

CONFIDENTIAL TEXT IN RED

## **INTERIM FINANCIAL INFORMATION FOR DEFRA MANAGEMENT ACCOUNTS**

**Report by the Finance Director - March 2014**

### **1.0 INTRODUCTION**

1.1 The report provides an explanation of:

- results for the ten months to January 2014 and the F10 full year forecast,
  - the current cash position, and
- Commercially confidential material removed

### **2.0 INCOME AND EXPENDITURE**

2.1 The schedule overleaf shows **contribution** by activity area for:

- the actual results for the ten months to January 2014,
- the F10 forecast for the full year to 31<sup>st</sup> March 2014;

(the F10 forecast is compared with the Plan and also the previous F8 forecast so that changes since the last forecast can be seen).

2.2 A summary schedule of the cost centres that make up the National Teams is included in the appendix.

2.3 A summary of the Group results is shown overleaf. The main issues are:

Commercially confidential material removed

## 2.4 Group Contribution Summary – 10 months to January 2014 and F10 Forecast

Commercially confidential material removed

- 2.5 Overall Net Incoming Resources are now forecast to be £6.2m better than Plan with no contingency held back. The forecast shows the existing additional expenditure commitments of £4.6m of works, being £2.8m on Principal Assets, £1m on emergency works arising from the extreme weather and excessive rainfall and £0.8m on off-side vegetation works. The year to date expenditure is only marginally behind the Plan which demonstrates more even phasing of the works delivery across the year.
- 2.6 Income from Enterprise projects is forecast to be £1.5m behind the Plan due to delays in funding from third parties, some weather-related. The net effect is an underspend against Plan of £275k. The delayed funding will be carried forward into next year.
- 2.7 The £54k worsening in the out-turn in Museums since F8 is due to increases in costs across numerous headings.
- 2.8 Appendix A shows the full income statement including Income by activity area.

### **3.0 CASH POSITION**

3.1 Commercially confidential material removed

### **4. REVOLVING CREDIT FACILITY**

4.1 Commercially confidential material removed

A handwritten signature in black ink, appearing to read 'P. Ridal', is written over the text of item 4.1.

**P Ridal**  
**June 14**

**10 month period to 31st January 2014 and F10 forecast for 2013/14**

				Figures in £m				
Generated Funds and Investment Income								
Investment Property	29,997	29,558	440	36,214	35,831	383	36,070	144
Boating and Moorings	27,453	26,284	1,169	32,872	31,774	1,098	32,745	127
Utilities	20,412	20,050	362	24,434	23,900	534	24,243	191
Olympic Games	-	-	-	-	-	-	-	-
Marinas Subsidiary	5,460	6,135	(675)	6,500	7,302	(802)	6,630	(130)
CRT Share of Joint Ventures	7,819	12,022	(4,202)	8,346	15,398	(7,052)	7,590	756
Voluntary Income and Fundraising	544	1,170	(626)	1,088	1,450	(362)	1,094	(6)
<b>Total Generated Funds and Investment Income</b>	<b>102,685</b>	<b>105,229</b>	<b>(4,394)</b>	<b>109,374</b>	<b>106,655</b>	<b>(2,281)</b>	<b>109,579</b>	<b>(1,245)</b>
Governance	12	10	2	14	12	2	14	0
National Teams	2,063	1,515	548	1,273	1,891	(618)	2,276	(1,003)
<b>Total Governance and National Teams</b>	<b>2,075</b>	<b>1,525</b>	<b>550</b>	<b>1,287</b>	<b>1,903</b>	<b>(616)</b>	<b>2,290</b>	<b>(1,003)</b>
<b>Total Generated Funds and Investment Income, Governance and National Teams</b>	<b>104,760</b>	<b>106,754</b>	<b>(3,844)</b>	<b>110,661</b>	<b>108,558</b>	<b>(2,897)</b>	<b>111,869</b>	<b>(2,248)</b>
Defra Funding	32,500	32,500	-	39,000	39,000	-	39,000	-
<b>Total Defra Funding</b>	<b>32,500</b>	<b>32,500</b>	<b>-</b>	<b>39,000</b>	<b>39,000</b>	<b>-</b>	<b>39,000</b>	<b>-</b>
Charitable Activities								
Waterway Maintenance and Repair	4,814	3,715	1,100	5,798	4,375	1,422	5,525	273
Major Works	121	-	121	232	-	232	137	95
Enterprise (Third Party Funded Projects)	4,613	7,749	(3,136)	7,552	9,090	(1,538)	8,859	(1,307)
Museums and Attractions	922	1,148	(226)	1,149	1,266	(118)	1,156	(8)
<b>Total Charitable Activities</b>	<b>10,470</b>	<b>12,612</b>	<b>(2,142)</b>	<b>14,731</b>	<b>14,731</b>	<b>(424)</b>	<b>15,677</b>	<b>(424)</b>
<b>Total Generated Funds and Investment Income, Governance, National Teams and Charitable Activities</b>	<b>115,230</b>	<b>119,366</b>	<b>(6,986)</b>	<b>125,392</b>	<b>123,289</b>	<b>(3,321)</b>	<b>127,546</b>	<b>(2,672)</b>
<b>Total Income</b>	<b>115,230</b>	<b>119,366</b>	<b>(6,986)</b>	<b>125,392</b>	<b>123,289</b>	<b>(3,321)</b>	<b>127,546</b>	<b>(2,672)</b>
Expenditure								
Generated Funds and Investment Income								
Investment Property	23,020	23,373	(352)	28,168	28,581	(413)	28,306	(137)
Boating and Moorings	21,605	19,677	1,928	25,425	23,823	1,602	24,758	667
Utilities	18,993	18,360	633	22,788	22,043	745	22,539	249
Marinas Subsidiary	492	1,080	(587)	581	1,259	(677)	698	(117)
CRT Share of Joint Ventures	378	21	357	127	270	(144)	13	114
Voluntary Income and Fundraising	(333)	(480)	148	(344)	(492)	148	(334)	(10)
Net Interest	2,504	2,304	200	2,875	2,667	208	2,664	211
<b>Total Generated Funds and Investment Income</b>	<b>56,459</b>	<b>54,124</b>	<b>2,335</b>	<b>79,529</b>	<b>78,353</b>	<b>1,176</b>	<b>78,794</b>	<b>735</b>
Governance	(511)	(552)	41	(613)	(665)	53	(644)	32
National Teams	(22,270)	(25,277)	3,007	(27,785)	(30,453)	2,668	(28,454)	669
<b>Total Governance and National Teams</b>	<b>(22,781)</b>	<b>(25,829)</b>	<b>2,966</b>	<b>(28,398)</b>	<b>(31,118)</b>	<b>2,721</b>	<b>(29,198)</b>	<b>701</b>
Pension Deficit Funding	(4,167)	(4,167)	(0)	(7,000)	(7,000)	-	(7,000)	-
Contingency	-	-	-	-	(2,000)	2,000	-	-
<b>Total Pension Deficit Funding and Contingency</b>	<b>(4,167)</b>	<b>(4,167)</b>	<b>(0)</b>	<b>(7,000)</b>	<b>(9,000)</b>	<b>2,000</b>	<b>(7,000)</b>	<b>(0)</b>
<b>Total Expenditure on Generated Funds and Investment Income</b>	<b>30,111</b>	<b>29,110</b>	<b>1,001</b>	<b>44,121</b>	<b>46,463</b>	<b>(1,824)</b>	<b>41,596</b>	<b>1,936</b>
Defra Funding	32,500	32,500	-	39,000	39,000	-	39,000	-
<b>Total Defra Funding</b>	<b>32,500</b>	<b>32,500</b>	<b>-</b>					

## Appendix B - National Teams Cost Centres

### Period 10 YTD and F10 Forecast for 2013/14

Figures in £k

Operational Property, Wayleaves etc.	93	95	(2)	113	113	0	114	(1)
Recharges	1,330	966	364	449	1,269	(820)	1,472	(1,023)
Third Party Contributions	137	(1)	138	182	(1)	183	152	29
Other	504	455	49	529	509	20	537	(7)
Marketing								
National Marketing	(1,207)	(1,648)	442	(1,834)	(1,977)	143	(1,882)	48
Community Engagement	(408)	(420)	11	(556)	(496)	(60)	(562)	5
Volunteering	(238)	(300)	62	(328)	(343)	16	(345)	17
Corporate Affairs	(775)	(798)	23	(1,035)	(945)	(90)	(991)	(45)
Operations and Technical								
Safety	(372)	(397)	25	(527)	(563)	36	(535)	8
Workshops	(74)	(78)	4	(58)	0	(58)	(6)	(52)
Waterway Unit Management Costs	(1,826)	(1,851)	25	(2,202)	(2,222)	21	(2,212)	10
Engineering	(1,968)	(1,987)	19	(2,420)	(2,383)	(37)	(2,454)	34
Asset Management	(516)	(542)	26	(648)	(639)	(9)	(645)	(3)
Water and Environment	(2,829)	(3,020)	191	(3,450)	(3,627)	177	(3,559)	109
Heritage	(341)	(376)	35	(422)	(454)	32	(459)	37
Canal Rates	1,231	(282)	1,513	1,327	(300)	1,627	1,273	54
Third Party Claims		0	(0)	-	0	(0)	-	-
<b>Total Operations and Technical</b>	<b>(5,555)</b>	<b>(5,528)</b>	<b>27</b>	<b>(5,401)</b>	<b>(5,459)</b>	<b>58</b>	<b>(5,527)</b>	<b>197</b>
Executive and Support Functions								
Chief Executive, Directors and AINA	(1,331)	(1,351)	20	(1,536)	(1,590)	54	(1,631)	95
Legal	(781)	(605)	(176)	(940)	(724)	(216)	(938)	(1)
HR	(998)	(1,070)	73	(1,247)	(1,252)	5	(1,181)	(66)
Information and Communication Technology	(4,367)	(4,640)	273	(5,523)	(5,567)	44	(5,552)	29
Shared Service Centre	(1,085)	(1,224)	139	(1,388)	(1,474)	85	(1,435)	47
Financial Control	(1,450)	(2,148)	698	(2,196)	(2,574)	378	(2,311)	115
Offices	(1,840)	(1,955)	115	(1,967)	(2,353)	386	(2,317)	350
Carbon Reduction Commitment	25	(1)	26	24	(261)	285	26	(2)
Town Planning	(556)	(523)	(33)	(655)	(627)	(28)	(655)	0
Other	(564)	(60)	(504)	(202)	(80)	(122)	(81)	(121)
<b>Total Executive and Support Functions</b>	<b>(12,291)</b>	<b>(12,327)</b>	<b>36</b>	<b>(12,201)</b>	<b>(12,312)</b>	<b>111</b>	<b>(12,325)</b>	<b>134</b>
<b>Total Contribution</b>	<b>(6,746)</b>	<b>(6,856)</b>	<b>110</b>	<b>(6,602)</b>	<b>(6,711)</b>	<b>170</b>	<b>(6,852)</b>	<b>331</b>

