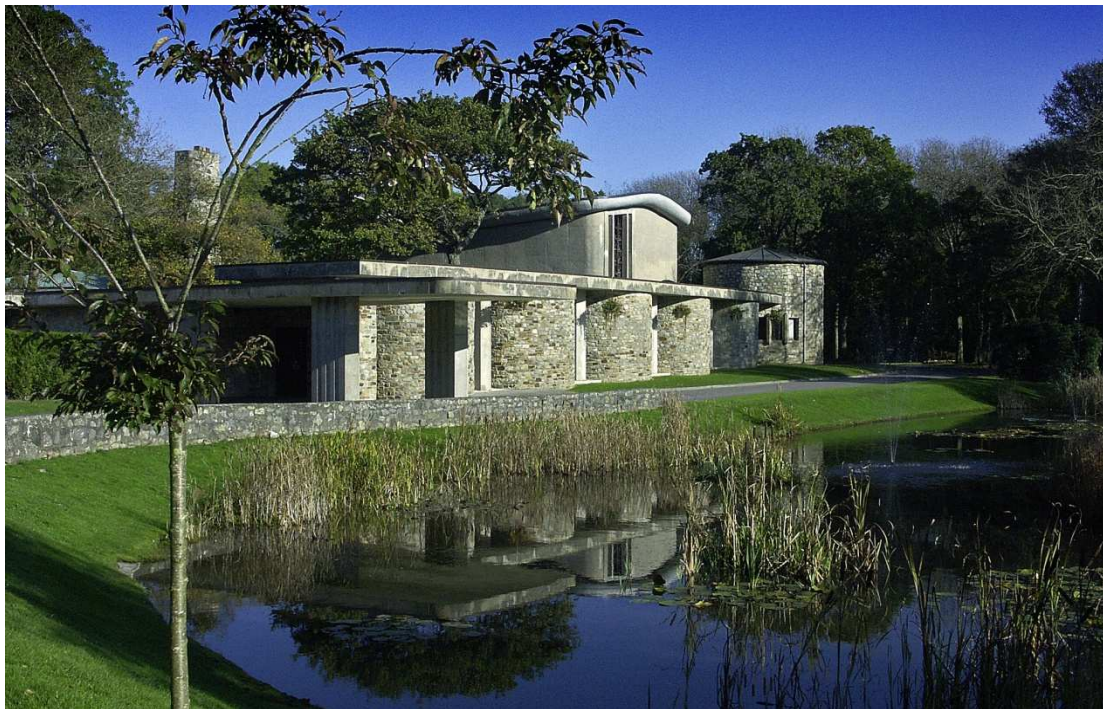


# Coychurch Crematorium Joint Committee

## Statement of Accounts

2012/13



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# Explanatory Foreword

Coychurch Crematorium was opened in 1971 to satisfy the requirement for a cremation service within a 15 mile radius of Bridgend. The 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.

## 1. Introduction to the Statement of Accounts

The accounts for 2012/13 have been produced in line with Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2012 which is in line with International Financial Reporting Standards.

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

### a) Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Joint Committee and its officers for the preparation and approval of the Statement of Accounts.

### b) Annual Governance Statement

This statement provides a continuous review of the effectiveness of the Joint Committee's governance framework including the system of internal control and risk management systems, so as to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses.

### c) Statement of Accounting Policies

The purpose of this Statement is to explain the basis of the figures in the Accounts. It outlines the accounting policies that have been adopted.

**d) The 'core' financial statements**

1. Movement in Reserves Statement on the Crematorium Fund Balance

This statement shows the movement in the year on different reserves held by the Joint Committee. These are analysed into 'usable reserves' i.e. those that can be applied to fund expenditure and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Joint Committee's services details of which can be found in the Comprehensive Income and Expenditure Statement. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Joint Committee. This shows that the total Joint Committee fund balance has increased by £123k.

2. The Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, and summarises the income and expenditure incurred on the day to day running of the Crematorium's activities.

For 2012/13, the Crematorium showed a surplus on the Comprehensive Income and Expenditure Statement of £124k.

3. Balance Sheet

This shows the Joint Committee's financial position as at 31 March 2013, where the net worth was £2.737m. The statement summarises the Joint Committee's assets and liabilities, the balances and reserves at the Committee's disposal, its long-term indebtedness and the fixed and net current assets used in the Committee's operations. Reserves are reported in two categories. Usable reserves can be used by the Committee to provide services subject to the need to maintain a prudent level of reserves. The second category, Unusable Reserves, are not available to provide services. This includes reserves that hold unrealised gains and losses on assets, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences.

4. Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of Coychurch Crematorium during the reporting period and shows that the Committee's cash position had increased by £103k.

**Coychurch Crematorium Joint Committee Statement of Accounts 2012/13**

The statement shows how Coychurch Crematorium generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of Coychurch Crematorium are funded by way of recipients of services provided by Coychurch Crematorium. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to Coychurch Crematorium's future service delivery.

**e) The notes to the accounts**

These are disclosures relating to the financial statements.

**Analysis of Financial Performance**

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

<b>Actual</b>		<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>2011/12</b>		<b>2012/13</b>	<b>2012/13</b>	<b>2012/13</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b><u>Expenditure</u></b>			
234	Employees	244	236	(8)
279	Premises	277	253	(24)
122	Supplies, Services & Transport	133	146	13
86	Agency/Contractors	77	81	4
25	Administration	25	35	10
51	Capital Financing Costs	53	51	(2)
<b>797</b>	<b>Gross Expenditure</b>	<b>809</b>	<b>802</b>	<b>(7)</b>
	<b><u>Income</u></b>			
(890)	Crematorium Fees etc	(844)	(925)	(81)
<b>(93)</b>	<b>(Surplus)/Deficit</b>	<b>(35)</b>	<b>(123)</b>	<b>(88)</b>
<b>(93)</b>	<b>Transfer (to)/from Reserve</b>		<b>(123)</b>	

The actual performance for the year is provided in the format in which information is normally reported to the Joint Committee, and excludes any accrual in respect of the cost of holiday entitlements earned by employees but not taken at the year end. The financial position as at 31 March 2013 showed a surplus of £123k.

This is different to the figure reported in the Comprehensive Income and Expenditure Account of £124k surplus which includes an adjustment in respect of holiday entitlements.

Reasons for differences between budget and spend

The financial position as at 31 March 2013 showed a net surplus within the year of £123k.

Explanations for the more significant variances from budget are given below:

- A net underspend of £8k on employees as a result of a part year vacancy and a reduction in planned overtime.
- A net overspend of £13k on Supplies, Services & Transport due mainly to increases in the purchase / repair of equipment and additional printing costs.
- A net overspend of £10k on Administration as a result of an increase in central support recharges due to the change in the methodology used.
- Income for cremations was £81k above target for the year as the budget was based on the assumption that there would be a 20% reduction in cremations following the opening of the new crematorium in the Vale of Glamorgan. In actuality the number of cremations fell from 1,571 in 2011/12 to 1,484 in 2012/13, a reduction of 6%.

## **2. Use of Surpluses**

The Joint Committee has been self-sufficient, funding itself from trading revenues for a number of years. 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 for 2012/13 of £123k has been added to the accumulated reserve for the Crematorium bringing the total of that reserve to £538k.

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

The Joint Committee cannot 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 Joint Committee and this has either been funded by other constituent authorities making capital contributions or the expenditure has been funded from the revenue account. Outstanding borrowing on the Joint Committee's behalf totals £275k and fixed assets are valued at £2.475m.

**4. The Impact of the Current Economic Climate on the Joint Committee**

The economic climate has little effect on the activity at the Crematorium, with cremation being now used for more than 70% - 75% of all deaths. However, the establishment of a private sector Crematorium in the Vale of Glamorgan has reduced the number of cremations undertaken in Coychurch Crematorium, with a corresponding reduction in income generated. This impact has been reflected in the revised budget for 2012/13 and the following year.

## 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 Treasurer, who is the Corporate Director Resources, Section 151 Officer, 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.

#### Joint Committee's Certificate

The Statement of Accounts of the Coychurch Crematorium Joint Committee as at 31<sup>st</sup> March 2013 was approved by .....

**Signed :**

Chairperson of the Joint Committee

**Date :**



## **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 the United Kingdom (the Code), is required to give a true and fair view of the financial position of the Joint Committee at the accounting date and its income and expenditure for the year ended 31 March 2013.

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 local authority Code.

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.

### **Treasurer's Certificate**

I certify that the Statement of Accounts presents a true and fair view of the financial position of Coychurch Crematorium Joint Committee at 31 March 2013.

**Signed :**

**Corporate Director-Resources, Section 151 Officer**

**Date :**

## **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 has not approved a single over-arching code of corporate governance, but has several policies and processes that are 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 various elements of the framework and the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement of internal control. The Council's Annual Governance Statement is presented to the Audit Committee every year for approval.

### **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 on-going 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 2013 and up to the date of approval of the Statement of Accounts.

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

#### **Bridgend CBC**

##### Policies and Plans

The six principles of corporate governance that underpin the effective governance of all local authority bodies as defined by CIPFA and SOLACE, incorporating the WG governance principles (shown in italics) are as follows:

- Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; (*Putting the Citizen First*); (*Achieving Value for Money*).
- Members and officers working together to achieve a common purpose with clearly defined functions and roles; (*Knowing Who Does What and Why*);
- Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; (*Living Public Service Values*);
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; (*Fostering Innovation Delivery*);
- Developing the capacity and capability of Members and officers to be effective; (*Being a Learning Organisation*);
- Engaging with local people and other stakeholders to ensure robust public accountability; (*Engaging with Others*);

The Council's aims, objectives and main priority areas are detailed in its Corporate Improvement Plan 2013–2017

##### Council's Constitution and Audit Committee

The Constitution is at the heart of Bridgend County Borough Council's business and 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. It also includes the Codes of Conduct for both members and employees. The Constitution is a comprehensive document that is kept under continual review by the Monitoring Officer to ensure that the aims and principles of the constitution are given full effect. It provides a point of reference for individuals and organisations both inside and outside the Council.

It defines the roles and responsibilities of the Cabinet (as Executive), the Overview and Scrutiny Committees which holds the Cabinet to account, Full Council and other Committees and Officers. Within the Constitution, there are protocols for effective communication and rules of procedures.

The Council has an Audit Committee which provides the focus for reviewing the effectiveness of the system of internal control. This is primarily based upon reviewing the work of Internal Audit and receiving reports from the Council's external auditors. The Committee provides assurance to the Council in relation to the effectiveness of the risk management framework, internal control environment and governance matters.

In addition, the Standards Committee has a duty to promote and maintain high standards of conduct and support members' observation of the Model Code of Conduct.

### **Financial Management**

The 'Section 151' Officer is the responsible officer for the administration of the Council's affairs under section 151 of the Local Government Act 1972. She is responsible for ensuring that appropriate advice is given on all financial matters, for maintaining proper financial accounts and records and maintaining an effective system of internal financial control.

### **Code of Conduct**

The Council has established Codes of Conduct for both Employees and Members that define expected standards of personal behaviour. These are contained within Part 5 of the Constitution

### **Risk Management**

The Council has developed a robust approach to the management of risk and the risk management policy is aligned with Directorate Business Plans and the Council's performance management framework. All risks identified are assessed against the corporate criteria. Risks are viewed from both a Service and Council-wide perspective which allows the key risks to be distilled into a Corporate Risk Register which is regularly reviewed. The Council's approach to Risk Management ensures that key risks are considered within the determination of

### **Coychurch Crematorium Joint Committee**

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

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 approved by the Committee in March, 2012.
- (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 County Borough Council, Vale of Glamorgan County Borough Council and Rhondda Cynon Taff County Borough Council.
  - Crematorium Business Plan
- (iii) Ensuring compliance with established policies, procedures, laws and regulations
  - Function delegated to Bridgend County Borough Council.
  - 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 County Borough Council by way of the support service agreement and periodic internal audit reviews
- (vi) Facilitating the performance management of the authority and its reporting
  - Bridgend County Borough Council Corporate Improvement arrangements
  - Questionnaires

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

Bridgend County Borough 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 who have responsibility for the development and maintenance of the governance environment.

- 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 measures and actions:-

- A Performance Management Framework
- An Overview and Scrutiny function
- The Audit Committee
- Internal Audit
- The Joint Risk Assessment for the Authority has been undertaken and agreed with regulators in September 2009 involving the Wales Audit Office, other regulatory bodies, Corporate Management Board and Cabinet.
- A Programme Management Board

A review of the Coychurch Crematorium was undertaken by the shared Bridgend County Borough Council/ Vale of Glamorgan Council Internal Audit service during October 2012 as part of their Internal Audit Plan and was given a grading of 'substantial assurance' with regard to the management of risk.

The functions of the section were documented; key controls were identified and testing undertaken. The audit findings were based on discussions with staff, observations, and the results of sample testing. The findings stated that the systems provide reasonable assurance that the key risks to the operation are controlled.

As part of the Bridgend County Borough Council 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, with responses ranging from good to excellent.

The service level business plan, mentioned under 3 (i) above, identified the need to improve 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 2012/13 as a result of the review of arrangements.

**6. Certification of Annual Governance Statement**

**Signed:**

.....  
**Cllr xxxxxxxxxxxx**  
**Chairperson of the Joint Committee**  
**Date**

.....  
**Ness Young, CPFA**  
**Treasurer to the Joint Committee**  
**Corporate Director Resources, S151 Officer, Bridgend County Borough**  
**Council**  
**Date**

.....  
**Joanna Hamilton B. Sc. (Hons), AICCM**  
**Crematorium Manager and Registrar**  
**Date**

# Statement of Accounting Policies

## 1 General Principles

The Statement of Accounts summarises the Committee's transactions for the 2012/13 financial year and its position at the year end of 31 March 2013. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2012/13 and the Service Reporting Code of Practice (SeRCOP) 2012/13 supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is historical cost, modified by the revaluation of certain categories of tangible fixed assets and financial instruments.

## 2 Accruals of Income & Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees and charges due from customers are accounted for as income at the date the Committee provides the relevant goods or services.
- Supplies are recorded as expenditure when they are consumed – where supplies have been received but not yet consumed; they are carried as inventories (stocks) on the balance sheet.
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## 3 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.



## **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

## **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

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**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

The depreciation policy adopted for 2012/13 is calculated on the following bases:

- buildings – Depreciated on a straight-line basis according to estimated asset lives (ranging from 10 to 50 years) based on the value at the start of the year except for land, which is not depreciated.
- vehicles, plant, furniture and equipment – Depreciated on a straight-line basis according to estimated asset lives (ranging from 3 to 10 years).

#### **5 Reserves**

The Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the Income and Expenditure Account. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Accumulated Surplus Balance in the Movement in Reserves Statement so that there is no net charge against the revenue account for the expenditure.

#### **6 Minimum Revenue Provision**

Charges are made to the income and expenditure 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 prudential responsibility the Committee makes a provision from its revenue accounts for the redemption of loan debt. This minimum provision is set at 4% of debt.

#### **7 Capital Charges**

Depreciation is charged to the Income and Expenditure Account and there is an adjustment in the Statement of the Movement on the Surplus of the Income and Expenditure Account, which removes

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”.

## **8 Allocation of Support Services**

The costs of overheads and support services are charged to services that benefit from the supply or service in accordance with the costing principles of the CIPFA *Service Reporting Code of Practice 2012/13 (SeRCOP)*. For 2012/13, 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 numbers, floor area etc)

## **9 Pension Costs**

The Council participates in a pension fund for employees of the Crematorium which 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.

## **10 Inventories**

Inventories (stocks) are included in the Balance Sheet at the lower of cost and net realisable value.

## **11 Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and

- the grant / contribution will be received.

Amounts recognised as due to the Committee are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Accumulated Surplus Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **12 Employee benefits**

### **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and bonuses for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in the Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs

## **13 Leases**

The Joint Committee uses leasing as a means of acquiring equipment.

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as

an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease). The only lease held by the crematorium finished during the year 2012/13.

**14 VAT**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to Her Majesty's Revenue and Customs and all VAT paid is recoverable from them.

# **Core Financial Statements**

## **2012/13**

**Movement in Reserves Statement For Years Ended 31 March 2012 & 2013**

	Accumulated Surplus Balance £'000	Total Usable Reserves £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000	Short Term Compensated Absences £'000	Total Unusable Reserves £'000	Total Authority Reserves £'000	Notes
Balance at 31 March 2011	322	322	657	1,619	(1)	2,275	2,597	
<b><u>Movement in reserves during 2011/12</u></b>								
Surplus or (deficit) on provision of services	93	93	0	0	0	0	93	
Total Comprehensive Expenditure and Income	93	93	0	0	0	0	93	
<b><u>Adjustments between accounting basis &amp; funding basis under regulations</u></b>	(1)	(1)	(18)	20	0	2	1	
Net Increase/(Decrease) before Transfers to Earmarked Reserves	92	92	(18)	20	0	2	94	
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0	
Increase/(Decrease) in Year	92	92	(18)	20	0	2	94	
Balance at 31 March 2012 carried forward	415	415	639	1,639	(1)	2,277	2,692	
<b><u>Movement in reserves during 2012/13</u></b>								
Surplus or (deficit) on provision of services	124	124				0	124	
Total Comprehensive Expenditure and Income	124	124	0	0	0	0	124	
<b><u>Adjustments between accounting basis &amp; funding basis under regulations</u></b>	(1)	(1)	(98)	19	1	(78)	(79)	
Net Increase/(Decrease) before Transfers to Earmarked Reserves	123	123	(98)	19	1	(78)	79	
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0	
Increase/(Decrease) in Year	123	123	(98)	19	1	(78)	79	
Balance at 31 March 2013 carried forward	538	538	541	1,658	0	2,199	2,737	



## Comprehensive Income & Expenditure Statement 2012/13

2011/12			Description	2012/13			Notes
Gross Expenditure Restated	Gross Income Restated	Net Expenditure Restated		Gross Expenditure Restated	Gross Income Restated	Net Expenditure Restated	
£'000	£'000	£'000		£'000	£'000	£'000	
234		234	Staff Costs	235		235	(2)
279		279	Premises	253		253	
122		122	Supplies, Services & Transport	146		146	
86		86	Agency/Contractors	81		81	
25		25	Administration	35		35	(5)
47		47	Depreciation & Deferred Income	47		47	
793	0	793	Gross Cost of Services	797	0	797	
			<b><u>Income</u></b>				
	(890)	(890)	Fees & Charges		(925)	(925)	
793	(890)	(97)	Net Cost of Services	798	(925)	(127)	
4		4	Financing & Investment Expenditure	4		4	
797	(890)	(93)	(Surplus)/Deficit on Provision of Services	801	(925)	(124)	
0	0	0	Other Comprehensive Income & Expenditure	0	0	0	
797	(890)	(93)	<b>Total Comprehensive Income or Expenditure</b>	801	(925)	(124)	

**Balance Sheet for Years Ended 31 March 2012 & 2013**

1st April 2012  £000	Description	1st April 2013  £000	Notes
	<b>Property, Plant &amp; Equipment</b>		
2599	- other land and buildings	2,475	(8)
2	- plant and equipment	0	
<b>2,601</b>	<b>Long Term Assets</b>	<b>2,475</b>	
	<b>Short Term Borrowing</b>		
31	Inventories	31	(10)
90	Short Term Debtors	109	(11)
316	Cash and Cash Equivalents	419	
<b>437</b>	<b>Current Assets</b>	<b>559</b>	
	<b>Current Liabilities</b>		
(13)	Short term borrowing	(11)	(12)
(23)	Short Term Creditors	(22)	(13)
<b>(36)</b>	<b>Current Liabilities</b>	<b>(33)</b>	
	<b>Long Term Liabilities</b>		
<b>(310)</b>	<b>Long Term Borrowing</b>	<b>(264)</b>	(12)
<b>(310)</b>	<b>Long Term Liabilities</b>	<b>(264)</b>	
	<b>Net Assets</b>		
<b>2,692</b>	<b>Net Assets</b>	<b>2,737</b>	
	<b>Usable reserves</b>		
415	- Accumulated Surplus	538	(14)
	<b>Unusable reserves</b>		
639	- Revaluation Reserve	541	(15)
1,639	- Capital Adjustment Account	1,658	(15)
(1)	-Short-term Accumulating Compensated Absences Account		
<b>2,692</b>	<b>Total Reserves</b>	<b>2,737</b>	

**Cash Flow statement as at 31 March 2013**

<b>2011/12 £'000</b>		<b>2012/13 £'000</b>	<b>Notes</b>
(93)	Net (surplus) or deficit on the provision of services	(124)	
(72)	Adjust net surplus or deficit on the provision of services for noncash movements	(27)	
	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
<b>(165)</b>	<b>Net cash flows from Operating Activities</b>	<b>(151)</b>	<b>(17)</b>
0	Investing Activities	0	
48	Financing Activities	48	(18)
<b>(117)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(104)</b>	
199	Cash and cash equivalents at the beginning of the reporting period	316	
<b>316</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>419</b>	

## **Certification of Accounts**

### **Statement of Accounts 2012/13**

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

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

I certify that the accounts set out in Pages 22 to 25 present a true and fair view of the financial position of the Committee as at 31<sup>st</sup> March 2013.

Signed .....

**Ness Young**

Ness Young CPFA  
Corporate Director Resources, Section 151 Officer

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 2013 was approved by the Committee on XXXXXXXX.

Signed .....

Cllr xxxxxxxxxxxx

Chairperson of Joint Committee

Dated .....

**Notes to the  
Core  
Financial  
Statements  
2012/13**

## **\_Notes to the Movement in Reserves Statement**

### **1. Adjustments between Accounting Basis and Funding Basis Under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The tables below detail the adjustments for 2012/13

### Movements in Reserves Statements for Year ended 31 March 2013

2012-13	Accumulated Surplus Balance £'000	Movement in Usable Reserves £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000	Short Term Compensated Absences £'000	Movement In Unusable Reserves £'000
<b><u>Adjustment between Accounting basis &amp; funding basis under regulations</u></b> <b>Adjustments Primarily involving the Capital Adjustment Account</b>						
<b>Reversal of items Debited or Credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for Depreciation of Non-Current Assets	29	29	(18)	(11)		(29)
- <b>Insertion of Items not Debited or Credited to the Comprehensive Income and Expenditure Statement :</b>						
Statutory Provision for the repayment of debt - MRP	(13)	(13)		13		13
Voluntary provision above MRP	(35)	(35)		35		35
Losses on Reclassification of asset			(80)			(80)
-						0
<b>Other adjustments include</b>						
Adjustments between CAA and Revaluation Reserve for Depreciation that is related to the revaluation balance rather than Historic Cost	18	18		(18)		0 (18) 0
<b>Adjustments Primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		0			1	1
<b>Total Comprehensive Expenditure and Income</b>	(1)	(1)	(98)	19	1	(78)

## Notes to the Comprehensive Income and Expenditure Statement

### 1. Levies and Contributions

There were no contributions requested or received for 2012/2013 from member authorities for revenue

### 2. Officers' Emoluments

The Accounts and Audit Regulations (Wales) 2004 require the threshold to be £60,000 for this disclosure. There are no staff members whose gross pay exceeds this figure.

### 3. Pension Costs

In 2012/13 the Joint Committee paid £35,375 (£35,648 – 2011/12) employer's contributions representing approximately 15% of employees' pensionable pay. In addition £3,478 (£3,307 – 2011/12) 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. Under Superannuation Regulations, contribution rates are set to meet 100% of the overall liabilities of the fund.

Further information can be found in Rhondda Cynon Taff County Borough Council Pension Fund's Annual Report which is available upon request from the Director of Finance, Rhondda Cynon Taff County Borough Council, Bronwydd, Porth, Rhondda, Rhondda Cynon Taff, CF39 9DL

<http://www.rctpensions.org.uk/Home.aspx>

### 4. Pensions Liabilities FRS 17 Disclosures

No disclosures have been included with regard to FRS 17 as only 9 full time employees were part of the scheme in 2012/13 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.

### 5. Related Party Transactions

The support service charge from Bridgend County Borough Council for 2012/13 is £35k. (£25k – 2011/12) for the following functions:



## Coychurch Crematorium Joint Committee Statement of Accounts 2012/13

2011/12 £		2012/13 £
10,986	Communities Admin	10,986
1,280	Internal Audit	20
3,838	Accountancy	10,330
1,280	Cash Control	0
0	Procurement	1,380
0	IT	7,000
0	Customer Care	370
5,120	Human Resources	2,770
1,280	Creditors	820
1,119	Committee	1150
<b>24,903</b>	<b>Total</b>	<b>34,826</b>

The recharging methodology was reviewed in 2012/13 and amended to reflect current levels of support.

In addition Bridgend County Borough Council provided the following services:-

- Grounds maintenance services the cost of which was £72,927 (£81,048 – 2011/12)
- Cleaning the cost of which was £7,133 (£6,016 – 2011/12)

### **6. External Audit Costs**

In 2012/13 the joint committee incurred fees of £2100 (£2,100 – 2011/12) relating to external audit and inspection.

### **7. Leasing costs**

In 2012/13 the rentals payable in the year in respect of operating leases were £563 (£2,303 – 2011/12).

This is in relation to Intruder Alarm equipment which was taken out on behalf of the committee in June 2007 by BCBC's Building Maintenance department and finished in June 2012.

## **Notes to the Balance Sheet**

### **8. Movement in Fixed Assets**

The crematorium buildings, land, fixtures and fittings were independently valued as at 1 April, 2009, by Alder King Chartered Surveyors on the under mentioned basis in accordance with the Statements of Asset Valuation, Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. Fixed Assets are included in the Balance Sheet on the valuation basis set out in the Statement of Accounting Policies. Additions are included in the accounts at their cost of acquisition. Depreciation has been charged to the income and expenditure account for cremators and buildings.

**Coychurch Crematorium Joint Committee Statement of Accounts 2012/13**

	<b>Other Land and Buildings £'000</b>	<b>Vehicle, Plant and Equipment £'000</b>	<b>Total £'000</b>
<b>Cost or Valuation</b>			
At 1st April, 2012	2,834	7	2,841
Additions			
Disposals			
Reclassifications	(80)		(80)
Revaluations			
<b>At 31st March 2012</b>	<b>2,754</b>	<b>7</b>	<b>2,843</b>
<b>Depreciation and Impairments</b>			
<b>As at 1st April 2012</b>	(235)	(5)	(240)
Loss on Revaluation			
Charge for 2012/13	(44)	(2)	(46)
Impairment on 2012/13 exp			
Disposals			
Reclassifications			
Removal of Accumulative bal on revaluation			
<b>At 31st March 2012</b>	<b>(279)</b>	<b>(7)</b>	<b>(286)</b>
<b>Balance Sheet as at 1 April 2012</b>	<b>2,599</b>	<b>2</b>	<b>2,601</b>
<b>Balance Sheet as at 31 March 2013</b>	<b>2,475</b>	<b>0</b>	<b>2,475</b>

<b>Nature of Asset Holding</b>			
Owned	2,475		2,475

**9. Capital Expenditure and Financing**

There was no capital investment which required financing during the year as all capital additions have been funded direct from revenue.

**10. Inventories**

Stocks of £30,923 (31/3/2012 - £31,014) relate to various items purchased for future use in the Garden of Remembrance.

**11. Short Term Debtors**

This represents the monies owed to the Coychurch Crematorium Joint Committee. The main debtors are listed below:

2011/12 £		2012/13 £
87,562	Trade debtors	106,412
2,356	Constituent Authorities	2,356
<b>89,918</b>	<b>Total</b>	<b>108,768</b>

**12. Long and short term loans**

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% plus an additional principal repayment.

2011/12 £'000		2012/13 £'000
(371)	Balance brought forward	(323)
33	Additional Principal	35
15	Minimum Revenue Provision Principal Repaid	13
<b>(323)</b>	<b>Balance carried forward</b>	<b>(275)</b>

**13. Short Term Creditors**

These represent monies owed by the Coychurch Crematorium Joint Committee and are analysed as follows:

2011/12 £	Short Term Creditors	2012/13 £
1	Other Local Authorities	0
22	Other Entities & Individuals	22
<b>23</b>		<b>22</b>

The creditor balance consists of the following category: –

2011/12 £	Description	2012/13 £
23	Reserved Creditors	22
<b>23</b>	<b>Total</b>	<b>22</b>

The balance of reserved creditors relates to £353 payroll reserves due to travelling expenses/overtime incurred in March but not paid until April, £4,929 for utilities (March), £10,284 for inventories received and not invoiced, £4,100 for medical referee charges and £2,000 for various maintenance works.

**14. Usable Reserves**

Movements in the usable reserves for Coychurch Crematorium are detailed in the Movement in Reserves statement.

The following notes detail the Usable Reserves for Coychurch Crematorium Joint Committee:-

**Accumulated Surplus**

This reflects the accumulated (surplus)/deficit for the year and the balance of any previous year's surpluses held to fund any future capital works. In 2012/13 a surplus of £124k was generated which has been added to this reserve.

2011/12 £'000		2012/13 £'000
(322)	Opening Balance	(415)
(93)	Transfer to revenue account re (surplus)/deficit	(123)
<b>(415)</b>	<b>Closing Balance</b>	<b>(538)</b>

**15. Unusable Reserves**

The following notes detail the Unusable Reserves for Coychurch Crematorium Joint Committee:-

**a) Revaluation Reserve**

This records the accumulated gains on fixed assets held by the committee arising from increases in value as a result of inflation or other factors.

2011/12 £'000		2011/12 £'000
657	Revaluations made in year	639
	Reductions made due to re-classification of assets	(80)
(18)	Write Down of Accumulated Revaluation Reserve in line with depreciation	(18)
<b>639</b>	<b>Total</b>	<b>541</b>

**b) Capital Adjustment Account (CAA)**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2011/12 £'000		2012/13	
		£'000	£'000
(1,619)	Balance brought forward		(1,639)
0			
46	Depreciation & Impairment		48
0			
(33)	Additional Principal		(35)
(15)	MRP		(13)
0	Capital contributions deferred		
(0)	Fixed Asset addition		
(18)	Write down of Revaluation Gain		(19)
0	capital conts deferred w/off to CAA		
<b>(1,639)</b>	<b>Balance Carried Forward</b>		<b>(1,658)</b>

**c) Short Term Accumulated Absences Account**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Accumulated Surplus Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Accumulated Surplus Balance is neutralised by transfers to or from the Account.

**Notes to the Cash Flow Statement**

**16. Operating Activities**

The cash flows for operating activities include the following items:-

2011/12 £'000		2012/13 £'000
(93)	Net (surplus) or deficit on the provision of services	(124)
	<u>Accruals adjustments:</u>	
(1)	Increase/(Decrease) in Stock	0
(15)	Increase/(Decrease) in Debtors/Provisions	19
(9)	(Increase)/Decrease in Creditors/Provisions	1
0	Movement on provisions for accumulated absences	0
(47)	Remove Depreciation & Deferred income	(47)
<b>(165)</b>		<b>(151)</b>

**17. Investing Activities**

No investing activities were carried out in 2012/13

**18. Financing Activities**

The cash flows for financing activities include the following items:

2011/12 £'000		2012/13 £'000
48	Repayments of short- and long-term borrowing	48
48	<b>Net Cash flows from Financing Activities</b>	48

## 19. Minimum Revenue Provision

The joint committee is required by statute to set a prudent Minimum Revenue Provision (MRP) for the repayment of external debt. In accordance with this requirement the provision for 2012/13 has been calculated as shown below.

2011/12 £'000		2012/13 £'000
371	Loans Outstanding b/fwd	323
15	Minimum Revenue Requirement (4%)	13

## 20. Cash & Cash Equivalents

Cash is held by the Bridgend County Borough Council, the financial services provider as part of its general bank account. No separate bank account exists for Coychurch Crematorium.

## 21. Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by Service Reporting Code of Practice (SeRCOP). This is in the format in which information is reported to the Joint Committee. However, these reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- they exclude any accrual in respect of the cost of holiday entitlements earned by employees but not taken before the year-end.

The income and expenditure of the Crematorium recorded in the budget reports to the Joint Committee is as follows:

<b>Crematorium Income and Expenditure</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
Fees, charges & other service income	(890)	(925)
Government grants	-	-
<b>Total Income</b>	<b>(890)</b>	<b>(925)</b>
Employee expenses	234	236
Other operating expenses	538	531
Support Service Recharges	25	35
<b>Total operating expenses</b>	<b>797</b>	<b>802</b>
<b>Net Cost of Services</b>	<b>(93)</b>	<b>(123)</b>

**Reconciliation of Reported Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement**

The below reconciliation shows how the figures in the analysis of reported income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure is :-

<b>Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
Cost of Services in Service Analysis	(93)	(123)
Add amounts not reported to management		1
<b>Net Cost of Services in Comprehensive Income and Expenditure Statement</b>	<b>(93)</b>	<b>(124)</b>



## 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.

### **Budget**

A budget (or estimate) is a plan of income and spending. 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 Crematorium's accounts for capital spending and to repay loans.

### **Comprehensive Income and Expenditure Statement**

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.

### **Capital receipt**

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

**Cash flow Statement**

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

**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 Crematorium 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 Crematorium to use in the following accounting year.

**Current liabilities**

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

**Debtor**

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

**Depreciation**

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

**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).

**International Financial Reporting Standard (IFRS)**

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.

**Inventories**

Inventories 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.

**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. This should be a prudent amount.

**Movement in Reserves Statement (MIRS)**

This statement shows the movement in the year on different reserves held by the Authority.

**Net Realisable Value**

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

**Open Market Value in Existing Use (OMVEU)**

OMVEU is a basis for valuation of fixed assets.

**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.

**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.