

**BRIDGEND COUNTY BOROUGH COUNCIL**  
**COYCHURCH CREMATORIUM JOINT COMMITTEE**

**FRIDAY 14 JUNE 2019**

**REPORT OF THE TREASURER**

**ANNUAL ACCOUNTING STATEMENT 2018-19**

**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 2018-19 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 Joint Committee 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 2018 require that the Joint Committee must formally approve the Annual Accounting Statement by 15 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 15 September.

**4. Current Situation /Proposal**

- 4.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2018-19 Coychurch Crematorium made a net surplus of £496,738 (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 2018, bringing the total of that

reserve to £1,755,451 at 31 March 2019 compared to £1,258,713 in the preceding year.

- 4.2 The following table shows a summary of the final financial position for the Crematorium for 2018-19 as compared to the budget set at the start of the financial year.

**Table 1 – Crematorium Financial Position 2018-19**

<b>Actual 2017-18 £'000</b>		<b>Budget 2018-19 £'000</b>	<b>Actual 2018-19 £'000</b>	<b>Variance 2018-19 £'000</b>
	<b><u>Expenditure</u></b>			
288	Employees	313	310	(3)
224	Premises	234	248	14
163	Supplies, Services & Transport	135	158	23
86	Agency/Contractors	102	94	(8)
34	Administration	35	35	0
352	Capital Financing Costs	75	4	(71)
<b>1,147</b>	<b>Gross Expenditure</b>	<b>894</b>	<b>849</b>	<b>(45)</b>
	<b><u>Income</u></b>			
(1,296)	Crematorium Fees etc.	(1,238)	(1,299)	(61)
0	Welsh Government Grant	0	(18)	(18)
(28)	BCBC Contribution	(29)	(29)	0
<b>(1,324)</b>	<b>Gross Income</b>	<b>(1,267)</b>	<b>(1,346)</b>	<b>(79)</b>
<b>(177)</b>	<b>(Surplus)/Deficit</b>	<b>(373)</b>	<b>(497)</b>	<b>(124)</b>
<b>(177)</b>	<b>Transfer (to)/from Reserve</b>	<b>(373)</b>	<b>(497)</b>	

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

- The underspend of £3,000 on Employees is due to an underspend on budgeted overtime and casual hours.
- The overspend of £14,000 on Premises is made up of overspends on Planned Maintenance (£21,000), Electric (£5,000) and Gas (£2,500). These are offset by underspends on Business Rates (£13,500) and Maintenance of Grounds (£1,000). The underspend on Business Rates is due to a rebate dating back to 2011.
- The overspend of £23,000 on Supplies and Services expenditure is made up of overspends on Items for Resale (£30,000) and Medical Expenses (£8,000). These are offset by underspends including Purchase of Equipment (£5,000), Equipment Repairs & Maintenance (£5,000), Security Services (£4,000) and Advertising & Promotion (£1,000).

- The underspend of £8,000 on Agency/Contractors is made up of Contractor Payments/Grass Cutting.
- The underspend on Capital Financing Costs is due to underspends on the Chapel Of Remembrance Repairs (£17,000) and Land Extension Phase 2 Infrastructure (£4,000), as well as the Flat Roof Repairs and Organ Upgrade work being moved to 2019-20.

Table 3 below shows the original budget and actual spend for each of the planned works in 2018-19.

**Table 3 – Planned Works**

<b>Planned Works</b>	<b>Budget 2018-19 £'000</b>	<b>Actual 2018-19 £'000</b>
Flat Roof Repairs – Waiting Room (moved to 2019-20)	30	0
Organ Upgrade (moved to 2019-20)	20	0
Chapel Of Remembrance Repairs	20	3
Land Ext – Phase 2 Infrastructure	5	1
<b>Total</b>	<b>75</b>	<b>4</b>

- Additional income of £79,000 was due to a higher number of cremations performed than budgeted for (£58,000), an increase in provision of cremation related products (£3,000), and receipt of the Welsh Government Child Burial Grant (£18,000).

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 2018 & 2019**

<b>31 March 2018 £'000</b>	<b>Description</b>	<b>31 March 2019 £'000</b>
3,418	<b>Property, Plant &amp; Equipment</b>	3,302
912	- Other Land and Buildings	912
	- Community Assets	
<b>4,330</b>	<b>Long Term Assets</b>	<b>4,214</b>
29	Inventories	29
146	Short Term Debtors	150
1,092	Cash and Cash Equivalents	1,595
<b>1,267</b>	<b>Current Assets</b>	<b>1,774</b>
	<b>Short Term Borrowing</b>	
(7)	Short Term Creditors	(16)
<b>(7)</b>	<b>Current Liabilities</b>	<b>(16)</b>
<b>5,590</b>	<b>Net Assets</b>	<b>5,972</b>
	<b>Usable reserves</b>	
1,259	- Accumulated Surplus	1,755
	<b>Unusable reserves</b>	
1,613	- Revaluation Reserve	1,613
2,717	- Capital Adjustment Account	2,601
	- Short-term Accumulating	
1	- Compensated Absences Account	3
<b>5,590</b>	<b>Total Reserves</b>	<b>5,972</b>

4.5 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.214 million as recorded on Line 12 of the Annual Accounting Statement represent buildings, land and fixtures and fittings. The decrease in the value of non-current assets is due in to the depreciation charged to Other Land and Buildings.
- 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 £150,000 represent the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors.

- Cash and cash equivalents of £1.595 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 £16,000 represent monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2018-19 and includes a balance for annual leave not yet taken by staff.
- 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 2019 and revaluation of assets and capital adjustments.
- The accumulated surplus of £1.755 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 £3,083 as at 31 March 2019 (£813 31 March 2018).

## 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 2018-19 budget. As this is retrospective in nature, there is no requirement for a well-being statement.

## 8. **Financial Implications**

8.1 These are reflected within the main body of this Report.

9. **Recommendation:**

9.1 It is recommended that the Joint Committee approves the Annual Accounting Statement for Coychurch Crematorium for 2018-19 (Appendix 1), and requests that the Chair of the Joint Committee signs the Annual Accounting Statement prior to submission 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**

**14 June 2019**

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Background Papers: Report of the Treasurer  
Coychurch Crematorium Joint Committee  
March 8 2019