



Report to Portchester Crematorium Joint Committee

Date: **20 June 2011**

Report of: **Treasurer to the Joint Committee**

Subject: **ACTUAL INCOME AND EXPENDITURE ACCOUNT 2010/11**

SUMMARY

This report reviews the Joint Committee's revenue income and expenditure for the year ending 31 March 2011.

RECOMMENDATION

The contents of this report be noted.

INTRODUCTION

1. This report sets out the Joint Committee's actual revenue expenditure for 2010/11, and included within this report are details of the following.
 - Actual revenue income and expenditure
 - Repairs and Renewals Fund expenditure
 - Capital Works Fund expenditure
 - Garden Improvement Fund expenditure
2. Included elsewhere on today's agenda is the draft Annual Return which includes the following statements:
 - Accounting Statement - recording financial transactions during the year for both revenue and capital schemes.
 - Balance Sheet - summarising the Joint Committees financial position at the year end.
 - Annual Governance Statement
 - Notes to the accounts - providing explanatory detail and more information on the accounts and operational assets.
3. The final income and expenditure accounts for the Joint Committee show a surplus of £5,974 compared with the revised estimated surplus of £5,400, an increase of £574.
4. The number of cremations carried out during the year totalled, 3,894 compared with the revised estimate of 3,850 and the actual for 2009/10 of 3,950. The level of income received from charges and sales was £5,000 less than the estimated; however there were also equivalent reductions in expenditure.
5. The analysis of actual expenditure and income for the year is detailed in Appendix A and comparisons are made between actual expenditure for 2010/11 and the revised estimate 2010/11. The main variations from the approved estimates are examined in the following paragraphs.

EXPENDITURE

6. **Employees.** Under the IAS19 (formerly FRS17) accounting policy on pensions, liability for past service costs were recognised within the accounts. However following the Government's announcement that future pension inflation would be measured by CPI rather than RPI an actuarial recalculation has taken place. This has resulted in a reduction of liabilities for past service costs of £240,000 however this has no impact on the Income and Expenditure account as corresponding entries such as Pension Interest costs and Contribution to/from Pension Reserves ensure a neutral effect.

PREMISES

7. **Repairs and Maintenance.** The reduction in expenditure is due to a small decrease in planned maintenance requirements.
8. **RR/CWP repairs financed from revenue.** The variation between the revised estimate and the actual expenditure is mainly due to slippage in the repairs and renewals/capital works programme. However these changes do not affect the overall

surplus as equivalent transfers are made from reserves to finance the repairs and renewals and capital works funds.

SUPPLIES AND SERVICES

9. **Administrative Expenses - Fareham.** Recharges for payroll, financial services, audit and other administrative expenses were less than expected.
10. **Non-Reclaimable VAT.** The amount of VAT that could not be reclaimed was more than expected mainly due to expenditure on the capital works programmes being brought forward.

INCOME

11. **Cremation Fees.** The number of cremations carried out during 2010/11 totalled 3,894 of which 22 were carried out at no charge (38 in 2009/10). The total chargeable cremations were 22 more than estimated which has resulted in an increase in income of £10,000, and this is summarised in the following table:

	Actual Cremations 2009/10	Revised Estimate 2010/11	Actual Cremations 2010/11
Cremations at nil charge (under 16)	38	0	22
Cremations	3,912	3,850	3,872
Total cremations	<u>3,950</u>	<u>3,850</u>	<u>3,894</u>

Note. The decrease in the number of chargeable cremations carried out in 2010/11 compared to 2009/10 totalled 40.

14. **Other Income.** Income from memorial card sales, fees for organists, book of remembrance entries and other miscellaneous income was almost £15,000 less than estimated.

REPAIRS AND RENEWALS/CAPITAL WORKS FUND

15. The table in Appendix B sets out the progress that has been made during the year on the repairs and renewals programme. Members will note that a number of schemes totalling £37,000 will now be completed in 2011/12.
16. Details of expenditure from the capital works fund 2010/11 can be found in Appendix C. The programme of work for the Cremator Furnace Relining is ahead of schedule; however there will a compensating reduction in the budget for 2011/12.
17. Contributions from revenue to the Capital Works Fund have been increased by £10,000. The Finance Strategy approved by Members agreed that additional surplus funds should be earmarked for the capital works fund due to the size of the future capital programme.
18. Details of the Garden Improvement Fund can also be found in Appendix C where the entire fund was utilised on the pond repairs scheme during 2010/11.

CONCLUSION

19. The budgeted level of surplus was higher than expected mainly due to the reduction in expenditure which has enabled a further contribution to the capital works fund.

Background Papers

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2011/12' December 2010.

Report to the Portchester Crematorium Joint Committee 'Final Accounts 2009/10' June 2010.

Andy Wannell IPFA
Treasurer to the Joint Committee
Civic Offices
Fareham

For further information on this report please contact Alan Larner (Ext:2340).

Appendices

Appendix A – Actual revenue expenditure for the year 2010/11.

Appendix B – Repairs and Renewals Fund 2010/11.

Appendix C – Capital Works Fund and Garden Improvement Funds 2010/11.

APPENDIX A

PORTCHESTER CREMATORIUM JOINT COMMITTEE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

<u>EMPLOYEES</u>	Actual	Revised	Actual	Variation
	2009/10	Estimate	2010/11	
	£	£	£	£
Salaries-Full Time Officers	218,403	222,200	220,188	-2,012
IAS19 (FRS17) Pension adjustments	0	0	-240,000	-240,000
Salaries-Part Time Officers	11,203	11,000	10,948	-52
TOTAL EMPLOYEES	229,606	233,200	-8,864	-242,064
<u>PREMISES</u>				
Repairs and Maintenance	65,691	65,600	62,141	-3,459
RR/CWF repairs financed from revenue	21,607	109,000	83,672	-25,328
Grounds - Maintenance	69,864	67,600	66,779	-821
Garden Improvement Scheme	9,764	3,000	1,501	-1,499
Energy costs	106,190	100,000	98,390	-1,610
Water services	929	1,500	1,361	-139
Rent & Rates	99,841	111,200	111,031	-169
Removal of Wreaths/Cleaning materials	6,484	8,100	7,559	-541
TOTAL PREMISES	380,370	466,000	432,434	-33,566
<u>SUPPLIES AND SERVICES</u>				
Equipment, Furniture and Materials	5,193	7,600	7,381	-219
Protective Clothing, Uniforms & Laundry	5,386	6,600	5,274	-1,326
Printing, Stationery & General Expenses	5,513	5,200	3,130	-2,070
Inscriptions - Book of Remembrance	19,264	20,000	19,124	-876
- Memorial Cards	5,875	6,500	5,402	-1,098
Legal/Consultants fees	10,537	3,100	3,133	33
Consultants fees - Gosport	18,181	9,400	7,818	-1,582
Administrative Expenses - Fareham	16,706	18,000	14,060	-3,940
- Portsmouth	12,101	12,000	12,045	45
Medical Referees Fees	71,118	69,300	70,092	792
Organists Fees	25,031	25,300	23,350	-1,950
Audit Commission Fees	5,000	5,200	5,000	-200
Bank Charges	1,086	1,300	1,123	-177
Postages, Telephones and Advertising	3,642	4,300	3,918	-382
Conferences, Subsistence & Travelling	779	1,600	1,883	283
Subscriptions	3,064	3,400	3,513	113
Miscellaneous Insurances	13,475	13,800	13,808	8
Non reclaimable VAT	26,543	41,500	48,838	7,338
TOTAL SUPPLIES AND SERVICES	248,494	254,100	248,892	-5,208

	Actual 2009/10 £	Revised Estimate 2010/11 £	Actual 2010/11 £	Variation £
<u>DEPRECIATION</u>				
Depreciation	143,948	150,000	181,835	31,835
TOTAL DEPRECIATION CHARGES	143,948	150,000	181,835	31,835
GROSS EXPENDITURE	1,002,418	1,103,300	854,297	-249,003
<u>INCOME</u>				
Garden Improvement fund contributions	-9,764	-3,000	-1,501	1,499
Memorial Cards	-10,333	-11,700	-10,073	1,627
Cremation Fees	-1,744,752	-1,759,500	-1,769,504	-10,004
Book of Remembrance	-65,352	-66,000	-59,660	6,340
Organ Music	-65,067	-64,600	-59,775	4,825
Other	-4,354	-4,800	-4,185	615
GROSS INCOME	-1,899,622	-1,909,600	-1,904,698	4,902
NET COST OF SERVICE	-897,204	-806,300	-1,050,401	-244,101
Interest Receivable	-72	-100	-66	34
Pensions Interest costs	110,000	110,000	120,000	10,000
Expected return on pensions assets	-50,000	-50,000	-80,000	-30,000
GENERAL FUND BALANCE				
NET OPERATING INCOME	-837,276	-746,400	-1,010,467	-264,067
MOVEMENT ON THE GENERAL FUND BALANCE				
(Surplus)/Deficit on the Income & Expenditure Account	-837,276	-746,400	-1,010,467	-264,067
Net Gain or Loss on disposal of assets	0	0	0	0
Contributions to Constituent Authorities	440,000	540,000	540,000	0
Depreciation of Fixed Assets	-143,948	-150,000	-181,835	-31,835
Contributions to Capital Works Fund	550,000	450,000	460,000	10,000
Contributions to Repairs & Renewals Fund	70,000	70,000	70,000	0
Contribution to / from pensions reserve	-60,000	-60,000	200,000	260,000
Contribution from reserves to finance repairs and renewals/capital works programmes	-21,607	-109,000	-83,672	25,328
(SURPLUS)/DEFICIT FOR THE YEAR	-2,831	-5,400	-5,974	-574
Number of Cremations	3,950	3,850	3,894	44

APPENDIX B

REPAIRS AND RENEWALS FUND EXPENDITURE 2010/11

	Revised Estimate 2010/11	Revised Estimate 2010/11	Actual 2010/11	Actual 2010/11	Programme Balance Remaining
	£	£	£	£	£
Balance 1.4.2010		109,025		109,025	
ADVANCES 2010/11		<u>70,000</u>		<u>70,000</u>	
		179,025		179,025	
Less applications 2011/10					
* Bench seat granite covers nr seats	2,200		2,200		0
* Replace marble inlay to 10 nr cloister seats	2,500		0		-2,500
* Granite covers to wreath bays (rolling programme)	15,000		14,929		-71
* Fire precautions installations work	10,000		0		-10,000
* Refurbish/redecorate book of remembrance fittings	2,000		0		-2,000
* Wreath marker post supports	1,900		2,689		789
* DDA improvements to rear North Chapel	2,500		2,500		0
* Surface water drainage impls compactor area	2,400		2,500		100
- Water Feature Surface repair and Curved Drain	12,500		23,464		10,964
- Litter Bins and Signage by Remembrance Garden	2,700		2,681		-19
- Replace Vinyl Flooring to Public Toilets	2,000		1,996		-4
- Int.Redecoration of Mess Room including Floor	4,600		4,499		-101
- White Lining to Car Park	800		782		-18
- Steam Clean Paving (Rolling Programme)	900		895		-5
- Remove Lectern and Provide Interp. Panel	1,900		1,900		0
- North Chapel Internal Redecoration	4,500		4,500		0
- Internal Redecoration (Rolling Programme)	4,100		4,124		24
- Clean out and Decorate Cloister Rooflights	3,800		3,811		11
- External Redecoration	6,300		6,292		-8
- Granite Covers to Wreath Bays (Rolling Programme)	10,000				-10,000
- Hearth Repair Works to Cremator Nr 2	3,900		3,911		11
- Gardeners compound facility - provisional	10,500				-10,500
Unrecoverable Vat on buildings and plant	2,000	109,000		83,673	-2,000
Balance of Fund as at 31.03.2011		<u>70,025</u>		<u>95,352</u>	<u>-25,327</u>

* Slippage from prior years programmes

Analysis of Programme Balance Remaining

	£
W.I.P / Awaiting invoice / Slippage	37,000
2010/11 programme in advance	0
Additional costs	-11,899
Less Programme savings	<u>226</u>
Balance Remaining	<u>25,327</u>

APPENDIX C

CAPITAL WORKS FUND 2010/11

	Revised Estimate 2010/11 £	Revised Estimate 2010/11 £	Actual 2010/11 £	Actual 2010/11 £
Balance of Fund as at 1.4.2010		1,916,829		1,916,829
ADVANCES 2010/11		<u>450,000</u>		<u>460,000</u>
		2,366,829		2,376,829
Less Applications 2010/11:				
EPA Phase 2 Mercury Emissions				
- Works	0		12,882	
- Fees	60,200		54,295	
Cremator Furnace Relining	<u>33,100</u>	<u>93,300</u>	<u>75,468</u>	<u>142,645</u>
Balance of Fund as at 31.03.2011		<u>2,273,529</u>		<u>2,234,184</u>

GARDEN IMPROVEMENT FUND 2010/11

	Revised Estimate 2010/11 £	Actual 2010/11 £
Balance of Fund as at 1.4.2010	0	0
Contributions to Fund 2010/11	<u>3,000</u>	<u>1,501</u>
	3,000	1,501
Less		
Works 2010/11	<u>3,000</u>	<u>1,501</u>
Balance of Fund as at 31.03.2011	<u>0</u>	<u>0</u>