cllr Sandra Barnes – to 31 July 2011	-	3,989
Cllr Tony Woods – to 31 July 2011	-	3,989

John Markham, as Chair had not taken up the offer of a 'by-analogy' pension scheme by 31 March 2013. 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. To date WNDC has not made pension contributions on behalf of Board members.

Salaries of Senior Managers

	2012-13 Salary and Redundancy* £'000	2012-13 Contractual Bonus £'000	2012-13 Total £'000	2011-12 Salary £'000	2011-12 Contractual Bonus £'000	2011-12 Total £'000
Peter Mawson Chief Executive	120-125	15-20	135-145	120-125	15-20	135-145
Roger Mendonca Deputy Chief Executive/ Chief Operating Officer	125-130	-	125-130	120-125	-	120-125
Christopher Garden Director of Regeneration and Development	80-85	-	80-85	80-85	-	80-85
Adrian Arnold Director of Planning Services	155-160*	-	155-160	80-85	-	80-85

The information on Board members and senior managers' costs above is subject to audit.

* The 'Salary and Redundancy' above consists of gross salary. It also includes the pay in lieu of notice (PILON), redundancy and the benefits in kind which were paid to the Director of Planning Services. Adrian Arnold's role was made redundant on the 10 April 2012. A gross redundancy payment in the range £105,000-£110,000 was paid. He received benefits in kind of £2,168 in the year ended 31 March 2013 (2012 £Nil).

There were no severance payments made and no other Directors received benefits in kind in the financial year 2012-13. (2011-12 £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 17 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 31/03/13 and related lump sum	Real increase in pension and related lump sum at age 65	CETV at 31/03/2013	CETV at 31/03/2012	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
Peter Mawson Chief Executive	5-10	0-2.5	122	84	28
Roger Mendonca Deputy Chief Executive/Chief Operating Officer	30-35 lump sum of 60-65	0-2.5 lump sum of 0-2.5	420	384	26
Christopher Garden Director of Regeneration & Development	25-30 lump sum of 60-65	0-2.5 lump sum of 0-2.5	484	449	28
Adrian Arnold Director of Planning Services	25-30 lump sum of 65-70	0-2.5	496	482	14

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 member's 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.

Hutton Review of Fair Pay

WNDC is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce. The median is calculated based on the annualised full-time equivalent remuneration of the total workforce excluding the highest paid director.

	2012-13	2011-12
	Salary & Benefits	Salary & Benefits
Band of highest paid director's total (£'000)	155-160	135-140
Median total	£46,002	£40,677
Ratio of highest paid director to median salary	3.5	3.4

The banded remuneration of the highest-paid director in WNDC in the financial year 2012-13 was £155,000-£160,000 (2011-12, £135,000-£140,000). This was 3.5 times (2011-12, 3.4 times) the median remuneration of the workforce, which was £46,002 (2011-12: £40,677).

In 2012-13, there were no employees receiving remuneration in excess of the highest-paid director (2011-12: no employees).

Total remuneration includes salary, severance payments (redundancy), non-consolidated performance-related pay and benefits-in-kind. The total remuneration does not include employer pension contributions and the cash equivalent transfer value of pensions.

The Corporation's planning powers transferred on 31 March 2012 to the local authorities and as a result, the number and structure of the workforce has changed with 28 Full Time Equivalent (FTE) employees in post as at 31 March 2013 (2012 – 38 employees). In 2012/13 the highest paid director changed as a result of a redundancy payment made in the financial year.

The Hutton Review of Fair Pay information above is subject to audit.

Peter Mawson

Accounting Officer and Chief Executive

Date: 10 June 2013

8. 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 taxpayers' 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, if appropriate.

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 *Managing Public Money* published by HM Treasury.

9. Governance Statement

Purpose and Scope

As Accounting Officer, I have a duty to ensure that WNDC conducts its operations economically, efficiently and effectively; in line with HM Treasury's Corporate Governance Code. This Governance Statement provides an overview of the risks WNDC has faced over the past year and the level of controls WNDC has put in place to manage and mitigate those risks. As set out in the Government Financial Reporting Manual, this Governance Statement provides an overview of the dynamics of the organisation and its control structure, its stewardship, its vulnerabilities and how successfully the organisation has coped with the challenges it faces. Through good governance practices, WNDC has developed into a flexible organisation with the right culture and ability to respond quickly to risks and opportunities.

WNDC's Risk Profile

The external environment has been and continues to be one of uncertainty. The economic downturn, the pressures on resources of local authority partners and the impending closure of the Corporation has challenged WNDC in delivering its objectives throughout the past year.

During 2012-13, WNDC took the decision to pursue two compulsory purchase orders (CPO) for key sites relating to the Avon Nunn Mills and St Peter's Waterside projects. As reported in last year's Governance Statement, this decision was taken to secure the future delivery of these key Northampton sites. To manage the risks associated with pursuing a CPO, WNDC allocated resource to present a robust case to the Inspector. In November 2012 the public inquiries relating to these CPOs were held. For St. Peter's Waterside, the Secretary of State confirmed the CPO on 7 March 2013. With regards to Avon Nunn Mills, after debate and scrutiny at the inquiry, a way forward was agreed by all main parties allowing a modified Order to be sought. The Secretary of State confirmed the modified Order on 29 April 2013. These positive outcomes are a major step towards securing delivery of two of WNDC's main projects. Whilst the risk of compensation claims against both CPOs still remain, WNDC has mitigated this risk through indemnity insurance by partners.

Preparing for two public inquiries put the WNDC team under a great deal of pressure. Staff across every department played a role in each step of the process, whilst still managing their 'business as usual' workload. It is clear to me that the investments made into developing a

strong culture of team work and creating a supportive working environment shone through during this time. The pressure that WNDC faced was managed professionally and the positive outcomes of both public inquiries reflect this.

Over the past year, one of the major risks to the Castle Station project was a lack of funding. In response to this, WNDC sought funding from central government and other partners. Funding has now been secured and the delivery of the project began in the final months of 2012-13.

In March 2014, WNDC will close and its operations will be transferred to a successor body. One of the challenges of the past year has been the need to focus on maintaining project momentum whilst also preparing the organisation for this transition. WNDC's live projects will not be completed before its end date and there remain a large number of milestones to meet ahead of the transfer. Therefore, delivering an exemplar transition will prove critical to the future of these projects.

To mitigate this risk, WNDC created a transition and closure programme and allocated staff resource to manage this alongside the continuing delivery of the key projects. As expected, a number of risks arose as a result of the decision to close WNDC. These mostly related to project delivery, funding, stakeholder confidence and staff. The governance arrangements that WNDC has put in place aimed to mitigate these risks as far as possible, but many have remained throughout the year. In particular, the details of the successor arrangements are currently being discussed by the local authorities, and will not be finalised until later in 2013. Until that time, the future arrangements for completion of the capital programme remain uncertain.

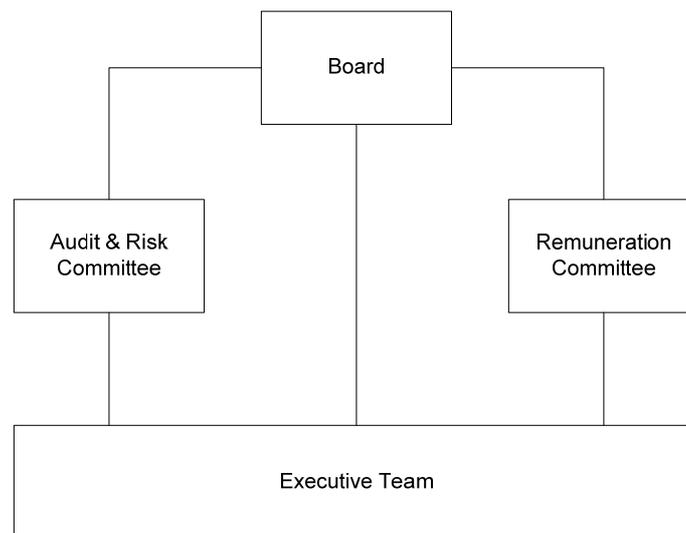
Overall the risks have been managed well throughout the year, with no risks becoming major issues.

The other key operational risk for WNDC remains managing the business in a rapidly changing environment, within the restrictions currently imposed by DCLG on delegated action. WNDC's Administration budget is now an integral part of the DCLG budget and capital programme spend on the key projects requires approval from the DCLG Investment Sub Committee (ISC) with the effect that WNDC is now less of an 'Arm's Length Body' in that respect.

During 2012-13 WNDC continued to be subject to DCLG Spending Controls which encompassed controls and spending limits on expenditure relating to consultancy, ICT, recruitment, marketing and property as well as the transparency requirements of ALBs. These controls had the potential to inhibit WNDC's ability to deliver on its targets for the year. In order to mitigate the impact on the Corporation, WNDC successfully applied for an exemption in respect of staffing which was considered and approved by DCLG.

Governance Framework

Board and Committee Structure



WNDC has a robust governance framework that has allowed prompt and effective decision making at all levels. Overall the organisation is led by a Board made up of a majority of members from the four local authorities and a further three external independent members. Good working relationships have been maintained within the Board, and between the Board and the Executive Team. Throughout the year the Board took considered decisions after careful debate and was keen to guide and support the Executive Team.

As Accounting Officer and Chief Executive, I have attended all Board meetings along with members of the Executive Team, with the exception of one meeting where I was appearing before the Inspector at the Avon Nunn Mills Public Inquiry.

Board meetings were held bi-monthly where reports were presented on progress and on risks against programme milestones as well as other organisational items such as audit findings.

DCLG and the Homes and Communities Agency (HCA) sit as observers to the Board although their attendance has fallen significantly over the past year. The role that WNDC plays in house building has changed over the past year, and so there is less of a need for HCA to attend. With regard to DCLG's attendance, information is reported to DCLG through various other channels in addition to Board meetings. WNDC has, however, reiterated the invitation to the new members of our DCLG sponsor team.

Board workshops were held between Board meetings which allowed the Board to receive interim updates and provide strategic direction in between formal board meetings. The Board has two sub-committees, the Audit and Risk Committee and the Remuneration Committee. Both reported back to the formal Board meetings throughout the year.

The Audit and Risk Committee is an advisory committee of the Board and has no executive authority. The Committee advises the Accounting Officer and the Board on the adequacy of the Corporation's risk management and internal controls arrangements. It met four times during 2012-13 and had an average of 93% attendance from Members. The Committee considered issues including a number of Internal Audit reports, the Corporation's risk management and health and safety arrangements.

The Remuneration Committee is an advisory committee to the Board, and has no executive authority. Its role is to review the remuneration of the Chief Executive and review the Chief Executive's proposals for WNDC's overall remuneration strategy. It met once during 2012/13 and three of the five members attended. The Committee considered the Corporation's pay remit, the impact of the transfer of planning staff and its relationship with Northamptonshire County Council as the manager of WNDC's pension fund.

There is a supportive risk management culture within WNDC and risks were identified and escalated in accordance with the risk management framework. Programme risks and actions were reviewed by the Executive Programme Board. Any risks that could not be resolved at Programme Board level were escalated to the Executive Team and then to the WNDC Board for decision. Organisational risks were reviewed by the Executive Team monthly. At all stages throughout the risk and reporting process, risk response actions were communicated to relevant staff at all levels. New staff members were inducted into the risk management framework used by WNDC.

WNDC's financial controls are appropriate and sufficient to safeguard public funds and to ensure compliance with the 2012-13 Government Financial Reporting Manual (FReM)

issued by HM Treasury. Internal controls, such as segregation of duties, have been applied and continually assessed to ensure good financial management and best practice.

Review of Effectiveness

Given the volatile risk environment, it is important for WNDC to review the effectiveness of its internal controls. The role of internal audit is to independently evaluate these controls and make any recommendations for improvements. During 2012-13, internal audits were carried out by the Cross-Departmental Internal Audit Services (XDIAS) on the transfer of planning powers, finance key control testing and risk management.

The internal auditors offered guidance and advice on ways to improve the activity of WNDC. The overall audit opinion gave full and substantial assurance over its financial controls and risk management. With the planning powers transfer it gave full or substantial assurance, but recognised the risks that were beyond WNDC's control and made recommendations on how to mitigate these ahead of the final transfer of projects to a successor vehicle. All internal audit findings were reported to the Audit and Risk Committee. Audit actions were coordinated by WNDC's Governance Officer.

The XDIAS aim to give added value to the Corporation. Given the increased risk WNDC has faced in the past year, and the risks to the capital programme in WNDC's final year of operation, WNDC needs to be assured that its governance framework is robust enough to face the challenges ahead. With that in mind, we reviewed the level of service needed from XDIAS. The outcome of that has been a new Service Level Agreement with XDIAS for 2013-2014, approved by the Audit & Risk Committee.

Internal Audit has produced an Annual Audit Report and Opinion 2012-13. 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 *"based on the work we have completed this year, overall I am able to give substantial assurance (Amber/Green) that WNDC's risk management, control and governance arrangements are established and found to be working effectively with some weaknesses"*. The opinion concluded that *"there are no significant control issues arising from our work, as at the date of my report, 25 April 2013."*

The National Audit Office audits the Financial Statements of WNDC in accordance with the International Standards on Auditing and on behalf of the Comptroller and Auditor General.

Appraisals for each Board member were conducted by the Chair of WNDC, and development objectives for the year were also set. Each member received an appraisal rating of either 'good' or 'excellent'. The Board held their annual strategy day to evaluate the organisation's progress against objectives, reflect on the performance of the Board as a whole and discuss future activity and risks. The Board were content that good progress was being made towards the Corporation's objectives and noted that the main risks to project delivery rest with partner organisations, such as the local authorities, at a strategic level.

Board Meeting attendance between April 2012 – March 2013

Board Member	Attendance
John Markham (Chair)	100%
John Weir (Vice-Chair)	100%
Cllr. Richard Church	100%
Cllr Chris Millar	100%
Cllr Jim Harker	17%
Cllr Tim Hadland	100%
Cllr Mary Clarke	50%
Cllr Joy Capstick	100%
Deirdre Newham	100%

The high attendance rate of Board members reflects the level of engagement that the Board have with WNDC activity.

As part of maintaining a high performing team, WNDC undertakes a short staff survey every quarter. This past year, the responses have demonstrated that morale and commitment have been high across the team.

Overall, WNDC has continued to reflect on its performance and has looked at ways to improve its ability to achieve its objectives. For example, during the year we streamlined the way we produce Executive Programme Board papers which has reduced the resource needed to create and print the reports. By taking this approach, we have been able to deliver a high standard of performance.

WNDC has a clear and documented delegation chain for both capital programme expenditure on projects and administration expenditure. Regular monthly reviews were undertaken at all delegation levels to ensure that actual expenditure was in line with the

budgetary approvals in place and that the work undertaken was on time and of the required quality.

Regular feedback was provided to the Executive Team and Board members by the Chief Financial Officer. Monthly feedback was also provided to DCLG on each expenditure line within the overall WNDC budget.

Board briefings have been circulated throughout the year to provide important updates between meetings, including summaries of media coverage received. The Board have recorded their thanks for this information, which has enabled them to reflect throughout the year on how effectively WNDC is progressing towards its objectives. Staff team briefings were held throughout the year to provide general strategic updates and provide staff with the opportunity to ask questions and share their views amongst the team. These team meetings have been an important place to update staff on the developments of the transition and closure programme.

Significant Governance Issues

The detailed provisions of the Corporate Governance Code (the Code) published by HM Treasury and the Cabinet Office relate to ministerial departments. However, this statement details WNDC's compliance as far as appropriate with the principles set out in the Code. The relationship with DCLG is set out in WNDC's Management Statement. The Chair and I met regularly with Ministers and other government officials to discuss priorities and progress, and regular contact was also maintained with our sponsors in DCLG throughout the year. However there was a change in personnel within the sponsor department towards the later part of the year. Inevitably the good relationships that have built up over time have had to start afresh, so the team and I have offered information and briefings to the new contacts to help them understand the complex environment in which WNDC operates.

I have assessed compliance with the Code, in particular in respect of the governance structure and the arrangements in place for risk assessment and am content that the Corporation has the right systems in place to conduct its operations economically, efficiently and effectively, and that these systems are being implemented correctly in practice. The Board are briefed on these matters by the Audit and Risk Committee, and have indicated that they share this assessment.

There are no significant governance issues, control failures or breaches in data security to report for 2012-13. WNDC has built in the right balance of governance to allow us to identify and manage risks in this difficult environment.

Peter Mawson

Accounting Officer and Chief Executive

Date: 10 June 2013

10. Auditor's Report

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 West Northamptonshire Development Corporation ("the Corporation") for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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 Board, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the 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 inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 Corporation's affairs as at 31 March 2013 and of the 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 thereunder.

Emphasis of matter – Going Concern uncertainty

Without qualifying my opinion, I draw attention to the disclosure made in note 1(a) to the financial statements concerning the application of the going concern principle in light of the announcement to abolish the Corporation, which is subject to legislation. This proposal indicates the existence of a material uncertainty about the ability of the Corporation to continue as a going concern.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Local Government, Planning and Land Act 1980; 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement 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

18 June 2013

National Audit Office
157-197 Buckingham Palace Road
Victoria
London

11. Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2013

Expenditure	Note	Total 2012-13 £'000	Total 2011-12 £'000
Staff Costs	4	(1,976)	(2,766)
Depreciation	9	(44)	(54)
Amortisation	10	(28)	(19)
Impairment	11	(562)	(266)
Grants Payable (Project Costs)	7	(9,018)	(6,293)
Planning Appeal Costs	6	-	175
Other Expenditure	5	(588)	(998)
		(12,216)	(10,221)
Income			
Income from Activities	3a	210	210
Other Income	3b	1,157	810
		1,367	1,020
Net Expenditure before Interest and Taxation		(10,849)	(9,201)
Finance charge for pensions	17	(1)	(13)
Net Expenditure after Interest		(10,850)	(9,214)
Taxation	15	(60)	(27)
Net Expenditure after Tax for the Year	2	(10,910)	(9,241)
Net Expenditure retained for the year		(10,910)	(9,241)
Other Comprehensive Expenditure			
Experience loss arising on the scheme liabilities	17	(377)	(294)
Total Comprehensive Expenditure for the year ended 31 March 2013		(11,287)	(9,535)

All activities derive from continuing operations.
The notes on pages 39 to 59 form part of these accounts.

Statement of Financial Position as at 31 March 2013

	Note	2013 £'000	2012 £'000
Non-Current Assets			
Property, Plant and Equipment	9	12	56
Intangible Assets	10	56	63
Total Non-Current Assets		68	119
Current Assets			
Inventories	11	3,651	3,463
Trade and Other Receivables	12a	223	243
Cash and Cash Equivalents	13	4,053	5,281
Total Current Assets		7,927	8,987
Total Assets		7,995	9,106
Current Liabilities			
Trade and Other Payables	14a	(1,048)	(3,084)
Total Current Liabilities		(1,048)	(3,084)
Non-Current Assets less Net Current Liabilities		6,947	6,022
Non-Current Liabilities			
Pension Liability	17	(382)	(1,396)
Total Non-Current Liabilities		(382)	(1,396)
Total Assets Less Liabilities		6,565	4,626
Taxpayers' Equity			
General Grant Reserve	16	6,947	5,932
Pension Reserve	17	(382)	(1,396)
Total Taxpayers' Equity		6,565	4,626

The financial statements of pages 35 to 38 were approved and were signed by;

(Signed)

(Chair)

(Signed)

(Accounting Officer)

Date: 10 June 2013

The notes on pages 39 to 59 form part of these accounts

Statement of Cash Flows as at 31 March 2013

	2012-13 £'000	2011-12 £'000
Cash Flows from operating activities		
Net expenditure before interest and taxation	(10,849)	(9,201)
Depreciation / amortisation	72	73
(Increase) / decrease in Inventories	(188)	266
Transfer (to) / from Pension reserve	(1,392)	56
Decrease in trade and other receivables	20	1,264
Decrease in trade and other payables	(2,036)	(347)
<i>Net cash outflow from operating activities</i>	(14,373)	(7,889)
Cash Flows from investing activities		
Purchase of intangible assets	(21)	(67)
<i>Net cash outflow from investing activities</i>	(21)	(67)
Cash Flows from financing activities		
Grants from Sponsor Department	13,226	9,118
Corporation tax	(60)	(27)
<i>Net financing</i>	13,166	9,091
Net (decrease) / increase in cash and cash equivalents in the period	(1,228)	1,135
Cash and cash equivalents at the beginning of the period	5,281	4,146
Cash and cash equivalents at the end of the period	4,053	5,281

The notes on pages 39 to 59 form part of these accounts.

Statement of Changes in Taxpayers' Equity as at 31 March 2013

	General Grant Reserve £'000	Pension Reserve £'000	Total Reserves £'000
Balance at 31 March 2011	6,076	(1,033)	5,043
Changes in taxpayers' equity 2011-12			
Net loss on Pension actuarial assumption	-	(294)	(294)
Transfers between reserves	69	(69)	-
Net expenditure	(9,241)	-	(9,241)
<i>Total Recognised Income and Expenditure for 2011-12</i>	(9,172)	(363)	(9,535)
Grant from Sponsor Department	9,118	-	9,118
Balance at 31 March 2012	6,022	(1,396)	4,626
Changes in taxpayers' equity 2012-13			
Net loss on Pension actuarial assumption	-	(377)	(377)
Transfers between reserves	(1,391)	1,391	-
Net expenditure	(10,910)	-	(10,910)
<i>Total Recognised Income and Expenditure for 2012-13</i>	(12,301)	1,014	(11,287)
Grant from Sponsor Department	13,226	-	13,226
Balance at 31 March 2013	6,947	(382)	6,565

The notes on pages 39 to 59 form part of these accounts.

Notes to the Accounts

1(a) Statement of Accounting Policies

These Financial Statements have been prepared in accordance with the 2012-13 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). There have been no changes in accounting policy as a result of accounting standards and/or FReM changes in the current financial year.

Changes to the FReM will not impact on the Financial Statements for the Corporation in 2013-14.

Accounting Standard changes issued but not effective until future periods

- IAS 1 – Presentation of Financial Statements
- IAS 12 – Income Taxes
- IAS 19 – Post Employment benefits
- IFRS 9 – Financial Instruments
- IFRS 10 / 11 / 12 IAS 27 / 28 – Consolidated statements and disclosure of Interests in other entities
- IFRS 13 – Fair Value Measurement
- IAS 16 – Property, Plant and Equipment

- IAS 32 – Financial Instruments
- IAS 34 – Interim Financial Reporting

As WNDC is due to close on 31 March 2014, these changes will have no impact.

Significant FReM changes expected for 2014

- IAS 17 replacement – leases
- IAS 18 replacement – revenue recognition and liabilities recognition

WNDC has reviewed these changes and consider that they will have no impact on the Corporation's financial statements in 2013-14.

Going Concern

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.

The future abolition of the Corporation, which is subject to legislation, indicates a material uncertainty about WNDC's ability to continue as a going concern from a legal entity perspective. Dissolution will be approved by Parliament through a Dissolution Order under the Local Government Planning and Land Act 1980. The timescales for dissolution have not yet been officially confirmed but, based on Ministerial statements in Parliament, it is anticipated to be 1 April 2014.

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 2013-14 and have received confirmation of funding from DCLG for 2013-14. The Board and Executive are satisfied that sufficient funding is in place to enable the Corporation to continue operations for the following year and to meet 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.

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.

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, Department of Communities and Local Government (DCLG). In accordance with the Government Financial Reporting Manual, 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 Northamptonshire 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 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) Property, Plant and Equipment (PPE)

PPE comprise 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 of WNDC's PPE is valued on an 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 or 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% | per annum |
| ▪ Office Equipment | 25% | per annum |
| ▪ Other Movable Items | 12.5% | per annum |

1(f) Intangible Assets

Intangible assets comprise software licences and are deemed to have a useful economic life of four years. All WNDC's intangible assets are valued on an 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.

If the Corporation had high value or long life intangible assets, they would be valued using a fair value basis.

Capitalisation

Intangible 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 or specific project.

Amortisation

Amortisation is provided to write off the costs of individual assets over their useful economic life on a straight-line basis at the following rates:

- Computer Software 25% per annum

1(g) Inventories - Stock of Development Assets

Development Assets are held by WNDC for regeneration purposes and are shown as inventories, and in line with FReM requirements are held at the lower of cost and net realisable value under IAS 2. Costs of acquisition and any resulting write-downs of these properties (historic cost to net realisable value) are accounted for annually and recorded as expenditure in the Statement of Comprehensive Net Expenditure.

Net realisable value is determined by reference to quoted market prices where possible, otherwise by valuation techniques in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

The Corporation assesses the value of Inventories annually and obtains an external valuation by professional valuers at least every two years. Gains from valuation will be held in a Revaluation Reserve on the Statement of Financial Position; losses from impairment have been recorded as an expense in the year in the Statement of Comprehensive Net Expenditure.

1(h) Related Party Transactions

IAS 24 requires transactions between a reporting entity and its related parties to be disclosed in its Financial Statements.

A related party can be an individual, an entity, or an unincorporated business. As per the standard, WNDC uses the general criteria to determine relationships involving control, joint control and significant influence that are required to be disclosed.

The following definitions are used to determine the aforementioned relationships:

Control

'The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities'

Joint Control

'The contractually agreed sharing of control over and economic activity'

Significant Influence

'The power to participate in the financial and operating policy decisions of an entity, but is not in control over these policies. Significant influence may be gained by share ownership, statute or agreement'

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 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) VAT

WNDC is registered for VAT. On 1 January 2007 WNDC undertook the administration of the statutory planning process which was outside the scope of VAT and a partial recovery was agreed with HM Revenue and Customs. On 1 April 2012 WNDC planning powers transferred to the local authorities and as of that date the Corporation ceased to undertake non-business activity nor employ any staff in that capacity. HMRC have confirmed that WNDC is no longer required to use a partial exemption calculation.

1(k) Project Costs

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

1(l) 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(m) 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(n) Leases

All WNDC leases have been reviewed in accordance with IAS17 and are operating leases. Expenditure under operating leases is recognised in the Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

1(o) Operating Segments

In line with IFRS 8, WNDC has determined that it has two operating segments: Regeneration and Other Core Business. Overheads are not reported as a separate segment, and have been apportioned across segments. As WNDC is funded by central government (DCLG), there is no requirement to raise funds and maintain shareholder value. Therefore, the organisation does not manage its assets in the same way as the private sector and does not rely on different segments to contribute towards profit by optimising the use of assets.

2. Net Expenditure after Tax

	Regeneration	Other	Total	Total
	£'000	Core	2012-13	2011-12
		£'000	£'000	£'000
Gross Expenditure	11,259	2,382	13,641	10,261
Income:				
Income from Activities	(210)	-	(210)	(210)
Project Management Recharge	(435)	-	(435)	(100)
Planning Fees	-	-	-	(407)
Other Income	(722)	-	(722)	(303)
Net Expenditure	9,892	2,382	12,274	9,241

3. Income

	2012-13	2011-12
	£'000	£'000
a. Income from Activities		
Project Contributions from third parties	210	210
	210	210
b. Other Income		
Project Management Recharge	435	100
Planning Fees	-	407
Bank Interest	158	-
Other Income	564	303
Total other income in the year	1,157	810
Total Income for the year	1,367	1,020

4. Staff numbers and related costs

	Permanent Staff	Agency & Temp Staff	Board Members	Total 2012-13	Total 2011-12
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	1,244	59	167	1,470	1,892
Social security costs	146	-	14	160	179
Redundancy costs	71	-	-	71	298
Other pension costs	275	-	-	275	341
Pension past service cost	-	-	-	-	56
Total net costs	1,736	59	181	1,976	2,766

No staff costs were capitalised during the year (2011/12: £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 one loan to an employee of £305 (2012: 3 loans £2,350)

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

	Permanent Staff	Others	Total 2012-13	Total 2011-12
Directly Employed	25	2	27	37
Other	-	1	1	1
Total	25	3	28	38

Average number of persons employed by Segment

	Regeneration	Other Core	Total 2012-13	Total 2011-12
Directly Employed	13	14	27	36
Other	-	1	1	2
Total	13	15	28	38

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

3 members of staff were made redundant in the year to 31 March 2013. The Director of Planning Services redundancy costs were accrued in 2011-12 and are shown below in the 2011-12 comparatives below.

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	- (1)	- (4)	- (5)
£10,001 - £25,000	- (1)	- (-)	- (1)
£25,001 - £50,000	2 (1)	- (-)	2 (1)
£50,001 - £100,000	- (1)	- (-)	- (1)
£100,001- £150,000	- (1)	- (-)	- (1)
Total 2012-13	2 (5)	- (4)	2 (9)

2011-12 Comparative date shown in brackets

WNDC has a Redundancy Policy under which 2 compulsory redundancy payments were made based on the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006.

5. Other Expenditure

	2012-13 £'000	2011-12 £'000
Legal and Professional fees	279	284
IT Services and External consultancy fees	61	221
Training	47	120
Rentals under operating leases and licences	132	105
Office running costs	44	88
Local Authority Support	47	58
Travel and Subsistence	34	39
General Goods and services	20	29
Bad and Doubtful Debt provision	(126)	10
Auditor's remuneration for audit work:		
National Audit Office – statutory audit work	36	31
Cross-Departmental Internal Audit Service (XDIAS)	9	11
Actuary's Fee	5	2
	588	998
Non-Cash Items:		
Depreciation	44	54
Amortisation	28	19
	72	73

6. Planning Appeal Costs

	2012-13 £'000	2011-12 £'000
Planning Appeal Costs	-	(175)
	<u>-</u>	<u>(175)</u>

WNDC's planning powers transferred back to the relevant Local Authorities on 31 March 2012 and therefore the Corporation's liabilities in respect of planning appeals ceased at that date.

7. Grants Payable (Project Costs)

Grants payable to the public sector in respect of the following approved growth area projects:	2012-13 £'000	2011-12 £'000
iNet Revenue	36	16
Northampton SNEAP Implementation project	-	140
Northampton Grosvenor/Greyfriars	2,435	4,000
Northampton Avon/London Road	-	1,219
Daventry UTC	300	-
	<u>2,771</u>	<u>5,375</u>

Amounts payable directly to suppliers for WNDC projects:	2012-13 £'000	2011-12 £'000
WNDC Project Northampton Waterside	475	89
WNDC Project Northampton Castle Station	5,033	24
WNDC Project Northampton Avon Nunn Mills	407	255
WNDC Project Northampton Grosvenor/Greyfriars	79	57
WNDC Project Northampton Waterside Innovation Centre	20	229
WNDC Project Northampton Project Angel	25	74
WNDC Project Daventry iHub	2	-
Construction Futures	137	160
Upton Lodge Feasibility Study	3	3
Arts Council Arts Monitoring Officer	35	27
Enterprise Zone	31	-
	<u>6,247</u>	<u>918</u>
Total Project Costs	<u>9,018</u>	<u>6,293</u>

8. Operating Leases

WNDC has an operating lease with Northampton RFC Limited (Company registered in England: number 3139409), in respect of office premises. The full term of the lease is from 1 July 2011 to 31 March 2014. Various other operating leases are held for office equipment expiring between May 2012 and October 2014. It is anticipated that all current leases in place will have expired and/or be terminated before the Corporation's closure date.

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

	2012-13	2011-12
	£'000	£'000
Obligations under operating leases comprise:		
Expiry within 1 year	131	138
Expiry after 1 year but not more than 5 years	13	134
	144	272

The Corporation had no finance leases during either period.

9. Property, Plant & Equipment

	Fixtures & Fittings £'000	Information Technology £'000	Total £'000
Cost or Valuation			
At 1 April 2012	89	385	474
At 31 March 2013	89	385	474

Depreciation			
At 31 March 2012	63	355	418
Charged in year	16	28	44
At 31 March 2013	79	383	462
Carrying amount at 31 March 2013	10	2	12
Carrying amount at 31 March 2012	26	30	56

Asset Financing			
Owned	10	2	12
Carrying amount at 31 March 2013	10	2	12

	Fixtures & Fittings £'000	Information Technology £'000	Total £'000
Cost or Valuation			
At 1 April 2011	89	386	475
Disposals	-	(1)	(1)
At 31 March 2012	89	385	474

Depreciation			
At 1 April 2011	46	319	365
Charged in year	17	37	54
Disposals	-	(1)	(1)
At 31 March 2012	63	355	418

Carrying amount at 31 March 2012	<u>26</u>	<u>30</u>	<u>56</u>
Carrying amount at 31 March 2011	<u>43</u>	<u>67</u>	<u>110</u>
Asset Financing			
Owned	26	30	56
Carrying amount at 31 March 2013	<u>26</u>	<u>30</u>	<u>56</u>

10. Intangible Assets

Intangible fixed assets comprise software licences

2012-13

Cost or Valuation

	Total £'000
At 1 April 2012	203
Additions	21
Disposals	(78)
At 31 March 2013	<u>146</u>

Amortisation

At 1 April 2012	140
Charged in year	28
Disposals	(78)
At 31 March 2013	<u>90</u>

Carrying amount 31 March 2013

Carrying amount 31 March 2012

2011-12

Cost or valuation

At 1 April 2011	136
Additions	67
At 31 March 2012	<u>203</u>

Amortisation

At 1 April 2011	121
Charged in year	19
At 31 March 2012	<u>140</u>

Carrying amount 31 March 2012

Carrying amount 31 March 2011

11. Inventories – Stock of Development Assets

	2012-13	2011-12
	£'000	£'000
Balance as at 1 April	3,463	3,729
Additions in the year	750	-
Impairment	(562)	(266)
Balance as at 31 March	3,651	3,463

WNDC seeks to purchase land where appropriate for development and regeneration purposes. The impact of the reduction in lease terms and the uncertainty of the future development on the Waterside site together with the increase in the yield gap between primary and secondary investments in the property market has resulted in an impairment charge of £562,500 (£266,500 in 2011-12).

12. Receivables

Analysis by type	2012-13	2011-12
	£'000	£'000
a. Amounts falling due within one year		
Trade Receivables	89	88
Other Receivables – VAT	43	37
Prepayments and accrued income	91	116
Loans to employees	-	2
Total	223	243
b. Receivable by Segment		
Regeneration	128	127
Planning	-	53
Other – Core	95	64
Total	223	243

c. Bad Debt

A residual bad debt provision of £10,858 remains in place as at 31 March 2013 (2011-12: £169,161) in respect of the iCon project which represents European funds withheld by DCLG. In November 2012 the majority of these monies were repaid to WNDC however £10,858 was retained by DCLG subject to the outcome of an Article 13 Audit query.

d. Intra Government Balances

	2012-13	2011-12
	£'000	£'000
The following balances at 31 March were held at:		
Balances with other central government bodies	43	37
Balances with local authorities	26	55
Balances with bodies external to government	154	151
Total	223	243

13. Cash and Cash Equivalents

	2012-13	2011-12
	£'000	£'000
Balance as at 1 April	5,281	4,146
Net change in cash balances	(1,228)	1,135
Balance as at 31 March	4,053	5,281

The following balances at 31 March were held at:

Commercial banks and cash in hand	4,053	5,281
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Note that the cash at bank and in hand balance includes S106, £nil (2012: £1,738,688) and Planning £nil (2012: £100) monies held. All S106 monies were transferred to local authorities as a result of the transfer of planning powers.

14. Payables

Analysis by type	2012-13	2011-12
a. Amount falling due within one year	£'000	£'000
Other taxation and social security	71	124
Trade Payables	126	82
Other Payables – S106	-	1,738
Accruals and deferred income	792	1,113
Corporation Tax	59	27
Total	1,048	3,084

b. Payables by Segment

Regeneration	596	634
Planning	-	2,066
Other - Core	452	384
Total	1,048	3,084

c. Intra Government balances

Balance with other central government bodies	214	135
Balance with local authorities	251	1,987
Balance with bodies external to government	583	962
Total	1,048	3,084

15. Taxation

	2012-13	2011-12
	£'000	£'000
Current year taxation charges	60	27
	60	27

16. General Grant Reserves

	2012-13	2011-12
	£'000	£'000
Balance at 1 April	6,022	6,076
Transfers to Pension reserve	(1,391)	69
Grant in Aid received towards resource expenditure	3,726	3,118
Growth Area fund received towards project expenditure	9,500	6,000
Net Expenditure	(10,910)	(9,241)
Balance at 31 March	6,947	6,022

17. Pension Cost

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

A full actuarial valuation was carried out at 31 March 2013 by Hymans Robertson LLP, qualified independent actuaries appointed by NCC.

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

	2012-13	2011-12
Rate of increase in salaries	5.1%	4.8%
Rate of increase in pensions - CPI	2.8%	2.5%
Discount rate	4.5%	4.8%
Expected return on assets	4.5%	5.5%

		2012-13		2011-12
		£'000		£'000
The assets in the scheme and the expected rate of return at 31 March				
Equities	4.5%	4,541	6.2%	2,710
Bonds	4.5%	1,368	3.5%	802
Property	4.5%	311	4.4%	229
Cash/Liquidity	4.5%	-	3.5%	76
Total market value of assets		6,220		3,817

	2012-13	2011-12
	£'000	£'000
Present value of scheme obligations	(6,602)	(5,213)
Deficit in the scheme	(382)	(1,396)

	2012-13	2011-12
	£'000	£'000
Analysis of the amount charged to operating profit		
Current service cost	(186)	(243)
Losses on Curtailment and Settlement	(107)	(101)
Total operating charge	(293)	(344)

Analysis of the amount charged to other finance income	2012-13	2011-12
	£'000	£'000
Expected return on pension scheme assets	257	242
Interest on pension scheme liabilities	(258)	(255)
Net charge	(1)	(13)
Analysis of amount recognised in Statement of Changes in Taxpayers' Equity (SOCITE)	2012-13	2011-12
	£'000	£'000
Actuarial Gains / (Losses) on Plan Assets	410	(178)
Actuarial Losses on Obligation	(787)	(116)
Actuarial Losses recognised in SOCITE	(377)	(294)
Reconciliation of defined benefit obligation	2012-13	2011-12
	£'000	£'000
Opening Defined Benefit Obligation	5,213	4,419
Current Service Cost	186	243
Interest on Obligation	258	255
Contributions by Members	71	97
Actuarial Losses	787	116
Past Service costs	-	-
Loss on Curtailments	107	101
Estimated Benefits Paid	(20)	(18)
	6,602	5,213
Reconciliation of fair value of employer assets	2012-13	2011-12
	£'000	£'000
Opening Fair Value of Employer Assets	3,817	3,386
Expected Return on Assets	257	242
Contributions by Members	71	97
Contributions by Employer	1,685	288
Actuarial Gains / (Losses)	410	(178)
Estimated Benefits Paid	(20)	(18)
	6,220	3,817
Amounts for the current and previous accounting periods	2012-13	2011-12
	£'000	£'000
Fair Value of Employer Assets	6,220	3,817
Present Value of Defined Benefit Obligations	(6,602)	(5,213)
Surplus / (Deficit)	(382)	(1,396)
Experience Gains / (Losses) on Assets	410	(178)
% of Assets	6.6%	(4.7%)
Actuarial Gains / (Losses) on Liabilities	3	(18)
% of Liabilities	0.0%	(0.3%)
Cummlative Actuarial Gain / (Loss)	(377)	(294)

Year Ended	2010-11	2009-10	2008-09
	£'000	£'000	£'000
Fair Value of Employer Assets	3,386	2,381	1,446
Present Value of Defined Benefit Obligation	(4,419)	(4,540)	(2,163)
Deficit	(1,033)	(2,159)	(717)
Experience Gains / (Losses) on Assets	518	486	(484)
% of Assets	15.3%	20.4%	(33.5%)
Experience Gains / (Losses) on Liabilities	(455)	-	-
% of Liabilities	(10.3%)	-	-
Cummlative Actuarial Gain / (Loss)	718	(1,457)	342

	2013-14	2013-14
	£'000	% of pay
Projected Pension Expenditure		
Projected Current Service cost	226	22.9%
Interest on Obligation	303	30.7%
Expected Return on Plan Assets	(292)	(29.6%)
	237	24.0%

	2012-13	2011-12
	£'000	£'000
Movement in deficit during the year		
Deficit at 1 April	(1,396)	(1,033)
Current service cost	(186)	(243)
Loss on Curtailment and Settlement	(107)	(101)
Employer contributions*	1,685	288
Other finance charge	(1)	(13)
Actuarial Loss	(377)	(294)
Deficit at 31 March	(382)	(1,396)

* During the year a payment of £1,364,000 was made to Northamptonshire County Council in order to reduce WNDC's pension scheme liability.

	2012-13	2012-12
	£'000	£'000
Pension Reserve		
Balance at 1 April	(1,396)	(1,033)
Actuarial Asset Gain / (Loss) during year	410	(178)
Actuarial Liability Loss during the year	(787)	(116)
Net Interest charge	(1)	(13)
Release of reserves to I&E	1,364	-
Transfer from / (to) I&E	28	(56)
Balance at 31 March	(382)	(1,396)

18. 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 Project Management Recharges can be deducted from capital programme payments due to third parties.

As a Non-Departmental Public Body (NDPB) funded almost exclusively by DCLG 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 Statement of Financial Position 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.

19. Contingent Liabilities

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.

Options on Development Assets

WNDC had entered into a compromise agreement with landowners in respect of the land at South Bridge Road under which the University of Northampton has an option to purchase the WNDC land asset for a reduced sum provided that specified obligations are met.

The option is non transfereable and if not exercised within 4 years from the date of the compromise agreement the option will expire.

WNDC has entered into a funding agreement with the University of Northampton in respect to its land holding at Green Street under which the Corporation will transfer the land asset upon practical completion of the Innovation Centre building which is due to be constructed upon the land held by WNDC. The transfer is conditional upon the completion of the building and is non-transferable.

20. Contingent Assets

WNDC has entered into a number of grant funding agreements with third parties in respect of capital projects which are due to complete in 2014. Under such agreements WNDC has the ability to levy a project management recharge, if applicable and at its discretion, the receipt of which will be within the financial year ending 31 March 2014.

21. Related Party Transactions

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

During the year the following transactions occurred with related parties:

Organisation	Amount paid by WNDC	Amount owing to WNDC	Nature of transactions	Related party connection	WNDC position
DCLG	9,306	-	Internal Audit Costs	Sponsor Department	Sponsor Department
Northampton Borough Council	1,595,000	4,532	Transfer of S106 Funds Professional Costs	T Hadland J Capstick	Board Member Board Member
Northamptonshire County Council	1,797,710	2,369	Pension Payments Professional Costs	R Church J Harker	Board Member Board Member
South Northants District Council	5,469	-	Professional Costs	M Clarke	Board Member

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

22. Commitments

As at 31 March 2013 WNDC had outstanding agreed capital grant commitments amounting to £8.754m.

23. Liquid Resources

WNDC operates current account facilities with Lloyds TSB plc as well as a deposit account. During 2012-13 other deposit accounts were held with National Westminster Bank plc and

Barclays Bank plc. There were no other financial instruments maintained by the Corporation during the year.

24. Statement of Losses and Special Payments

WNDC had no special payments or losses during the financial year (£nil 2011-12).

25. Events after the Reporting Period

WNDC's Financial Statements are laid before the Houses 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 dispatched to the Secretary of State for Communities and Local Government.

The authorised date for issue is 18 June 2013

12. 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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