

## Contents

	Page
Explanatory foreword	1
Statement of Responsibilities for the Statement of Accounts	4
Annual Governance Statement	6
Statement of accounting policies	10
Core Financial Statements	
Income and Expenditure Account	14
Statement of the Movement on the Surplus of the Income and Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Certification	17
Notes to the Core Financial Statements	18
Glossary of Terms	24

## Explanatory Foreword

Coychurch Crematorium is owned and operated by a Joint Committee on behalf of Bridgend County Borough Council, the Vale of Glamorgan Council and Rhondda Cynon Taff County Borough Council. The role of the Committee is to oversee the management of the Crematorium in accordance with

- The Environmental Protection Act, 1990
- The Cremation Regulations, 1930
- The Local Authorities Cemetery Order, 1977
- The Federation of British Cremation Authorities Code of Cremation Practice

and to determine fees charged with respect to the operation of the Crematorium's functions and to oversee a quality service for the bereaved within budget constraints.

### Introduction to the Statement of Accounts

- The accounts for 2007/08 have been produced in line with a new Statement of Recommended Practice (SORP) for 2007. This has required the replacement of the Capital Financing Account and the fixed Assets Restatement Reserve with the Capital Adjustment Account.

Also, Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 introduced a requirement for Local Authorities to be explicitly responsible, as part of its arrangements for Corporate Governance, for annually reviewing and reporting on internal control.

However in England, the new CIPFA/SOLACE governance framework requires English Authorities to prepare and publish an Annual Governance Statement (AGS) in order to meet its statutory requirement for 2007/08. In Wales, a review of the current regulations will adopt the good governance framework as proper practices for the purposes of the Accounts and Audit (Wales) Regulations. This would result in the Annual Governance Statement being mandatory for the 2008/09 Accounts. The Assembly is encouraging Authorities in Wales to adopt this on a voluntary basis for 2007/08. These accounts are prepared on that basis and include an Annual Statement of Governance but do not contain a Statement of Internal Control.

The Joint Committee's Statement of Accounts consists of the following:

- Statement of Responsibilities for the Statement of Accounts;
- Annual Governance Statement;
- Statement of Accounting Policies;
- Income and Expenditure Account, which summarises the revenue transactions for the year;

- Balance Sheet, which summarises its assets and liabilities at the year end;
- Cash Flow Statement, which summarises the cash receipts and payments on both capital and revenue activities for the year.

### Analysis of Financial Performance

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

<b>Actual 2006/07 £000</b>		<b>Budget 2007/08 £000</b>	<b>Actual 2007/08 £000</b>	<b>Variance 2007/08 £000</b>
	<b><u>Expenditure</u></b>			
(213)	Employees	(219)	(217)	2
(125)	Premises	(195)	(180)	15
(92)	Supplies & Services	(88)	(97)	(9)
(56)	Agency/Contractors	(60)	(68)	(8)
(34)	Administration	(35)	(33)	2
(42)	Capital Financing Costs	(50)	(45)	5
<b>(562)</b>	<b>Gross Expenditure</b>	<b>(647)</b>	<b>(640)</b>	<b>7</b>
	<b><u>Income</u></b>			
<b>654</b>	<b>Cremation Fees etc</b>	<b>682</b>	<b>694</b>	<b>12</b>
<b>92</b>	<b>Surplus</b>	<b>35</b>	<b>54</b>	<b>19</b>
92	Transfer to Reserve	35	54	19
<b>0</b>	<b>Net Income/Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

The surplus for the year of £54k was £19k more than anticipated.

### Analysis of Variances

The major variances compared to budget occurred under the following headings,

- premises where the budget was to provide for adaptation work to the waiting room and boiler early in the year with a contingency for other works. The contingency was mainly used for the external rendering of the lodge, which left an under-spend of £15k.
- supplies and services, and agency and contractors categories where overspends partially offset the premises savings
- cremation fees which were £12k above the target for the year, resulting from the increase in cremations from 1742 in 2006/07 to 1807 in 2007/08.

### Use of Surpluses

The Joint Committee has been self-sufficient, funding itself from trading revenues for a number of years. 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, the Business Plan envisages generating sufficient monies so that the reserve can be used to fund expenditure aimed at service improvements.

The surplus of £54k has been transferred to the reserve accordingly.

### **Fixed Assets and Capital Borrowing Facilities**

The Joint Committee cannot itself borrow to fund capital expenditure. Where large items of capital expenditure have been required, Bridgend CBC, the host authority has undertaken borrowing on behalf of the committee, other constituent authorities have provided capital contributions or funding direct from revenue has been used. Outstanding borrowing on the Committee's behalf totals £0.5m and fixed assets are valued at £2.2m.

## 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 Treasurer, who is the Executive Director – Resources, Bridgend County Borough Council
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

### **The Treasurer's Responsibilities**

The Treasurer 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 2008.

In preparing this statement of accounts, the Treasurer 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 Treasurer has also:

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

## The Annual Governance Statement

### 1. Scope of responsibility

Coychurch Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This Committee has been jointly established by Bridgend County Borough Council, the Vale of Glamorgan Council and Rhondda Cynon Taff County Borough Council. Bridgend County Borough Council acts as lead authority with responsibility for the stewardship of its financial affairs.

In discharging this overall responsibility, the Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk.

Bridgend County Borough Council, under its financial stewardship of the Joint Committee, has approved a code of corporate governance, which is consistent with the principles of the CIPFA/ SOLACE Framework 'Delivering Good Governance in Local Government'. This statement explains how the Authority has complied with the code. In Wales, the inclusion of the Annual Governance Statement in the Statement of Accounts 2007/08 is voluntary unlike the mandatory requirement in England. The Council has decided to adopt the CIPFA framework and Annual Governance Statement approach for 2007/08.

### 2. The purpose of the governance framework

The governance framework comprises the systems and processes, and cultures and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and 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 Joint Committee's policies, aims and objectives, 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 governance framework has been in place at Coychurch Crematorium Joint Committee for the year ended 31st March 2008 and up to the date of approval of the statement of accounts.

### **3. The Governance Environment**

#### **Bridgend CBC**

The Constitution of Bridgend C.B.C, which has the financial stewardship of the Joint Committee, was revised in September 2007. It defines the roles and responsibilities of the Cabinet (the Executive), Overview and Scrutiny Committees, Full Council and other Committees and Officers.

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. In addition, the Standards Committee has a duty to promote and maintain high standards of conduct for Members.

The Corporate Director Resources is the responsible officer for the administration of the Council's affairs under section 151 of the Local Government Act 1972. The statutory definition of the Responsible Financial Officer was developed by case law in Attorney General -v- De Winton 1906. It was established that he is not merely a servant of the authority but holds a fiduciary relationship to the local taxpayers. Section 151 of the Local Government Act 1972 requires every authority in England and Wales to "... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".

The Council published its Policy for the Management of Risk in February 2006. The Corporate Management Board is responsible for the management of risks in all areas of the Council.

#### **Coychurch Crematorium Joint Committee**

The Joint Committee's Constitution sets out how the Committee operates, how decisions are made, and the procedures, which are followed. It defines the roles and responsibilities of the Members and Officers, the membership and the powers of the Committee.

The elements of the internal control environment of the Joint Committee are achieved as follows

- (i) Establishing and monitoring the achievement of the Coychurch Crematorium's objectives
  - Memorandum of Agreement defining the constitution refers to the submission of estimates to the Committee and preparation of an annual report and statement of accounts.



- Crematorium Business Plan. A Service Level Business Plan was submitted to the Committee in February, 2008.
- (ii) Facilitation of policy and decision-making
- Coychurch Crematorium Joint Committee which makes executive decisions and meets on a quarterly basis comprises members from Bridgend CBC, Vale of Glamorgan CBC and Rhondda Cynon Taff CBC.
  - Crematorium Business 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 Committee
- 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

#### **4. Review of Effectiveness**

The Council having the stewardship of the Joint Committee's finances has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of:-

- the Corporate Directors within the Council
- the work of the internal auditors, 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 governance framework includes the following:-

- A Performance Management Framework
- An Overview and Scrutiny function
- The Audit Committee
- Internal Audit
- The Joint Risk Assessment for the Authority was undertaken in July 2007 involving the Wales Audit Office, Corporate Management Board and Cabinet.
- A Programme Management Board

Internal Audit have confirmed that the examination of the operations of the Crematorium as part of their annual plan has not identified any significant internal control issues.

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 users' 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 a 100% positive overall satisfaction level of 87% excellent, and 13% good.

The service level business plan, mentioned under 3 (ii) above, identified the need to improve IT systems, facilities and infrastructure, especially to plan for the re-build of cremators and possible mercury abatement and to generate income to fund the above.

## 5. Significant Governance Issues

No significant governance issues were identified during 2007/08 as a result of the review of arrangements.

## 6. Certification of Annual Governance Statement

**Signed:**

.....  
**Cllr G A Cox**  
**Chairperson of the Joint Committee**  
**Date**

.....  
**Gareth Moss BA (Hons), CPFA**  
**Treasurer to the Joint Committee**  
**Corporate Director – Resources Bridgend CBC**  
**Date**

.....  
**Joanna Hamilton B Sc Econ (Hons), A Inst CCM**  
**Crematorium Superintendent and Registrar**  
**Date**

## 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 2004. 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 maintained, 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 2007/8 and previous years is -

Land	-	No depreciation as it is classed as a community asset
------	---	---

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**

Charges are made to the revenue account for depreciation, which are transferred out to the Capital Adjustment Account in the Statement of the movement of the Surplus and replaced by the 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 debt less adjustments in respect of the commutation of government grant.

## **6 Capital Charges**

The 2006 Statement of Recommended Practice brought in the charging of depreciation only to the Income and Expenditure Account. Notional interest is no longer to be charged. There is an adjustment later in the accounts, which takes out the depreciation and replaces it with the Minimum Revenue Repayment and charges actual external interest.

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". An adjustment between the Income and Expenditure and Capital Financing Account is made to charge the Minimum Revenue Provision to the Revenue Account. The statement of the movement on the General Fund Balance refers to this.

## **7 Allocation of Support Services**

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. Capital contributions from partner authorities were included in prior year's accounts.

# **Core Financial Statements**

## **2007/08**

## Income and Expenditure Account for year ended 31st March 2008

2006/07		2007/08	Note
£000		£000	
	<b><u>Expenditure:</u></b>		
(213)	Employees	(217)	(4)(5)(12)
(125)	Premises	(180)	
(92)	Supplies, Services & Transport	(97)	(6)
(56)	Agency/Contractors	(68)	
(34)	Administration	(33)	(2)
(114)	Depreciation and Deferred Income	(127)	(3)
<b>(634)</b>	<b>Gross Expenditure</b>	<b>(722)</b>	
	<b><u>Income</u></b>		
654	Fees and Charges	694	(1)
<b>20</b>	<b>Net Cost of Services</b>	<b>(28)</b>	<b>(16)</b>
(20)	External Interest	(25)	
<b>0</b>	<b>Net Operating Expenditure</b>	<b>(53)</b>	
<b>0</b>	<b>(Deficit) / Surplus for year</b>	<b>(53)</b>	

## Statement of the Movement on the Surplus of the Income and Expenditure Account for the Year Ended 31<sup>st</sup> March 2008

£000		£000	Note
	<b>(Deficit) / Surplus for the year on the</b>		
<b>0</b>	<b>Income and Expenditure Account</b>	<b>(53)</b>	
	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the Fund balance for the year - Adjustment to Capital Adjustment Account re		
92	depreciation and MRP	107	(3)
<b>92</b>	<b>Increase/(Decrease) in the Income &amp; Expenditure (I&amp;E) Account for the year</b>	<b>54</b>	
17	I & E Balance brought forward	18	
(91)	Contribution to Land Purchase	0	
<b>18</b>	<b>I &amp; E Balance carried forward</b>	<b>72</b>	

## Balance Sheet as at 31st March 2008

31 <sup>st</sup> March, 2007 £000		31 <sup>st</sup> March, 2008 £000	Note
2,365	<b>Fixed Assets</b>	2,229	(7)
	<b>Current Assets:</b>		
34	Stock	33	(8)
72	Debtors	84	(14)
<b><u>2,471</u></b>	<b>Total Assets</b>	<b><u>2,346</u></b>	
	<b>Less Current Liabilities:</b>		
(1)	Creditors	(34)	(13)
(88)	Cash	(12)	(17)
(515)	Loans Outstanding	(494)	(11)
(123)	Capital Contributions - Deferred	(115)	(10)
<b><u>1,744</u></b>	<b>Total Net Assets</b>	<b><u>1,691</u></b>	
	<b>Financed by:</b>		
1726	Capital Adjustment Account	1619	(9)
18	Accumulated Surplus	72	(15)
<b><u>1,744</u></b>	<b>Total</b>	<b><u>1,691</u></b>	(15)



## Cash Flow Statement 2007/2008

2006/07 £000		2007/08 £000	Notes
	<b>Operating Activities</b>		
	<b>Expenditure:</b>		
(213)	Cash paid to or on behalf of employees	(216)	
<u>(315)</u>	Other operating costs	<u>(345)</u>	
(528)	Total Expenditure	(561)	
	<b>Income:</b>		
<u>656</u>	Cash received for goods and services	<u>682</u>	
128	Net Cash Received on operation	121	(16)
	Servicing of Finance and Return on		
	Investments:		
<u>(20)</u>	Interest paid	<u>(25)</u>	
108	Total – Operating Activities	96	
	<b>Capital Activities</b>		
<u>(91)</u>	Purchase of Fixed Assets	<u>0</u>	
17	Net Cash flow before financing	96	
	<b>Financing</b>		
	Cash Outflows:		
<u>(21)</u>	Repayments of amounts borrowed	<u>(20)</u>	
<u>(21)</u>	<b>Total - Financing</b>	<u>(20)</u>	
<u>(4)</u>	<b>Net Increase/(Decrease) in cash</b>	<u>76</u>	(17)

## **Certification of Accounts**

### **Statement of Accounts 2007/2008**

#### **Coychurch Crematorium Joint Committee**

##### **Treasurer's Certificate**

I certify that the accounts set out in Pages 4 to 23 present fairly the financial position of the Committee as at 31<sup>st</sup> March 2008

Signed .....

Gareth Moss BA (Hons) C PFA

Corporate Director – Resources, Bridgend County Borough Council

Treasurer to the Coychurch Crematorium Joint Committee

Dated.....

##### **Joint Committee's Certificate**

The Statement of Accounts of Coychurch Crematorium Joint Committee at 31<sup>st</sup> March 2008 was approved by the Committee on 5<sup>th</sup> December, 2008

Signed .....

Cllr G A Cox

Chairperson of Joint Committee

Dated .....

## Notes to the Core Financial Statements

### 1 Levies and Contributions

There were no contributions requested or received for 2007/2008 (or 2006/07) from member authorities for revenue.

### 2 Related Party Transactions

The figure of administration of £33k includes a support service charge from Bridgend C.B.C. of £22,926 for the following functions

2006/07		2007/08
£	Function	£
10,253	Environmental and Planning	10,560
1,229	Internal Audit	1,138
3,687	Accountancy	3,409
4,918	Exchequer	1,139
1,230	Cash Control	1,139
1,230	Human Resources	4,548
852	Committee Services /Corporate	993
<b>23,399</b>	<b>Total</b>	<b>22,926</b>

In addition, grounds maintenance services are provided by Bridgend CBC, the cost of which was £65,041. See also note 11 for financing transactions.

### 3 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 2007/08 has been calculated as shown below.

2006/07		2007/08
£		£
536,052	Loans Outstanding b/fwd	514,610
21,442	Minimum Revenue Requirement (4%)	20,584

### 4 Officers' Emoluments

The Accounts and Audit Regulations (Wales) 2005 require the threshold to be £60,000 for this disclosure. There are no staff members whose gross pay exceeds this figure.

## 5 Pension Costs

In 2007/2008 the Joint Committee paid £32,089 employer's contribution representing 20% of employees' pensionable pay. In addition £2,932 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 31<sup>st</sup> March 2007. 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 Cynon Taff.

## 6 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 £5,120 on advertising and promotion in 2007/2008.

## 7 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 income and expenditure account for cremators and buildings.

	<b>Other Land &amp; Buildings</b>	<b>Vehicles, plant etc</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross Book Value at 31 March 2007	2,735	349	3,084
Accumulated Depreciation, and impairment	(416)	(303)	(719)
Net Book Value at 31 March 2007	2,319	46	2,365
Additions			
Disposals			
Revaluations			
Depreciation	(101)	(35)	(136)
Impairments			
<b>Net Book Value at 31 March 2008</b>	<b>2,218</b>	<b>11</b>	<b>2,229</b>

**8. Stocks**

Stocks of £33,309 (31/3/2007 - £33,853) relate to various items purchased for future use in the Garden of Remembrance

**9. Capital Adjustment Account (CAA)**

The 2007 Statement of Recommended Practice recommended that the balance of the CFA and FARA be replaced by the Capital Adjustment Account (CAA) from 1<sup>st</sup> April, 2007. The new account reflects the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them.

<b>2006/07</b>		<b>2007/08</b>
£		£
(1,728,311)	Balance B/Fwd (NB account established 1/4/2007	(1,726,481)
(90,581)	Contribution from reserve to Land Purchase	0
120,349	Depreciation (Note 7)	135,873
(6,496)	Deferred Capital Contribution (Note 12)	(8,255)
(21,442)	Minimum Revenue Provision (Note 3)	(20,584)
(1,726,481)	<b>Balance C/Fwd</b>	<b>(1,619,447)</b>

**10. 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 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.

<b>2006/07</b>		<b>2007/08</b>
£		£
(129,920)	Balance B/Fwd	(123,424)
6,496	Income and Expenditure Account	8,255
<b>(123,424)</b>	<b>Balance C/Fwd</b>	<b>(115,169)</b>

**11. 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%.

<b>2006/07</b>		<b>2007/08</b>
£		£
(536,052)	Balance B/Fwd	(514,610)
0	New Loans	0
21,442	Minimum Revenue Provision Principal Repaid	20,584
<b>(514,610)</b>	<b>Balance C/Fwd</b>	<b>(494,026)</b>

**12 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.

**13 Creditors**

<b>2006/07</b>		<b>2007/08</b>
£		£
173	Sundry period creditors	22,293
237	Reserved creditors	11,855
<b>410</b>	<b>Total</b>	<b>34,148</b>

The figure of £22,293 represents payments made during the sundry creditor period immediately following 31 March 2008 relating to the previous financial year. £11,855 relates to a reserved creditor for unfunded pension costs to Rhondda Cynon Taff CBC, the grounds maintenance charge for four weeks at the end of the year and building maintenance charges to Bridgend CBC.

**14 Debtors**

This balance comprised of the following:

<b>2006/07</b>		<b>2007/08</b>
<b>£</b>		<b>£</b>
69,982	Trade debtors	81,900
2,356	Constituent Authorities	2,356
<b>72,338</b>	<b>Total</b>	<b>84,256</b>

**15 Statement of Movement in Reserves**

	<b>FARA</b>	<b>CFA</b>	<b>CAA</b>	<b>I &amp; E</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bal b/fwd at 1/4/2007	1,851	(125)		18	1,744
Transfers to CAA	(1,851)	125	1726	-	-
Restated bal b/fwd	-	-	1726	18	1744
Deficit for the year	-	-		(53)	(53)
Transfers between CAA & I&E	-	-	(107)	107	-
<b>Bal c/fwd at 31/3/2008</b>	<b>-</b>	<b>-</b>	<b>1619</b>	<b>72</b>	<b>1,691</b>

In considering the adequacy of the balances, it should be noted that a sum will be required to fund the bringing into operation of the acquired land to enable extension of the existing facilities.

**16 Reconciliation of the Revenue Account to Cash Flow from Operating Activities**

Net Cost of Services	<u>£000</u>	<u>£000</u>
	(28)	
Add back capital charges		<u>127</u>
		99
Plus/(less) movement in relevant balance sheet items:-		
Increase in debtors		(12)
Increase in creditors		33
Decrease in stock		1
Sub Total	<u>22</u>	<u>22</u>
Cash inflow from operating activities		121

**17 Analysis of balances on cash and cash equivalents as shown in the balance sheet**

<b>Balance b/fwd</b> <b>01/04/07</b> <b>£000</b>	<b>Balance c/fwd</b> <b>31/03/08</b> <b>£000</b>	<b>Change</b> <b>during year</b> <b>£000</b>
(88)	(12)	76



## Glossary of Terms

**Accrual**

An accrual is a sum shown in the accounts representing income or expenditure for the accounting period but which was not actually received or paid as at the date of the balance sheet.

**Actuary**

An actuary is a person who works out insurance and pension premiums, taking into account factors such as life expectancy.

**Agency services**

Agency services are services provided for us by an outside organisation.

**Amortisation**

Reduction in value of capital expenditure, which has not created an asset, through charges to revenue.

**Audit**

An audit is an independent examination of the Council's accounts.

**Balance Sheet**

This is a statement of our assets, liabilities and other balances at the date of the end of the accounting period.

**Best Value Accounting Code of Practice (BVACOP)**

The Best Value Accounting Code of Practice modernises the system of Local Authority accounting and reporting to ensure it meets the needs of modern local government, in particular the duty to secure and demonstrate Best Value in the provision of services to the community.

**Budget**

A budget (or estimate) is a plan of income and spending, based upon which council tax is set. Actual expenditure and income is subsequently monitored against this plan.

**Capital expenditure**

Capital expenditure is spending on fixed assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

**Capital Adjustment Account**

This is money set aside in the Council's accounts for capital spending and to repay loans.

**Capital receipt**

Capital receipts are proceeds from the sale of fixed assets such as land or buildings.

**Cashflow Statement**

This is a statement that summarises the movements in cash during the year.

**Balance Sheet**

The balance sheet combines the assets, liabilities and other balances of all our services, at the end of the financial year, 31st March.

**Contingent liabilities**

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence of uncertain future events.

**Corporate and Democratic Core (CDC)**

CDC is a service defined by the Best Value Accounting Code of Practice representing costs relating to Member activity (Democratic Representation and Management) and costs that provide the infrastructure to ensure that services can be provided (Corporate Management).

**Creditor**

A creditor is an organisation / someone owed money by the Council at the end of the financial year for goods / services received during the financial year or previous years.

**Current assets**

These are short-term assets that are available for the Council to use in the following accounting year.

**Current liabilities**

These are short-term liabilities that are due for payment by the Council in the following accounting year.

**Debtor**

A debtor is an organisation / someone who owed the Council money at the end of the financial year for goods / services received during the financial year or previous years.

**Deferred grants**

The government grants deferred account represents the balance of grants applied to the financing of fixed assets awaiting amortisation to the Income and Expenditure account to match the depreciation of the relevant assets.

**Depreciation**

Depreciation is the estimated loss in value of fixed assets that are presented in the Balance Sheet.

**Direct Service Organisation (DSO)**

This was a term referring to parts of the Council's own organisation. It consisted of workers directly employed (including supervisory staff), accommodation, equipment etc used to carry out specified tasks for the Council.

**Financial Year**

This is the accounting period. For local authorities it starts on 1st April and finishes on 31st March of the following year.

**Finance leases**

Finance leases are used to finance purchases where the Council takes on most of the risks associated with owning the asset.

**Fixed asset**

These are long-term assets that are used in the provision of services (usually for more than one year).

**Financial Reporting Standard (FRS)**

Financial regulations to be followed as set by the Accounting Standards Board (ASB).

**Government grants**

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

**Income and Expenditure Account**

This account records day-to-day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

**Leasing**

This is a method of financing capital expenditure by paying the owner to use property or equipment for a number of years.

**Liability**

A liability is an amount payable at some time in the future.

**Minimum Revenue Provision (MRP)**

This is an amount that has been set aside to repay loans.

**Net Realisable Value**

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

**Operating assets**

These are assets used in the running / provision of services.

**Operating leases**

These are leases where risks of ownership of the asset remain with the owner.

**Post balance sheet events**

Post balance sheet items are those that arise after the Balance Sheet date.

These are items that did not exist at the time the Balance Sheet was prepared

but should be disclosed if they are relevant to the fair presentation of the accounts.

**Precepts**

This is the amount paid to a non-billing authority (for example a community council) so that it can cover its expenses (after allowing for its income).

**Prior year adjustment**

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

**Provision**

A provision is an amount we set aside in our accounts for expected liabilities which we cannot measure accurately.

**Related party transactions**

These are the transfer of assets or liabilities or the performance of services by, to or for a related party no matter whether a charge is made.

**Reserves**

These are the sums set aside to meet future expenditure. They may be earmarked to fund specific expenditure or be held as general reserves to fund non specific future expenditure.

**Revaluation Reserve**

This represents the non-distributable increase/decrease in the valuation of fixed assets.

**Revenue account**

This is an account which records our day to day spending and income on items such as salaries and wages, running costs of services and the financing of capital expenditure.

**Statement of Standard Accounting Practice (SSAP)**

Financial regulations to be followed as set by the Accounting Standards Board (ASB).

**Statement of Total Recognised Gains and Losses (STRGL)**

The purpose of the statement is to show all gains and losses recognised in a period, to reflect the Council's financial performance during the year.

**Stocks**

Stocks are raw materials purchased for day to day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the balance sheet.

**Work in progress (WIP)**

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.