



**Report to  
Portchester Crematorium Joint Committee**

*Date:* **17 June 2013**

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

*Subject:* **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2012/13**

**SUMMARY**

This report reviews the Joint Committee's revenue income and expenditure for the year ending 31 March 2013.

**RECOMMENDATION**

The contents of this report be noted.

## INTRODUCTION

1. This report sets out the actual revenue expenditure of the Joint Committee for 2012/13. 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 sections:
  - Accounting Statement - recording financial transactions during the year for both revenue and capital schemes.
  - Annual Governance Statement
  - Annual Internal Audit Report

In support of the Annual Return explanatory notes are set out to summarise the financial position at the end of the financial year 2012/13 which include a Balance Sheet to provide detail on the accounts and operational assets.

3. The final income and expenditure accounts for the Joint Committee show a surplus of £8,883 compared with the revised estimated surplus of £4,500, an increase of £4,383.
4. The number of cremations carried out during the year totalled 4,102. This represents an increase of 124 compared with the previous financial year's total of 3,978. Overall operational income of £2,175,942 exceeded the revised budget of £2,116,500 by £59,442. Interest earned in 2012/13 was £87. Expenditure of £1,236,288 was below the revised budget of £1,310,600 by £74,312.
5. A detailed analysis of actual expenditure and income for the year is detailed in Appendix A, including presentation in the format required for the Annual Return. Comparisons are made between actual expenditure for 2012/13 with that of 2011/12 and the revised estimate for 2012/13 with supporting explanations in the following paragraphs.

## EXPENDITURE

6. **Employees.** Under the IAS19 accounting policy on pensions an actuarial recalculation was reflected in the final accounts for 2010/11 against employee expenditure to reflect the policy change in measurement of pension inflation from RPI to CPI. There has been no further policy change and so there is no impact on this section of the accounts in 2012/13. Employee expenditure of £228,694 is closely similar to that of 2011/12 and under the revised estimate for 2012/13 by £4,506.

## PREMISES

7. **Repairs and Maintenance.** The budget for premises repairs and maintenance, including grounds expenditure, was £121,500. Actual expenditure of £132,294 was above the revised budget level with small overspends against both premises and grounds maintenance.
8. **Energy Costs.** The budget for energy costs was increased during 2012/13 to reflect significant price increases. Actual expenditure of £136,752 was £17,235 higher than in 2011/12 and exceeded the revised budget provision for this area of expenditure by £7,752.
9. **Rent and National Non Domestic Rates.** The budget for this area of expenditure was increased to reflect costs increases due in 2012/13. However, late during the financial year a successful valuation rating appeal resulted in a refund being made giving an underspend of £38,807 against the revised budget.

### SUPPLIES AND SERVICES

10. Expenditure of £269,172 in this area was in line with the revised budget of £267,800 showing a small overspend of £1,372.

### INCOME

11. **Cremation Fees.** The number of cremations carried out during 2012/13 has totalled 4,102 of which 22 were carried out at no charge. The numbers of cremations for 2012/13 and the three previous financial years are set out in the table below.

|                                     | 2009/10      | Actual Cremations |              | 2012/13      |
|-------------------------------------|--------------|-------------------|--------------|--------------|
|                                     |              | 2010/11           | 2011/12      |              |
| Cremations at nil charge (under 16) | 22           | 26                | 26           | 22           |
| Cremations                          | 3,872        | 3,952             | 3,952        | 4,080        |
| Total cremations                    | <u>3,894</u> | <u>3,978</u>      | <u>3,978</u> | <u>4,102</u> |

12. **Other Income.** Income from charges and sales of £2,175,975 was £112,350 higher than the previous year with income from cremations fees rising in line with the increased numbers set out above. Income from other areas, such as Book of Remembrance entries and organ music, has remained at similar levels to last year reflecting a continuation in the trend of a small decline in demand for these services.

### REPAIRS AND RENEWALS/CAPITAL WORKS FUND

13. Progress against the repairs and renewals programme during 2012/13 is set out in financial terms at Appendix B, with many schemes completed. The contribution from revenue to the Repairs and Renewals Fund was £80,000 in 2012/13 with £77,142 being utilised. The balance of the fund being carried forward at the end of 2012/13 is £83,375.
14. Details of expenditure from the capital works fund during 2012/13 is set out in Appendix C. The programme of work for the Mercury Abatement capital works was completed during 2012/13 along with Analyser Renewal. The contribution from

revenue to the Capital Works Fund was set at £490,000 for 2012/13, however it has been possible to increase this contribution to £575,000 for 2012/13 with the balance of the fund being carried forward at the end of 2012/13 at £576,637.

15. Details of the Garden Improvement Fund can also be found in Appendix C where the entire fund was utilised during 2012/13.

## **CONCLUSION**

16. The budgeted level of surplus was higher than expected mainly due to the reduction in expenditure and increased income which has enabled a higher contribution to the revenue surplus reserve.

## **Background Papers**

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2013/14' December 2012.

Report to the Portchester Crematorium Joint Committee 'Annual Financial Return 2011/12' June 2012.

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## **Appendices**

Appendix A – Actual revenue expenditure for the year 2012/13.

Appendix B – Repairs and Renewals Fund 2012/13.

Appendix C – Capital Works Fund and Garden Improvement Fund 2012/13.

PORTCHESTER CREMATORIUM JOINT COMMITTEE

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

|  | Actual<br>2011/12 | Revised<br>Estimate<br>2012/13 | Actual<br>2012/13 | Variation      |
|--|-------------------|--------------------------------|-------------------|----------------|
|  | £                 | £                              | £                 | £              |
| <b><u>EMPLOYEES</u></b>                |                   |                                |                   |                |
| Salaries-Full Time Officers            | 219,749           | 222,200                        | 219,520           | -2,680         |
| Salaries-Part Time Officers            | 11,570            | 11,000                         | 9,174             | -1,826         |
| <b>TOTAL EMPLOYEES</b>                 | <b>231,319</b>    | <b>233,200</b>                 | <b>228,694</b>    | <b>-4,506</b>  |
| <br>                                   |                   |                                |                   |                |
| <b><u>PREMISES</u></b>                 |                   |                                |                   |                |
| Repairs and Maintenance                | 44,507            | 55,000                         | 62,447            | 7,447          |
| RR/CWF repairs financed from revenue   | 94,835            | 128,500                        | 77,142            | -51,358        |
| Grounds - Maintenance                  | 76,491            | 65,000                         | 68,350            | 3,350          |
| Garden Improvement Scheme              | 1,927             | 1,500                          | 1,497             | -3             |
| Energy costs                           | 119,517           | 129,000                        | 136,752           | 7,752          |
| Water services                         | 1,794             | 2,200                          | 4,888             | 2,688          |
| Rent & Rates                           | 134,735           | 167,500                        | 128,695           | -38,805        |
| Removal of Wreaths/Cleaning materials  | 11,162            | 10,900                         | 11,651            | 751            |
| <b>TOTAL PREMISES</b>                  | <b>484,968</b>    | <b>559,600</b>                 | <b>491,422</b>    | <b>-68,178</b> |
| <br>                                   |                   |                                |                   |                |
| <b><u>SUPPLIES AND SERVICES</u></b>    |                   |                                |                   |                |
| Equipment,Furniture and Materials      | 7,448             | 6,900                          | 12,311            | 5,411          |
| Protective Clothing,Uniforms & Laundry | 1,569             | 2,100                          | 1,051             | -1,049         |
| Printing,Stationery & General Expenses | 8,220             | 7,700                          | 6,238             | -1,462         |
| Inscriptions - Book of Remembrance     | 22,731            | 23,000                         | 18,777            | -4,223         |
| - Memorial Cards                       | 4,690             | 5,000                          | 5,926             | 926            |
| Legal/Consultants fees                 | 25,774            | 1,500                          | 25,673            | 24,173         |
| Consultants fees - Gosport             | 15,670            | 11,000                         | 8,307             | -2,693         |
| Administrative Expenses - Fareham      | 12,578            | 13,000                         | 9,604             | -3,396         |
| - Portsmouth                           | 9,450             | 9,500                          | 9,450             | -50            |
| Medical Referees Fees                  | 71,654            | 71,200                         | 73,836            | 2,636          |
| Organists Fees                         | 23,467            | 23,000                         | 23,130            | 130            |
| Audit Commission Fees                  | 3,000             | 4,000                          | -1,000            | -5,000         |
| Bank Charges                           | 1,019             | 1,200                          | 1,120             | -80            |
| Postages,Telephones and Advertising    | 4,459             | 6,900                          | 7,051             | 151            |
| Conferences,Subsistence & Travelling   | 847               | 1,200                          | 676               | -524           |
| Subscriptions                          | 3,428             | 3,500                          | 2,524             | -976           |
| Miscellaneous Insurances               | 14,121            | 20,100                         | 20,741            | 641            |
| Non reclaimable VAT                    | 65,876            | 57,000                         | 43,757            | -13,243        |
| <b>TOTAL SUPPLIES AND SERVICES</b>     | <b>296,001</b>    | <b>267,800</b>                 | <b>269,172</b>    | <b>1,372</b>   |
| <br>                                   |                   |                                |                   |                |
| <b><u>CAPITAL CHARGES</u></b>          |                   |                                |                   |                |
| Depreciation                           | 217,980           | 250,000                        | 247,000           | -3,000         |
| <b>TOTAL CAPITAL CHARGES</b>           | <b>217,980</b>    | <b>250,000</b>                 | <b>247,000</b>    | <b>-3,000</b>  |
| <br>                                   |                   |                                |                   |                |
| <b>GROSS EXPENDITURE</b>               | <b>1,230,268</b>  | <b>1,310,600</b>               | <b>1,236,288</b>  | <b>-74,312</b> |

| <b><u>INCOME</u></b>   | Actual<br>2011/12 | Revised<br>Estimate<br>2012/13 | Actual<br>2012/13 | Variation       |
|--|-------------------|--------------------------------|-------------------|-----------------|
| Garden Improvement fund contributions  | -1,927            | -1,500                         | -1,497            | 3               |
| Memorial Cards   | -7,833            | -10,000                        | -9,346            | 654             |
| Cremation Fees   | -1,928,576        | -1,976,000                     | -2,040,000        | -64,000         |
| Book of Remembrance  | -59,574           | -62,000                        | -57,053           | 4,947           |
| Organ Music  | -60,525           | -62,000                        | -60,711           | 1,289           |
| Other  | -5,157            | -5,000                         | -7,335            | -2,335          |
| <b>GROSS INCOME</b>  | <b>-2,063,592</b> | <b>-2,116,500</b>              | <b>-2,175,942</b> | <b>-59,442</b>  |
| <b>NET COST OF SERVICE</b>   | <b>-833,324</b>   | <b>-805,900</b>                | <b>-939,654</b>   | <b>-133,754</b> |
| (Gain) or Loss on disposal of assets   | 0                 | 0                              | 0                 | 0               |
| Interest Receivable  | -63               | -100                           | -87               | 13              |
| Pensions Interest costs  | 90,000            | 110,000                        | 90,000            | -20,000         |
| Expected return on pensions assets   | -70,000           | -50,000                        | -70,000           | -20,000         |
| <b>GENERAL FUND BALANCE</b>  |                   |                                |                   |                 |
| <b>NET OPERATING INCOME</b>  | <b>-813,387</b>   | <b>-746,000</b>                | <b>-919,741</b>   | <b>-173,741</b> |
| <b>MOVEMENT ON THE GENERAL FUND BALANCE</b>  |                   |                                |                   |                 |
| (Surplus)/Deficit on the Income &<br>Expenditure Account                               | -813,387          | -746,000                       | -1,166,741        | -173,741        |
| Net Gain or Loss on disposal of assets   | 0                 | 0                              | 0                 | 0               |
| Contributions to Constituent Authorities   | 560,000           | 600,000                        | 600,000           | 0               |
| Depreciation of Fixed Assets   | -217,980          | -250,000                       | -247,000          | 3,000           |
| Contributions to Capital Works Fund  | 490,000           | 500,000                        | 575,000           | 75,000          |
| Contributions to Repairs & Renewals Fund   | 80,000            | 80,000                         | 80,000            | 0               |
| Contribution to / from pensions reserve  | -20,000           | -60,000                        | -20,000           | 40,000          |
| Contribution from reserves to finance repairs<br>and renewals/capital works programmes | -94,835           | -128,500                       | -77,142           | 51,358          |
| <b>(SURPLUS)/DEFICIT FOR THE YEAR</b>  | <b>-16,202</b>    | <b>-4,500</b>                  | <b>-8,883</b>     | <b>-4,383</b>   |
| <b>FOR INCLUSION IN ANNUAL RETURN</b>  | Actual<br>2011/12 |                                | Actual<br>2012/13 |                 |
|  | £                 |                                |                   |                 |
| Balances Bought Forward  | 2,499,993         |                                | 1,492,548         |                 |
| Receipts   | 2,063,592         |                                | 2,175,942         |                 |
| Interest receivable  | 63                |                                | 87                |                 |
| Total receipts   | <b>2,063,655</b>  |                                | <b>2,176,029</b>  |                 |
| Employees  | -231,319          |                                | -228,694          |                 |
| Other payments : rounding adjustment   | 1                 |                                | 1                 |                 |
| Premises   | -484,968          |                                | -491,422          |                 |
| Supplies and services  | -296,001          |                                | -269,172          |                 |
| Contributions to constituent authorities   | -560,000          |                                | -600,000          |                 |
| Capital expenditure  | -1,496,340        |                                | -1,226,207        |                 |
| Less debtors included in accounts  | -28,256           |                                | -48,037           |                 |
| Add creditors included in the accounts   | 87,919            |                                | 115,594           |                 |
| Reversal of prior year debtors   | 92,664            |                                | 28,256            |                 |
| Reversal of prior year creditors   | -154,800          |                                | -87,919           |                 |
| Total other payments   | <b>-2,839,781</b> |                                | <b>-2,578,907</b> |                 |
| Balance carried forward  | 1,492,548         |                                | 860,976           |                 |

**APPENDIX B**

**REPAIRS AND RENEWALS FUND EXPENDITURE 2012/13**

|  |                |               |                 |
|--|----------------|---------------|-----------------|
| Balance of Fund at 1.4.2012                    |                |               | £80,517         |
| Contribution from Revenue Account 2012/13      |                |               | £80,000         |
|  |                |               | <u>£160,517</u> |
| <b>Applications 2012/13</b>                    | <b>Revised</b> |               |                 |
| * Balance of works from prior years programmes | Estimate       | Actual        |                 |
|  | 2012/13        | 2012/13       |                 |
|  | £              | £             |                 |
| * Combustion Air Fans to Cremators 1 & 2       | 5,000          | 0             |                 |
| * Refurbish Book of Remembrance Room           | 17,500         | 16,216        |                 |
| * Fire Alarm Upgrade                           | 29,000         | 21,762        |                 |
| * Fire Precautions Installation Work           | 10,000         | 0             |                 |
| - North Chapel Curtains                        | 1,000          | 1,015         |                 |
| - South Chapel Carpet Replacement              | 9,500          | 8,739         |                 |
| - Office Carpet Replacement                    | 1,500          | 0             |                 |
| - Internal Redecorations                       | 4,000          | 4,319         |                 |
| - Repairs to Paving / Steam Cleaning           | 2,250          | 2,257         |                 |
| - Treatment of North and West Boundary Fences  | 3,250          | 3,245         |                 |
| - Replacement Compactor                        | 16,500         | 14,755        |                 |
| - Cremation Control Computer Replacement       | 5,000          | 0             |                 |
| - Replacement WC's in Public Toilets           | 7,000          | 2,715         |                 |
| - Upgrade North Chapel Air Conditioning Unit   | 5,000          | 0             |                 |
| - Renewable Energy Consultant                  | 10,000         | 2,120         |                 |
| - Unrecoverable Vat on buildings and plant     | 2,000          | 0             |                 |
|  | <u>128,500</u> | <u>77,143</u> |                 |
| <b>Balance of Fund at 31.3.2013</b>            |                |               | <u>£83,374</u>  |

**APPENDIX C**

**CAPITAL WORKS FUND 2012/13**

| <b><u>CAPITAL WORKS FUND 2012/13</u></b> | Revised<br>Estimate<br>2012/13 | Actual<br>2012/13 |
|--|--------------------------------|-------------------|
|  | £                              | £                 |
| Balance of Fund as at 1.4.2012           |                                | 1,227,844         |
| ADVANCES 2012/13                         | 490,000                        | 575,000           |
|  |                                | <u>1,802,844</u>  |
| <b>Less Applications 2012/13</b>         |                                |                   |
| EPA Phase 2 Mercury Emissions            |                                | 1,026,872         |
| Crematorium Buildings                    |                                | 78,318            |
| Analyser Renewal                         |                                | 121,017           |
|  |                                | <u>£1,226,207</u> |
| <b>Balance of Fund as at 31.03.2013</b>  |                                | <u>£576,637</u>   |

**GARDEN IMPROVEMENT FUND 2012/13**

| <b><u>GARDEN IMPROVEMENT FUND 2012/13</u></b> | Revised<br>Estimate<br>2012/13 | Actual<br>2012/13 |
|---|--------------------------------|-------------------|
|   | £                              | £                 |
| Balance of Fund as at 1.4.2012                | 0                              | 0                 |
| Contributions to Fund 2012/13                 | 1,500                          | 1,497             |
|   | 1,500                          | 1,497             |
| <b>Less</b>                                   |                                |                   |
| Works 2012/13                                 | 1,500                          | 1,497             |
| <b>Balance of Fund as at 31.03.2013</b>       | <u>0</u>                       | <u>0</u>          |