

FOR PUBLICATION

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

MEETING: CHESTERFIELD & DISTRICT JOINT
CREMATORIUM COMMITTEE

DATE: 22 JUNE, 2015

REPORT BY: TREASURER TO THE COMMITTEE
BEREAVEMENT SERVICES MANAGER

FOR PUBLICATION:

BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE: Accounting Records
Final Account Working Papers

LOCATION: Accountancy Services Section

1.0 PURPOSE OF REPORT

1.1 To report the Final Accounts of the Joint Committee for the year ended 31 March 2015 including the Revenue Account and Balance Sheet.

2.0 RECOMMENDATIONS

2.1 That the report be noted and the Statement of Accounts be approved.

2.2 That the carry forward request is approved.

2.3 That Members consider each financial statement and acknowledge their responsibilities of internal control in the Annual Governance Statement at 7.2.

3.0 **OUT-TURN**

3.1 Appendix A is the Committee's Revenue Account for 2014/15 and shows a net deficit of £59,788, compared with the revised estimated deficit of £295,720. The outrun deficit is, therefore, £235,932 less than the revised forecast. The variations to the budget are as follows:

Table 1: Significant Variations Revised Budget to Out-turn

Description	Net Increase / (Decrease) £'000
Employees	
- 3.2.1 Wages & Agency Staff underspend	(5)
Premises	
- 3.2.2 General Repairs	11
- 3.2.3 Trees & Shrubs	(4)
- 3.2.4 Water Charges	2
- 3.2.5 Repairs to Cremators – funded from reserves	6
- 3.2.6 Transport costs	(2)
Supplies & Services	
- 3.2.7 Organist Fees	(2)
- 3.2.8 Other under spends	(12)
- 3.2.9 Central Admin charges	(4)
Income	
- 3.2.10 Cremation fees, Organist & Medical Referees Fees	(218)
- 3.2.11 Memorial sales	12
- 3.2.12 various income	(14)
- 3.2.13 From Reserves to fund repairs to Cremator	(6)
Overall Decrease in Net Expenditure	(236)

3.2 The main variances are:

3.2.1 Employee Costs

Wages are under profile by £5k due to a vacancy at the Crematorium being covered on a temporary basis which has reduced costs.

3.2.2 There is an over spend on general repairs of which £7k relates to work carried out to the strewing paths that was not originally included in the revenue budget.

3.2.3 There was an under spend of £4k on Trees & Shrubs.

3.2.4 There was an over spend £2k on water charges.

3.2.5 There was an over spend of £6k on cremator repairs which will be funded by a contribution from the Cremation Repairs Fund (see 3.2.13 below).

3.2.6 General transport costs under spent by £2k, mainly on car allowances and petrol.

3.2.7 The Organist fees have underspent by £2k.

3.2.8 Other supplies and services costs are under spent by £12k mainly due to the £8,100 growth request for a new telephone line not having been spent. This work is due to be carried out shortly and a carry forward request has been submitted (see para. 3.3).

3.2.9 There was a reduction of £4k on Central Admin recharges.

3.2.10 Cremations were up by 438 on the revised budget estimate increasing income by £218k.

- 3.2.11 Memorial sales income was down by £12k due to a delay in sales of the new memorials.
- 3.2.12 Various other income sources were over profile by £14k for example the sale of memorial kerbs (£4K).
- 3.2.13 A contribution of 6k was made from the Cremator Repairs Reserve to cover expenditure (see 3.2.5)

3.3 Carry Forwards

There is one scheme requiring carrying forward to 2015/16 totalling £8,100, the scheme was approved as part of the Management Plan. The request is shown in the table below:

Table 2: Carry forward requests

	£
Supplies & Services	
• New telephone line	8,100
Total Carry Forward Requests	8,100

If the carry forward request is approved, the underspend in the year reduces to £227,832 and the deficit in 2014/15 increases to £67,888.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations increased during 2014/15 by 139, compared to a decrease of 21 in 2013/14.

Table 3: Number of Cremations

Authority	2011/12	2012/13	2013/14	2014/15
Chesterfield	914	942	930	963
North East Derbyshire	484	504	499	574
Bolsover	187	248	237	283
Sub-Total Constituent Authorities.	1,585	1,694	1,666	1820
Other Areas	448	426	433	418
Total Cremations	2,033	2,120	2,099	2238
Change year on year	(47)	87	(21)	139

Cremations from within the area increased by 154, and those from outside the Constituent Authorities decreased by 15.

4.0 Balance Sheet

4.1 There are six useable reserves shown in the Balance Sheet in Appendix B, as follows:

- Revenue Reserve
- Mercury Abatement Reserve
- Equipment Reserve
- Organ Reserve
- Cremator Repairs Reserve
- Capital Improvement Reserve

Further details of the movements on each of the reserves during the financial year are shown in Appendices C and D.

4.2 A summary of the movements on the Revenue Reserve is shown in Table 4 below:

Table 4: Movement on Revenue Reserves in 2014/15

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2014	547	547	
+ / (-) Surplus / (Deficit) in 2014/15	(96)	140	236
+ / (-) Redistribution to Authorities	(200)	(200)	
Accumulated Reserves as at 31st March 2014 before Carry Forwards	251	487	236
+ / (-) Carry forward requests	0	(8)	(8)
Balance after 2014/15 Carry Forwards	251	479	228

Source: Appendix A

After the redistribution of £200k the current balance is £479k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k. The current balance is therefore well above the minimum requirement.

- 4.3 The Mercury Abatement Reserve which is being set aside for any future purchases or upgrades of the plant. The balance at the end of 2014/15 was £305,218, up slightly on the revised budget of £286,408 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £21,440.
- 4.5 The Organ Replacement Reserve which is being set aside for a future purchase has a balance of £4,500.

- 4.6 The Cremator Repairs Reserve which is set aside for repairs & servicing costs of the plant has a balance of £72,230.
- 4.7 The Capital Improvement Reserve has a balance of £862,044 which includes funds is earmarked for refurbishment of the reception area (£25k), new strewing grounds (£13k), purchase of a John Deere Gator (£13.2K) and the car park (£3.4k) and an unallocated balance (£807.4k).
- 4.8 The Committee's Financial Strategy will be considered again at the December meeting when future plans and the current level of fees and charges will be reviewed.
- 4.9 Pensions - In the balance sheet, the pension fund deficit is shown as a Pension Reserve and is matched by an equal and opposite entry on the other side of the balance sheet described as the Pension Scheme Assets and Liabilities. The key point to note is that the deficit forecast has increased since the previous year which will mean that contribution rates may have to increase in the future.
- 4.10 There has been an increase in debtors (£74k) compared to 2013/14 however this is due to a significant number of invoices being raised towards the end of the financial year that are not due until 2015/16.

5.0 REDISTRIBUTION

- 5.1 A redistribution of £200k has been made to constituent authorities from the 2014/15 underspend.
A similar redistribution has been budgeted for in future years.

6.0 FUTURE COSTS

- 6.1 The boiler at the crematorium needs replacing urgently and this will provide an opportunity to build in a heat exchange unit. No budget has been allocated for this scheme and a further report on the likely costs and financing will be presented to the committee.

7.0 ANNUAL AUDIT

- 7.1 A copy of the Annual Audit Return for the Crematorium requires signing by the Chair acknowledging the approval of the Statement of Accounts by the Committee.
- 7.2 The Annual Governance Statement needs Members to formally consider each statement and acknowledge their responsibilities of internal control (included at Section 2 of the Audit Return, Appendix E).

8.0 RECOMMENDATIONS

- 8.1 That the report be noted and the Statement of Accounts be approved.
- 8.2 That the carry forward request is approved.
- 8.3 That Members consider each financial statement and acknowledge their responsibilities of internal control in the Annual Governance Statement at 7.2.

9.0 REASON FOR RECOMMENDATIONS

- 9.1 To update the Committee on the financial position of the Crematorium.

**B DAWSON
HEAD OF FINANCE**

**A DUNN
BEREAVEMENT SERVICES MANAGER**

Further information on this report can be obtained from David Corker,
Accountancy Services (Ext. 2010).