

**NORTH EAST SURREY CREMATORIUM BOARD****9<sup>th</sup> JUNE 2015****REPORT OF THE TREASURER****ACCOUNTS FOR THE YEAR ENDING 31st MARCH 2015****CONTENTS**

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**ACCOUNTS FOR THE YEAR ENDING 31st MARCH 2015****FOREWORD**

The Accounts and Audit (England) Regulations 2011 confirmed the Board's position as a "smaller relevant body". As such, the Board is required to prepare an income and expenditure account and a statement of balances in the form of a specified Annual Return. The Annual Return also includes an "Annual Governance Statement". Given these requirements, the opportunity was taken to review the extent of accounting statements and the statements presented below are in line with requirements. Some of the practices used in larger local authority accounts are specifically excluded from the requirements for smaller relevant bodies. The Annual Return is the next item on this agenda and requires the Board's approval.

The Board's accounts are presented on the following pages. The Board is accustomed to receiving regular reports on its financial position against its approved estimates. The position for the year just ended is shown on the next two pages, and culminates in the Board's level of balances at 31<sup>st</sup> March. The next page is the Board's balance sheet, and shows the value of the Board's assets and liabilities. This is followed by notes to the accounts.

**Income and Expenditure Account (page 4 & 5)**

Expenditure (Line 18) was £11,212 less than anticipated. This was mainly due to lower than anticipated expenditure on the premises costs by the Board (Line 7 - £28,440), offset by the higher than anticipated cost of purchasing Tradeable Mercury Abatement Credits (Line 15 - £15,099). The main reason for the underspend on Premises costs was the lower than anticipated cost of maintaining the cremators.

Income (Line 38) was £73,899 more than anticipated. This was due additional income from Cremation Fees (Line 20 - £35,646), with the final number of services undertaken being higher than the revised estimate, higher than expected sales of Cremated Remains Graves (Line 30 - £18,515) and higher than expected sales across a variety of other memorial types.

The net surplus for the year (Line 49) was £507,531. The effects of the variances on income and expenditure described above, coupled with a higher than anticipated capital spend resulted in the surplus being £76,981 more than estimated, boosting the Board's balances at 31<sup>st</sup> March to £1,239,292. It is anticipated that a significant proportion of the Board's balances will be utilised in the 2015/16 financial year to fund the replacement of the cremators.

**Balance Sheet (page 6)**

The Board's assets are reflected at cost or a proxy for cost, where it has not been possible to ascertain the actual historic cost – the 2014 insurance valuations (reinstatement cost assessments undertaken by Lambert Smith Hampton as at 20 June 2014) have been used for buildings.

The reduction in Debtors and Payments in Advance (£11,895) reflects improvement in credit control, with payments being received more promptly. Outstanding debts were substantially cleared by the middle of May 2015. Investments increased (£490,000) in line with the increase in reserves to pay for the new cremators. The increase in Cash in Hand reflects high volumes of payments received in the last few days of the financial year. Creditor balances were lower as there were fewer payments outstanding at the end of the year for works items.

Due to the surplus for the year being higher than expected, the Board's balances are higher than planned. Any surplus balances would normally be considered for distribution to constituent authorities, however given the planned replacement of the cremators, a significant proportion of the balance will be used for capital purposes in 2015/16. Any surplus balances will be distributed in accordance with the constituent authorities' Council Tax bases.

**Statement of Responsibilities for the Statement of Accounts**

The Board is required: -

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Board, that officer is the Treasurer to the Board.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts

The Treasurer to the Board is responsible for the preparation of the Board's accounts in accordance with the Accounts and Audit (England) Regulations 2011.

In preparing this statement of accounts, the Treasurer to the Board has: -

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the relevant regulations;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

**Certificate**

I certify that the attached statement of accounts presents fairly the financial position of the North East Surrey Crematorium Board at 31<sup>st</sup> March 2015, and its income and expenditure for the year then ended.

Signed:

Signed:

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Date: 26<sup>th</sup> May 2015

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Date: 9<sup>th</sup> June 2015

J M STEVENSON  
Treasurer to the Board  
The Town Hall  
Wandsworth High Street  
London, SW18 2PU

Chairman presiding over meeting  
North East Surrey Crematorium Board  
Civic Offices  
St. Nicholas Way  
Sutton  
Surrey, SM1 1EA

**NORTH EAST SURREY CREMATORIUM BOARD****Report by the Treasurer****Income and Expenditure Account for the period 1st April 2014 to 31st March 2015**

		2013/14	2014/15	2014/15
		<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>
		£	£	£
<b><u>EXPENDITURE</u></b>				
<b><u>EMPLOYEES</u></b>				
Salaries	(1)	14,368	14,440	13,942
	(2)	<u>14,368</u>	<u>14,440</u>	<u>13,942</u>
<b><u>PREMISES</u></b>				
Maintenance of Buildings and Plant	(3)	80,444	86,730	57,861
Maintenance of Grounds	(4)	25,329	19,900	20,326
Rents	(5)	9,763	9,760	9,763
Rates	(6)	63,830	65,260	65,260
	(7)	<u>179,366</u>	<u>181,650</u>	<u>153,210</u>
<b><u>SUPPLIES AND SERVICES</u></b>				
Audit, Actuary and Bank Fees	(8)	2,828	2,900	2,902
Environmental Protection Act Fees	(9)	1,111	1,120	1,111
Expenses	(10)	810	130	533
Subscriptions etc	(11)	857	900	900
Insurance	(12)	12,453	12,590	12,589
	(13)	<u>18,059</u>	<u>17,640</u>	<u>18,035</u>
<b><u>THIRD PARTY PAYMENTS</u></b>				
Wandsworth Borough Council	(14)	389,491	437,250	439,182
Tradeable Mercury Abatement Credits	(15)	14,921	40,000	55,099
Clerical and Accounting Assistance	(16)	18,380	19,070	19,370
	(17)	<u>422,792</u>	<u>496,320</u>	<u>513,651</u>
<b><u>TOTAL EXPENDITURE</u></b>	(18)	<b>634,585</b>	<b>710,050</b>	<b>698,838</b>
<b><u>INCOME</u></b>				
<b><u>FEES AND CHARGES</u></b>				
Agency Reimbursement - LBW	(19)	6,900	7,010	7,010
Cremation Fees	(20)	940,939	906,690	942,336
Inscriptions in Books of Remembrance	(21)	13,429	12,600	13,492
Miniature Books and Cards	(22)	1,031	900	1,505
Rose Trees & Bushes	(23)	43,979	45,270	47,860
Memorial Plaques	(24)	18,936	18,100	17,059
Memorial Stones	(25)	129	400	408
Cremation Plots	(26)	9,165	11,050	18,358
Memorial Tablets	(27)	2,084	1,370	1,936
Kerbstone Vase Memorials	(28)	7,646	7,500	7,583
Teak Seats	(29)	3,607	1,200	1,202
Cremated Remains Graves	(30)	57,386	87,820	106,335
Flower Vases	(31)	10,979	11,070	11,018
Crystal Plaques	(32)	14,448	8,050	8,702
Granite Niches	(33)	1,278	10,000	13,608
Fountain Leaves	(34)	240	1,500	1,200
Ashes into Glass	(35)	0	0	325
Cremation Urns, postage etc.	(36)	6,799	10,000	13,114
Tradeable Mercury Abatement Credits	(37)	24,054	24,000	25,378
<b><u>TOTAL INCOME</u></b>	(38)	<b>1,163,029</b>	<b>1,164,530</b>	<b>1,238,429</b>

<b><u>TOTAL INCOME</u></b>	(Line 38)	(39)	<b>1,163,029</b>	<b>1,164,530</b>	<b>1,238,429</b>
<b><u>Less: TOTAL EXPENDITURE</u></b>	(Line 18)	(40)	<b>(634,585)</b>	<b>(710,050)</b>	<b>(698,838)</b>
<b>NET SERVICE INCOME/(EXPENDITURE)</b>		(41)	<b>528,444</b>	<b>454,480</b>	<b>539,591</b>
Interest and Investment Income		(42)	991	1,470	1,924
<b>NET OPERATING INCOME</b>	(Lines 38 to 39)	(43)	<b>529,435</b>	<b>455,950</b>	<b>541,515</b>
<b><u>APPROPRIATIONS</u></b>					
Contribution to Capital Reserves:					
Replacement Cremator Project		(44)	0	(20,000)	(29,579)
Resurfacing of driveways and pathways		(45)	0	(5,000)	(4,000)
New engraving machine		(46)	(6,700)	(400)	(405)
Automatic Charging Bier		(47)	0	0	0
		(48)	<b>(6,700)</b>	<b>(25,400)</b>	<b>(33,984)</b>
<b>SURPLUS/(DEFICIT) FOR YEAR</b>	(Line 40 + 43)	(49)	<b>522,735</b>	<b>430,550</b>	<b>507,531</b>
<b><u>BALANCES</u></b>					
Balance at 1st April		(50)	409,026	731,761	731,761
Distribution of Surplus Balances		(51)	(200,000)	0	0
Balance at 31st March	(Lines 44 to 46)	(52)	731,761	1,162,311	1,239,292

**BALANCE SHEET**

<b><u>As at 31/03/2014</u></b>			<b><u>As at 31/03/2015</u></b>	
£	£		£	£
		<b>Non-Current Assets</b>		
		Operational Assets		
	1,890,000	- Crematorium and Land		2,510,000
	<u>670,933</u>	- Plant		<u>670,933</u>
	2,560,933			3,180,933
		<b>Current Assets</b>		
135,703		Debtors and Payments in Advance	123,808	
595,000		Investments	1,085,000	
<u>53,634</u>		Cash in Hand	<u>76,048</u>	
784,337			1,284,856	
		<b>Current Liabilities</b>		
		Creditors	<u>45,565</u>	
<u>52,577</u>	731,760			1,239,291
	<u>3,292,693</u>	<b>Total Assets less Current Liabilities</b>		<u>4,420,224</u>
	0	Long-Term Borrowing		0
	<u>3,292,693</u>	<b>Total Assets less Liabilities</b>		<u>4,420,224</u>
		Capital Reserves		
		Revaluation Reserve	<u>3,180,933</u>	
<u>2,560,932</u>	2,560,932	Common Fund Cumulative Surplus		3,180,933
	731,761			1,239,291
	<u>3,292,693</u>	<b>Total Equity</b>		<u>4,420,224</u>

## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

#### General Principles

The Statement of Accounts summarises the Board's transactions for the 2014/15 financial year and its position at 31<sup>st</sup> March 2015. It has been prepared on a consistent basis with previous years in accordance with proper accounting practice.

#### Non-Current Assets

Operational assets have been included in the balance sheet at historic cost, or a proxy for historic cost. The building values used in the accounts are primarily based upon professional reinstatement valuations for insurance purposes which were undertaken in June 2014 by Lambert Smith Hampton. The valuation date is 1st April 2014.

Plant has been included at historic cost.

#### Basis of Provision for Redemption of Debt

The Board became debt-free following repayment of its remaining loan on 31<sup>st</sup> March 2007.

#### Revaluation Reserve

The Revaluation Reserve records unrealised revaluation gains arising from holding assets. The Reserve reflects the current carrying value of the Board's non-current assets.

#### Basis on which Debtors and Creditors at Year-End are Included in the Accounts

For all transactions, the Board operates on a system of income and expenditure attributable to the year.

Debtors - All sums due to the Board are set up in the accounts at the time they are due.

Creditors - At the year end, estimates of the amounts payable in respect of goods and services received before 31<sup>st</sup> March are made.

#### Basis of Valuation of Investments

All investments are shown at their cost price.

2. **Non-Current Assets**

	<b>Operational Assets</b>	
	Crematorium Building	Cremators Plant & Equipment
	£	£
Valuations at beginning of year	1,890,000	664,233
Additions	-	-
Disposals/Write-offs	-	-
Revaluations	620,000	
<b>Net book value at end of year</b>	<b>2,510,000</b>	<b>670,933</b>

Non Current Assets are valued at historic cost or a proxy for historic cost where this is not available.

3. **Debtors**

	<b>2014/15</b>	<b>2013/14</b>
	£	£
Debtors – Funeral Directors	121,783	133,678
Debtors – Other	-	-
Payments in Advance	2,025	2,025
	<b>123,808</b>	<b>135,703</b>

4. **Investments**

Investments reflect the amounts held by Wandsworth Council, redeemable on seven days notice.

5. **Audit Fees**

Fees payable to BDO LLP with regard to external audit services carried out as the appointed auditor under the Audit Commission's *Code of Audit Practice* in accordance with section 5 of the Audit Commission Act 1998 amounted to £2,000 in 2014/15 (2013/14 = £2,000).

6. **Contingent Liabilities and Contingent Assets**

As at 31<sup>st</sup> March 2015, the Board had no contingent liabilities or contingent assets.

7. **Capital Commitments**

As at 31<sup>st</sup> March 2015, the Board had no outstanding capital commitments.