

APPENDIX 2

Statement of Accounts 2005/2006

COYCHURCH JOINT CREMATORIUM COMMITTEE

STATEMENT OF ACCOUNTS 2005/06

Foreword

1. Financial Statements

1.1 The Joint Committee's Statement of Accounts consists of:

- a) a statement of responsibilities for the Statement of Accounts
- b) a statement of internal control
- c) a statement of accounting policies
- d) a revenue account, which summarises its income and expenditure for the year;
- e) a balance sheet, which summarises its assets and liabilities at the year end;
- f) a cash flow statement, which summarises the cash receipts and payments on both capital and revenue activities for the year.

2. Analysis of Financial Performance

2.1 The actual performance for the year compared to the budget is shown in the table below:

Actual 2004/05 £000		Budget 2005/2006 £000	Actual 2005/06 £000	Variance 2005/06 £000
	<u>Expenditure</u>			
(170)	Employees	(198)	(201)	(3)
(158)	Premises	(147)	(176)	(29)
(83)	Supplies & Services	(88)	(89)	(1)
(50)	Agency/Contractors	(63)	(72)	(9)
(50)	Administration	(50)	(32)	18
(57)	Capital Financing Costs	(57)	(56)	1
(568)	Gross Expenditure	(603)	(626)	(23)
	<u>Income</u>			
577	Cremation Fees etc	616	634	18
9	Surplus	13	8	(5)
(9)	Transfer to Reserve	(13)	(8)	5
0	Net Income/(Expenditure	0	0	0

2.2 The surplus for the year of £7,587 was £5,413 less than anticipated due to the following factors.

2.3 **Analysis of Variances**

The major variance compared to budget has occurred under the premises heading, where

- energy costs increased by more than anticipated
- some works originally planned for the previous year slipped into last year and
- some non-recurring costs e.g bi-lingual signage, and works to assist the disabled occurred, and payments relating to prior years

3. **Year-end Surplus on Revenue Account**

3.1 Under the revised rules of the Joint Committee, any surplus or deficit at the end of the financial year is transferred to a balance sheet reserve. The main purpose of the reserve is to even out variations between financial years, and, if sufficient monies are built up, to operate as a contingency to cover unforeseen items of expenditure which cannot be offset by savings elsewhere. In the longer term, if sufficient monies are built up and the Joint Committee approves, the reserve can be used to fund expenditure aimed at service improvements.

3.2 The surplus of £7,587 has been transferred to the reserve accordingly.

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Joint Committee's Responsibilities

The Joint Committee 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, in accordance with Section 151 of the Local Government Act 1972. That officer for the Joint Committee is the Assistant Director – Finance.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Account.

The Assistant Director - Finance Responsibilities

The Assistant Director - Finance is responsible for the preparation of the Authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31 March 2006.

In preparing this statement of accounts, the Assistant Director - Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Assistant Director - Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

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A. Phillips, C.P.F.A.
Assistant Director - Finance
Bridgend County Borough Council
24th November, 2006

Statement of Internal Control

1. Scope of Responsibility

Bridgend County Borough Council is responsible for ensuring that its business and that under taken under its financial stewardship of the Coychurch Crematorium Joint Committee is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used effectively. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, it is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the County Council's functions and those of the Joint Committee and which includes arrangements for the management of risk.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, and those of the Joint Committee, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Bridgend County Borough Council and has encompassed the Coychurch Crematorium for the year ended 31st March 2006 and up to the date of approval of the annual report and accounts and, except for the details of significant internal control issues at section 5 of the Bridgend C.B.C. Statement of Internal Control, specific to that organization, accords with proper practice.

3. The Internal Control Environment

The key elements of the Council's internal control environment specific to that Council are summarised below. Where reference is made to documents within the Council, details are available from the Council on request or can be found on the Council's website :- www.bridgend.gov.uk.

The key objectives are :-

- (i) Establishing and monitoring the achievement of the Council's objectives
- (ii) Facilitation of policy and decision-making

- (iii) Ensuring compliance with established policies, procedures, laws and regulations
- (iv) Ensuring the economical, effective and efficient use of resources and secure continuous improvement in the way functions are exercised
- (v) Facilitating the financial management of the Council
- (vi) Facilitating the performance management of the authority and its reporting

Elements of the internal control environment specific to the Joint Committee's operation are

- (i) Establishing and monitoring the achievement of the Coychurch Crematorium's objectives
 - Memorandum of Agreement defining the constitution
 - Coychurch Crematorium Joint Committee
 - Crematorium 10 year Development Plan
- (ii) Facilitation of policy and decision-making
 - Coychurch Crematorium Joint Committee
 - Crematorium 10 year Development Plan
- (iii) Ensuring compliance with established policies, procedures, laws and regulations
 - Function delegated to Bridgend C.B.C.
 - Code of Crematorium Practice
- (iv) Ensuring the economical, effective and efficient use of resources and secure continuous improvement in the way functions are exercised
 - Coychurch Crematorium Joint Committee
- (v) Facilitating the financial management of the Council
 - Under the financial stewardship of Bridgend C.B.C. by way of the support service agreement
- (vi) Facilitating the performance management of the authority and its reporting
 - Bridgend C. B.C. Corporate Improvement arrangements
 - Questionnaires

The control environment has developed since 1996 evolving to meet new demands and pressures on the Council. The key elements to the framework detailed above can be categorised as :-

- Corporate Controls – These comprise a large number of policies, processes and strategies by which the Council exercises control over the operation of all activities within its remit. The Council's Constitution provides the framework for its decision making processes and details procedures and codes of conduct for Members and officers. The Corporate Improvement Plan, Corporate Governance and Performance and Risk Management frameworks are other significant policies within this area.
- Departmental Controls – These comprise all the processes chief officers have in place within their departments and in particular include departmental approaches to performance and risk management.
- The Independent Review – This includes the views of Internal Audit, External Audit, Welsh Assembly Government and the various inspection regimes, which comment on the operation of the Council to examine ways of ensuring the economic, effective and efficient use of resources.

4. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by:

- the executive directors within the Council who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditors, who submit to the Council's Audit Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- the comments made by the external auditors in their management letters and other reports;
- the reports of other independent inspection bodies and Welsh Assembly Government.

The process for maintaining and reviewing the effectiveness of the system of internal control includes:-

- The Council has adopted a constitution (revised 29/03/06), which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.
- There are five Overview and Scrutiny Committees which oversee the portfolios of the Cabinet Members and which support the work of the Cabinet and the Council as a whole. They allow citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget

and service delivery. They also monitor the decisions of the Cabinet and can 'call-in' a decision, which has been made by the Cabinet but not yet implemented. This enables them to consider whether the decision is appropriate. They may recommend that the Cabinet reconsider the decision.

- The Monitoring Officer is responsible for maintaining an up-to-date version of the Constitution to ensure that its aims and principles are given full effect. After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to the full Council or to the Cabinet in relation to an executive function if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. He also receives and acts on reports made by the Ombudsman and decisions of the case tribunals.
- The Council has an Audit Committee, which is a key component of corporate governance. It provides a source of assurance about the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance.
- The Performance Improvement Group, an officers' working group, is responsible for the ongoing monitoring of arrangements for performance management across the Council. The Wales Audit Office in their Relationship Management Letter 2004/05 positively noted the work of this Group.
- The Council published its Policy for the Management of Risk in February 2006. It identifies that all Elected Members and employees of the Council need to make themselves aware of risks in the decision making process and everyday work situations. The Policy describes some key roles within risk management including the Risk Management Programme Board. This receives and scrutinises operational risks from the Directorate Management Teams and recommends the addition of key operational risks to the Council's Risk Register. It is responsible for reporting bi-annually to Council Risk Management Reports.
- The Corporate Management Board is responsible for the management of risks in all areas under their control. It considers various risk control options for areas designated as requiring priority attention identified within the Corporate Improvement Plan and monitors the effectiveness of the risk management policy.
- Internal Audit is responsible for monitoring the Council's operations in order to review, evaluate and test the adequacy of the Council's systems of internal control as contributions to the proper, economic, efficient and effective use of resources. The three year Internal Audit plan is based on a needs and risk assessment process. Internal Audit reports include recommendations for improvements included in a Management Action Plan that requires agreement or rejection by service managers in a given timeframe. The Chief Internal Auditor prepares an annual report and opinion on the Council's internal control system which is presented to Audit Committee. The opinion of the

Chief Internal Auditor for the financial year 2004/05 was that the Council's internal control arrangements provide an unsatisfactory level of assurance. This was based primarily on work carried out by the Internal Audit division together with reliance placed on other assurance bodies.

- External Audit present their comments on financial aspects of corporate governance and performance management in their annual audit letter and other reports. For the financial year ending 31st March 2005, the Annual Audit Letter stated that the "Authority needs to deal with a number of serious issues. There are risks arising from both particular areas (eg Children's Services) and the number of issues on the change agenda". However, an 'unqualified opinion' was issued for the annual accounts for 2004/05. There was also praise for the move to a three year Corporate Improvement Plan for the first time and improved performance in the timeliness of the preparation of the year end accounts.

A Statement of Internal Control Workshop took place as a key element of the Review of Effectiveness. The Workshop membership consisted of the Leader of the Council, all Cabinet Members and the Executive Directors. It was facilitated by the Chief Accountant, the Chief Internal Auditor and the External Audit manager for the Council. An overview of the S.I.C. process was given that described the process for reviewing and gathering the assurances needed for the review of effectiveness to ensure that risk is being managed and controls are working appropriately. The Group examined examples of Assurances together with evidence of documents within the Council to support the Assurances. The outcome of the Workshop was an identification of the significant internal control issues that should be included within the Statement. There have been additional internal control issues that were identified during the Joint Risk Assessment that are included within this Statement. The Group subsequently agreed the Statement of Internal Control that was to be presented to Audit Committee for review.

No review specific to the Joint Crematorium Committee's operations has been carried out.

As part of the Bridgend C. B.C. Corporate Improvement arrangements, a range of local indicators has been introduced to assist with the monitoring performance. One of these indicators monitors user's satisfaction with the Council's bereavement services. Statistics are obtained by means of a questionnaire, which is sent to bereaved families at an appropriate time following a cremation. The latest questionnaire showed an overall satisfaction to a good or excellent standard of 100%.

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A. Phillips, C.P.F.A.
Assistant Director - Finance
Bridgend County Borough Council
24th November, 2006

STATEMENT OF ACCOUNTING POLICIES

1. General Policies

The accounts have been drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain (ACOP) published by the Chartered Institute of Public Finance and Accountancy (CIPFA), which is recognised by statute as representing proper accounting practices.

2. Accruals of Income & Expenditure

Income and expenditure are included in these accounts on an accruals basis. This means sums due to or from the Crematorium are included in the accounts whether or not the cash has actually been received or paid.

3. Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis.

The current asset values used in the accounts are based upon valuations as at 1 April 2005. Additions since that date are included in the accounts at their cost of acquisition.

The Joint Crematorium Memorandum of Agreement states that

- The Local Government Act 1933 forbids the delegation to a Joint Committee of the power to borrow money and consequently
- “all property acquired or works constructed by means of capital expenditure borrowed shall belong to and be vested in the Council by whom the amount is borrowed but shall be managed controlled and managed by the Committee for crematoria purposes”, in this case Bridgend. C.B.C.

The Fixed Assets are shown on the balance sheet although their legal title lies with Bridgend CBC as the risk and rewards of ownership rest with the Joint Committee. Similarly, the external borrowings taken out by BCBC to finance the assets of the crematorium are shown in these financial statements.

4. Depreciation

A charge for depreciation is made to the service revenue accounts to cover wear and tear of certain categories of assets.

The depreciation policy adopted for 2005/6 and previous years is -

Land - No depreciation

- | | | |
|-----------|---|--|
| Buildings | - | Depreciation based on asset value and life expectancy from valuation as at 1/4/2004. |
| Equipment | - | Depreciated over 10 years. |

5. **Minimum Revenue Provision**

In accordance with its legal duties the Committee makes a provision from its revenue accounts for the redemption of loan debt. This provision is set at the minimum required by the law i.e. 4% of Council Fund debt, less adjustments in respect of the commutation of government grant.

In practice this provision consists of the charges made to the revenue accounts for depreciation and capital expenditure, which do not result in the creation of a fixed asset, together with a compensating transfer to or from the Capital Financing Reserve.

6. **Capital Charges**

Generally capital charges made to the revenue accounts consist of depreciation plus a notional interest charge of 3.5% of fixed asset value. Clause 7(2) of the Joint Committee Memorandum of Agreement states that “the Committee shall from time to time pay to the Council who shall borrow money for the said purposes the amounts of all interest and all instalments of principal or sinking fund contributions as and when the same shall become due and the cost of taking up any loans raised for such purpose”. Adjustments to the Asset Management Revenue Account and Capital Financing Account are made to charge the agreed amounts to the Revenue Account.

7. **Allocation of Support Services**

The Council has commenced a process of moving towards a system of Service Level Agreements (SLAs) covering the provision of support services. This will take several years to complete. As a result most support service costs have been apportioned by a variety of methods, the most important being:

- Agreed fixed charges.
- Actual use of support service.
- Estimated staff deployment, in some cases backed by formal time recording systems.
- Apportionments based on related financial or physical quantities (e.g. employee costs, floor area).

8. **Pension Costs**

The Council participates in a pension fund for employees of the Crematorium that provides members with defined benefits related to pay and service.

The pension costs that are charged to the revenue account in respect of Crematorium employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. These costs have been determined on the basis of the contribution rates that are set to meet 100% of the liabilities of the Superannuation Fund, in accordance with relevant government regulations.

9. **Stocks**

Stocks are included in the accounts at cost price for each item. This policy is that recommended in SSAP9, which requires valuation at the lower of cost or net realisable value.

10 **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, Government grants and third party contributions and donations are recognised as income at the date that the authority satisfies the conditions of entitlement to the grant/contribution and there is reasonable assurance that the monies will be received. Revenue grants are matched in revenue accounts with the service expenditure to which they relate. Capital grants, except where they apply to deferred charges, are taken to a government grants-deferred account. When they relate to deferred charges, the capital grant is written off to the revenue account to match the expenditure. Amounts are released from the government grants-deferred account to offset any charges to the revenue account in respect of assets to which the grants relate. Grants to cover general expenditure (eg Revenue Support Grant) are credited to the foot of the Consolidated Revenue Account after Net Operating Expenditure and appropriations to and from reserves. Capital contributions from partner authorities have been included in this year's accounts for the first time.

COYCHURCH JOINT CREMATORIUM COMMITTEE

Revenue Account for year ended 31st March 2006

2004/05 £000		2005/06 £000	Note
	<u>Expenditure:</u>		
(170)	Employees	(201)	(5)(6)
(158)	Premises	(176)	
(83)	Supplies, Services & Transport	(89)	(7)
(50)	Agency/Contractors	(72)	
(50)	Administration	(32)	(2)
(209)	Capital Charges	(205)	
(720)	Gross Expenditure	(775)	
577	<u>Income</u>	634	(1)
(143)	Net Cost of Services	(141)	
94	Capital Financing Account	78	(3)
58	Asset Management Revenue Account	71	(3)
9	Net Surplus	8	
(9)	Transferred to Reserve	(8)	

Notes to Revenue Accounts

1 Levies and Contributions

There were no contributions requested or received for 2005/2006 from member authorities for revenue.

2 Related Party Transactions

The figure of administration of £32k includes a support service charge from Bridgend C.B.C. following a review of the charging methodology of £22,717 for the following functions

2004/05 £	Function	2005/06 £
27,483	Environmental and Planning	9,954
1,158	Internal Audit	1,193
3,476	Accountancy	3,580
4,636	Exchequer	4,775
1,159	Cash Control	1,194
1,159	Human Resources	1,194
602	Committee Services /Corporate	827
39,673	Total	22,717

In addition, grounds maintenance services are provided by Bridgend CBC.

3 Asset Management Revenue Account

This is an account required under the capital accounting system. Its function is to neutralise the effects of the system on the amount to be funded by income. The transactions of the AMRA for 2005/6 are as follows:

2004/05 £		2005/06 £
	Income	
209,119	Capital Charge	204,908
	Capital Contribution Deferred	17,589
	Expenditure	
(120,350)	Depreciation	(120,350)
(30,945)	External Interest	(30,701)
57,824	Total – Balance to Revenue Account	71,446

The following table summarises the movements relating to the release of the Capital Financing Account : -

2004/05 £		2005/06 £
25,895	Minimum Revenue Provision	24,860
(120,350)	Less Depreciation and Amortisation	(120,350)
	Deferred Capital Contributions	17,589
(94,455)	Total -Contributions from Capital Reserves	(77,901)

4 Minimum Revenue Provision

Authorities are required by statute to set aside a Minimum Revenue Provision (MRP) for the repayment of external debt. In accordance with this requirement the provision for 2005/06 has been calculated as shown below.

2004/05 £		2005/06 £
647,387	Loans Outstanding as at 1/4/2006	621,491
25,895	Minimum Revenue Requirement (4%)	24,860

5 Officers' Emoluments

No officers' emoluments were paid in excess of £40,000.

6 Pension Costs

In 2005/2006 the Joint Committee paid £27,120 employer's contribution representing 18% of employees' pensionable pay. In addition £2,762 was paid in relation to added years awarded. The fund provides members with defined benefits related to pay and service. The contribution rate is determined by the fund's actuary, being based on triennial actuarial valuations. The last review took place on 31st March 2004. Under Superannuation Regulations, contribution rates are set to meet 100% of the overall liabilities of the fund. Further information can be found in the Rhondda Cynon Taff Pension Fund Annual Report, which is available on request from the Director of Finance, Rhondda Cynon Taff County Borough Council, Bronwydd, Porth, Rhondda, Rhondda Cynon Taff.

7 Publicity Expenditure

Under the requirements of S 5 (1) of the Local Government Act 1986, Councils are required to provide details of spending on publicity. The Joint Committee incurred £4,872 on advertising and promotion in 2005/2006.

COYCHURCH JOINT CREMATORIUM COMMITTEE

Balance Sheet as at 31st March 2006

31 st March, 2005 £000		31 st March, 2006 £000	Note
2,416	<u>Fixed Assets</u>	2,395	(1)
	<u>Current Assets:</u>		
36	Stock	35	(2)
63	Debtors	74	(9)
3	Prepayment	0	
<u>2,518</u>	<u>Total Assets</u>	<u>2,504</u>	
	<u>Less Current Liabilities:</u>		
	Creditors	(9)	(8)
(44)	Cash	(84)	
(621)	Loans Outstanding	(536)	(6)
	Capital Contribution - Deferred	(130)	(5)
1,853	Total Net Assets	1,745	
	<u>Financed by:</u>		
1,851	Fixed Asset Restatement Account	1,851	(3)
(106)	Capital Financing Account	(123)	(4)
108	Accumulated Surplus	17	(10)
1,853	Total	1,745	(11)

CHIEF FINANCIAL OFFICER'S CERTIFICATION

I certify that the accounts as set out fairly state the financial position of the Joint Committee at the 31st March 2006.

A. Phillips, C.P.F.A.
Assistant Director - Finance
Bridgend County Borough Council
24th November, 2006

Notes to Balance Sheet

1. Movement in Fixed Assets

The crematorium buildings, land, fixtures and fittings were independently valued as at 1 April, 2004, by Cooke and Arkwright. Additions since that date are included in the accounts at their cost of acquisition. Depreciation has been charged to the revenue account for cremators and buildings.

	Other Land & Buildings £000	Vehicles, plant etc £000	Total £000
Gross Book Value at 31 March 2005	2,545	349	2,894
Accumulated Depreciation, and impairment	(245)	(233)	(478)
Net Book Value at 31 March 2005	2,300	116	2,416
Additions	99	0	99
Disposals	0	0	0
Revaluations	0	0	0
Depreciation	(85)	(35)	(120)
Impairments	0	0	0
Net Book Value at 31 March 2006	2,314	81	2,395

2. Stocks

Stocks of £34,715 relate to various items purchased for future use in the Garden of Remembrance

3. Fixed Asset Restatement Account

This account was originally created under the new system of capital accounting on 1st April, 1994 as the Fixed Asset Restatement Reserve. The original balance represented the difference between the valuation of assets under the previous system of capital accounting (historical cost) and the revaluation of assets on 1.4.99 under the current system of capital accounting and is not an available reserve. Any future revaluation of the crematorium's assets will be charged to this account. The increase in value of the 1st April, 2004 revaluation was included in this account in the year 2004/2005.

2004/05 £	Fixed Asset Restatement Account	2005/06 £
919,710	Opening Balance	1,851,146
931,436	Increase in value of fixed assets	0
1,851,146	Closing Balance	1,851,146

4. Capital Financing Account

This account contains the amounts, which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from capital receipts and revenue. It also contains the difference between amounts provided for depreciation and that required by statute to be charged to revenue to repay the principal element of external loans. The movements for 2005/2006 are as follows :-

2004/05 £		2005/06 £
12,166	Balance 1/4/2005	106,621
(25,895)	Minimum Revenue Provision Loans Outstanding	(24,860)
120,350	Depreciation	120,350
	Contribution from reserve to Land Purchase	(98,704)
	Capital Contribution Deferred	37,017
	Asset Management Revenue Account	(17,589)
106,621	Balance 31/3/2006	122,835

5. Government Grants and Capital Contributions Deferred

Where the acquisition or enhancement of a fixed asset is financed wholly or in part by a government grant or other contribution, the amount of the grant is credited initially to the Government Grants deferred account or in the case of a capital contribution to the Capital Contributions Deferred Account. Amounts are then released to the asset management revenue account over the useful life of the asset to match the depreciation charged on the asset to which it relates.

The balance on both these accounts represents the remaining value of capital grants or contributions which have been applied to finance the acquisition or enhancement of fixed assets held in the asset register which are subject to depreciation. This year's accounts reflect the transfer of capital contributions in relation to previous years.

	£
Balance 1/4/2005	0
Capital contributions from partner bodies related to 2002/2003	(56,758)
Capital contributions from partner bodies related to 2003/2004	(90,751)
To Asset Management Revenue Account	17,589
Balance 31/3/2006	(129,920)

6. Loans Outstanding

The loans balance represents the monies due to Bridgend County Borough Council that administer the loans on behalf of the Joint Crematorium Committee.

Loans are raised in order to finance capital expenditure for the crematorium. The redemption of the loans is in accordance with the legal requirements of the Council and is at the minimum revenue provision level of 4%.

2004/05 £		2005/06 £
(647,386)	Balance 1/4/2005	(621,491)
0	New Loans	0
25,895	Minimum Revenue Provision Principal Repaid	24,860
0	Capital Contribution	60,579
(621,491)	Balance 31/3/2006	(536,052)

7 Pensions Liabilities FRS 17 Disclosures

No disclosures have been included with regard to FRS 17 as only 7 full time employees are part of the scheme and the employer's contribution is small in relation to the total expenditure and it is considered immaterial. The fixed charges for this exercise irrespective of the size of the organisation penalise a small operation and it is considered that it would make the exercise counter-productive.

8. Creditors

The figure of £8,552 represents payments made during the sundry creditor period immediately following 31 March 2006 relating to the previous financial year.

9. Debtors

This balance comprised of the following:

2004/05 £		2005/06 £
61,363	Trade debtors	72,280
2,356	Constituent Authorities	2,356
63,719	Total	74,636

10 Accumulated Surplus

The movements on the fund for 2005/2006 are as follows:-

	£
Brought Forward 1/4/2005	(107,628)
Surplus 2005/2006	(7,587)
Contribution to Land Purchase	98,704
Carried Forward 31/3/2006	(16,511)

In considering the adequacy of the balances, it should be noted that a sum will be required to fund the second tranche of a land purchase to enable extension of the existing limited facilities.

11. Statement of Movement in Reserves

	£000
Brought Forward	1,853
Surplus	8
Land Purchase	(99)
Capital Financing Account	(17)
Carried Forward	1,745

Cash Flow Statement 2005/2006

2004/05 £000		2005/06 £000	Notes
	<u>Operating Activities</u>		
	<u>Expenditure:</u>		
(170)	Cash paid to or on behalf of employees	(201)	
(343)	Other operating costs	(356)	
(513)	Total Expenditure	(557)	
	<u>Income:</u>		
581	Cash received for goods and services	623	
68	Net Cash Received on operation	66	
	Servicing of Finance and Return on Investments:		
(31)	Interest paid	(31)	
37	Total – Operating Activities	35	
	<u>Capital Activities</u>		
	Purchase of Fixed Assets	(99)	
37	Net Cash flow before financing	(64)	
	<u>Financing</u>		
	Cash Outflows:		
(26)	Repayments of amounts borrowed	(25)	
	Cash Inflows:		
	Cash Received from Joint Authorities adjustment re 2004/05	49	
	Total - Financing	24	
11	Net (Decrease)/Increase in cash	(40)	(1)(2)

Notes to the Cash Flow Statement

1. Reconciliation of the Revenue Account to Revenue Activities

	<u>£000</u>	<u>£000</u>
Net Cost of Services		(141)
Less capital charges		<u>205</u>
		64
Plus/(less) movement in relevant balance sheet items:-		
Decrease in stock	1	
Increase in debtors	(11)	
Increase in creditors	9	
Decrease in prepayments	3	
Sub Total	<u>2</u>	<u>2</u>
Cash inflow from revenue activities		66

2. Analysis of balances on cash and cash equivalents as shown in the balance sheet

Balance b/f 01/04/05	Balance c/f 31/03/06	Change during year
£000	£000	£000
(44)	(84)	(40)