

BRIDGEND COUNTY BOROUGH COUNCIL
COYCHURCH CREMATORIUM JOINT COMMITTEE

FRIDAY 22 JUNE 2018

REPORT OF THE TREASURER

ANNUAL ACCOUNTING STATEMENT 2017-18

1. Purpose of the Report

1.1 The purpose of this report is to present the unaudited Annual Accounting Statement following closure of the accounts for the financial year 2017-18 to the Joint Committee, and to obtain approval to submit the Statement for Coychurch Crematorium to the Wales Audit Office.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

2.1 None.

3. Background

3.1 Under Regulation 14 of the Accounts and Audit (Wales) Regulations 2014, Coychurch Crematorium is required to complete an Annual Accounting Statement as they are classed as a smaller local government body with annual income and expenditure below £2.5 million.

3.2 The Accounts and Audit (Wales) Regulations 2014 require that the Joint Committee must formally approve the Annual Accounting Statement by 30 June and certify that they present fairly the financial position of Coychurch Crematorium.

3.3 Unless the Annual Accounting Statement needs to be amended, the auditor will certify the Statement and send it back to the Joint Committee for publication with no further approval required by the Joint Committee. If however amendments are required, the auditor will send the Statement back to the Joint Committee for amendment and re-approval before the auditor can certify the Statement. The certified Annual Accounting Statement must be published by no later than the 30 September.

4. Current Situation /Proposal

4.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2017-18 Coychurch Crematorium made a net surplus of £176,530 (difference between Line 1 'Balances brought forward' and Line 7 'Balances carried forward'). The surplus has been added to the accumulated reserve for the Crematorium brought forward at 31 March 2017, bringing the total of that reserve to £1,258,713 at 31 March 2018 compared to £1,082,183 in the preceding year.

4.2 The following table shows a summary of the final financial position for the Crematorium for 2017-18 as compared to the budget set at the start of the financial year.

Table 1 – Crematorium Financial Position 2017-18

Actual 2016-17 £'000		Budget 2017-18 £'000	Actual 2017-18 £'000	Variance 2017-18 £'000
	<u>Expenditure</u>			
295	Employees	311	288	(23)
269	Premises	217	224	7
107	Supplies, Services & Transport	158	163	5
109	Agency/Contractors	90	86	(4)
48	Administration	48	34	(14)
46	Capital Financing Costs	429	352	(77)
874	Gross Expenditure	1,253	1,147	(106)
	<u>Income</u>			
(1,196)	Crematorium Fees etc.	(1,190)	(1,296)	(106)
(25)	BCBC Contribution	(28)	(28)	0
(1,221)	Gross Income	(1,218)	(1,324)	(106)
(347)	(Surplus)/Deficit	35	(177)	(212)
(347)	Transfer (to)/from Reserve	35	(177)	

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

- The underspend of £23,000 on Employees is made up of a Crematorium Technician position that was vacant for 2 months (£5,000), and the new Green Spaces and Bereavement Manager not being part of the superannuation scheme (£5,500). The balance of the underspend is due to weekend and evening attendant posts not being filled. These roles are now being covered by a Security company whose costs are reflected in Supplies and Services.
- The overspend of £7,000 on Premises is made up of overspends on Business Rates (£18,000), Maintenance of Grounds (£1,600) and Electricity (£700). These are offset by underspends on Building Maintenance (£10,000) and Gas (£2,300).
- The overspend of £5,000 on Supplies and Services expenditure is made up of Security Services (£18,000) and Equipment Repairs & Maintenance (£4,000). These are offset by underspends including Uniforms (£4,000), Medical Expenses (£2,500), Items for Resale (£1,500) and Purchase of Equipment (£1,500).
- The underspend of £4,000 on Agency/Contractors is made up of Contractor Payments/Grass Cutting (£3,000) and Waste Disposal (£1,000).
- The underspend on Administration (£14,000) is due to lower costs in respect of Facilities Management compared to the previous year. This is due to the charge now being based on the usage of the I-mail system, which the Crematorium does

not use. A breakdown of the support service charge for the current and previous year is provided in Table 2 below:

Table 2 – Support Services

2016-17 £		2017-18 £
12,045	Communities Admin	12,778
2,880	Internal Audit	-
5,610	Accountancy	4,620
1,350	Procurement	900
6,740	IT	10,460
3,180	Human Resources	3,440
14,050	Facilities Management (postal service)	-
970	Creditors	860
1,260	Committee	1,260
48,085	Total	34,318

- The underspend on Capital Financing Costs is due to some of the planned works being delayed until 2018-19, and one being cancelled.

Table 3 below shows the original budget and actual spend for each of the planned works in 2017-18.

Table 3 – Planned Works

Planned Works	Budget 2017-18 £'000	Actual 2017-18 £'000
Burial Plots - Landscaping (moved to 2018-19)	10	-
Land Ext – Phase 2 Infrastructure	270	263
Land Ext – Phase 2 Landscaping (moved to 2018-19)	10	-
Periphery Fencing	20	10
Flat Roof – Safe Access System (Cancelled)	20	-
Organ Repairs (moved to 2018-19)	20	-
Loan repayment	79	79
Total	429	352

- Additional income of £106,000 due to a higher number of cremations performed than budgeted for, and the increase in provision of cremation related products.

4.4 In addition to the Annual Accounting Statement, a supplementary Balance Sheet is provided in Table 4 below. This supplementary information provides a further breakdown of the figures recorded in the Annual Accounting Statement. This is for information only, and is not subject to audit at year end.

Table 4 – Balance Sheet for Years Ended 31 March 2017 & 2018

31 March 2017 £'000	Description	31 March 2018 £'000	Equivalent Line on Annual Return
	Property, Plant & Equipment		
3,285	- other land and buildings	3,418	
900	- Community Assets	912	
4,185	Long Term Assets	4,330	12
29	Inventories	29	8
118	Short Term Debtors	146	8
990	Cash and Cash Equivalents	1,092	9
1,137	Current Assets	1,267	
	Short Term Borrowing		
(79)	Short term Borrowing	(-)	13
(55)	Short Term Creditors	(7)	10
(134)	Current Liabilities	(7)	
(-)	Long Term Borrowing	(-)	13
(-)	Long Term Liabilities	(-)	
5,188	Net Assets	5,590	
	Usable reserves		
1,082	- Accumulated Surplus	1,259	7
	Unusable reserves		
1,349	- Revaluation Reserve	1,613	
2,757	- Capital Adjustment Account	2,717	
-	- Short-term Accumulating		
-	- Compensated Absences Account	1	
5,188	Total Reserves	5,590	

4.5 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.330 million as recorded on Line 12 of the Annual Accounting Statement represent buildings, land and fixtures and fittings.

The increase in the value of non-current assets is due in the main to the Phase 2 Land Extension works carried out in 2017-18.

- Inventories of £29,000 relates to stock included in the Balance Sheet at the lower of cost and net realisable value and relate to memorials purchased for future use in the Garden of Remembrance.
- Short term debtors of £146,000 represent the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors.
- Cash and cash equivalents of £1.092 million represents cash held by Bridgend County Borough Council, the financial services provider as part of its general bank account. No separate bank account exists for Coychurch Crematorium.
- Short term creditors of £8,000 represent monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2017-18 and includes a balance for annual leave not yet taken by staff.
- The outstanding loan of £79,000 was repaid in full in 2017-18, as agreed by the Joint Committee at the meeting on 3 March 2017.
- 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 a reserve that holds the timing differences between the annual leave entitlement for staff and actual annual leave taken at the 31 March 2018 and revaluation of assets and capital adjustments.
- The accumulated surplus of £1.258 million as recorded in Line 11 of the Annual Accounting Statement reflects the surplus for the current year and the balance of any previous year's surpluses/deficits held to fund any future capital works. The accumulated surplus will be the subject of a future report considering its use for proposed improvements and the possible repayment to the Partner Authorities.
- 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 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. The Account balance was £813 as at 31 March 2018 (2017 £299).

5. **Effect upon Policy Framework and Procedure Rules**

5.1 None.

6. **Equalities Impact Assessment**

6.1 There is no impact on specific equality groups and disability duties.

7 **Well-being of Future Generations (Wales) Act 2015 Assessment**

7.1 This report provides the financial performance against the approved 2017-18 budget. As this is retrospective in nature, there is no requirement for a well-being statement.

8. **Financial Implications**

8.1 None.

9. **Recommendation:**

9.1 It is recommended that the Joint Committee approves the Annual Accounting Statement for Coychurch Crematorium for 2017-18 and to submit the Accounting Statement for Coychurch Crematorium to the Wales Audit Office.

GILL LEWIS

INTERIM HEAD OF FINANCE AND S151 OFFICER

BRIDGEND COUNTY BOROUGH COUNCIL

TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE

22 June 2018

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Background Papers: Report of the Treasurer
Coychurch Crematorium Joint Committee
March 2 2018