

Meeting of:	COYCHURCH CREMATORIUM JOINT COMMITTEE
Date of Meeting:	9 JUNE 2023
Report Title:	ANNUAL ACCOUNTING STATEMENT 2022-23
Report Owner / Corporate Director:	TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
Responsible Officer:	DEAN JONES ACCOUNTANT FINANCIAL CONTROL AND CLOSING
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules
Executive Summary:	<ul style="list-style-type: none"> • The unaudited Annual Accounting Statement for the 2022-23 financial year is presented to the Joint Committee to obtain approval to submit the Annual Accounting Statement for Coychurch Crematorium to Audit Wales. • The Annual Accounting Statement is included in Appendix 1 and shows that in 2022-23 Coychurch Crematorium made a net deficit of £361,665. The deficit has been deducted from the accumulated reserve for the Crematorium brought forward at 31 March 2022, bringing the total of that reserve to £2,817,942 at 31 March 2023 compared to £3,179,607 in the preceding year. The report presents explanations for the main variances. • In addition to the Annual Accounting Statement, a supplementary Balance Sheet is provided in Table 3. 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.

1. Purpose of Report

- 1.1 The purpose of this report is to present the unaudited Annual Accounting Statement for the 2022-23 financial year to the Joint Committee, and to obtain approval to submit the Annual Accounting Statement for Coychurch Crematorium to Audit Wales.

2. Background

- 2.1 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.
- 2.2 The Accounts and Audit (Wales) Regulations 2018 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.
- 2.3 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 2023.

3. Current situation / proposal

- 3.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2022-23 Coychurch Crematorium made a net deficit of £361,665 (difference between Line 1 'Balances brought forward' and Line 7 'Balances carried forward'). The deficit has been deducted from the accumulated reserve for the Crematorium brought forward at 31 March 2022, bringing the total of that reserve to £2,817,942 at 31 March 2023 compared to £3,179,607 at 31 March 2022.

Table 1 shows a summary of the final financial position for the Crematorium for 2022-23 compared to the budget set at the start of the financial year.

Table 1 – Crematorium Financial Position 2022-23

Actual 2021-22 £'000		Budget 2022-23 £'000	Actual 2022-23 £'000	Variance 2022-23 £'000
	<u>Expenditure</u>			
359	Employees	378	396	18
281	Premises	428	260	(168)
201	Supplies, Services & Transport	206	153	(53)
100	Agency/Contractors	112	95	(17)
42	Administration	39	50	11
246	Capital Financing Costs	1,385	826	(559)
1,229	Gross Expenditure	2,548	1,780	(768)
	<u>Income</u>			
(1,409)	Crematorium Fees etc.	(1,555)	(1,372)	183
(71)	Welsh Government Grant	(15)	(14)	1
(30)	BCBC Contribution	(26)	(32)	(6)
(1,510)	Gross Income	(1,596)	(1,418)	178
(281)	(Surplus)/Deficit	952	362	(590)
(281)	Transfer (to)/from Reserve	952	362	

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

- The overspend of £18,000 on Employees is due to increased salary costs resulting from the support staff pay award as no allowance was made for this when the budget was set due to it not being agreed until later in the year.
- The underspend of £168,000 on Premises is made up of underspends on Planned and Day to Day Maintenance (£174,000) due to works being postponed until planned capital works are complete, Business Rates (£3,000), Property Insurance (£1,000) and contractor payments (£1,000). This is offset by overspends on External Grounds Maintenance (£6,000), and Utilities (£5,000).
- The underspend of £53,000 on Supplies, Services & Transport is made up of underspends on Equipment (£16,000), Cleaning materials (£2,000), Items for resale (£21,000), Medical Expenses (£6,000), Security Services (£1,000), Training (£2,000), Printing (£3,000) and Advertising (£2,000).
- The underspend of £17,000 on Agency and Contractors relates to an underspend on internal grounds maintenance and waste disposal.
- The overspend of £11,000 on Administration is made up of increased costs relating to central support services.
- Table 2 below shows a breakdown of the Planned Capital Maintenance Budget (referred to as Capital Financing costs in Table 1) along with the Outturn and Variances for 2022-23.

Table 2 – Planned Capital Maintenance 2022-23

2022-23	Budget 2022-23 £'000	Actual £'000	Variance £'000
Flower Court Extension	1,270	821	(449)
Site Lighting	5	5	0
Groundwork Paths	100	0	(100)
Chapel Of Remembrance	10	0	10
Total	1,385	826	(559)

- The underspend on the Flower Court Extension is due to delays in the procurement and tender process, which resulted in works not commencing until October 2022. Works are now expected to be complete in September 2023. As a result, it was decided to postpone the start of the Chapel of Remembrance and the Groundworks paths projects until 2023-24. Both projects are included in the Capital Budget for 2023-24.
- Income is less than budgeted by £178,000. This is as a result of a decrease in the number of cremations following the Coronavirus pandemic and the requirement to use the small chapel whilst capital works take place on the flower court extension.

3.3 In addition to the Annual Accounting Statement, a supplementary Balance Sheet is provided in Table 3 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 3 – Balance Sheet for Years Ended 31 March 2022 & 2023

31 March 2022 £'000	Description	31 March 2023 £'000
	Property, Plant & Equipment	
3,760	- Other Land and Buildings	3,834
1,100	- Community Assets	1,100
4,860	Non-Current Assets	4,934
	Current Assets	
28	Inventories	28
144	Short Term Debtors	116
3,018	Cash and Cash Equivalents	2,684
3,190	Current Assets	2,828
	Current Liabilities	
	Short Term Borrowing	
(7)	Short Term Creditors	(8)
(7)	Current Liabilities	(8)
8,043	Net Assets	7,754
	Reserves	
	Usable reserves	
3,180	- Accumulated Surplus	2,818
	Unusable reserves	
1,917	- Revaluation Reserve	1,301
2,943	- Capital Adjustment Account	3,633
	- Short-term Accumulating	
3	- Compensated Absences Account	2
8,043	Total Reserves	7,754

3.4 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.934 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 to the re-evaluation and addition of these assets net of depreciation.
- Inventories of £0.028 million relates to stock included in the Balance Sheet and relates to memorials purchased for future use in the Garden of Remembrance.

- Short term debtors of £0.116 million represents the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors as at 31 March 2023.
- Cash and cash equivalents of £2.684 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 £0.008 million represents monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2022-23 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 31 March 2023 and revaluation of assets and capital adjustments.
- The accumulated surplus of £2.82 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 accrues for compensated absences earned but not taken in the year, i.e, annual leave entitlement carried forward at 31 March.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty, and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services, and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

- **Long-term:** the consideration and approval of this report will assist in the short-term planning for the long-term operation of the crematorium.
- **Prevention:** the consideration and approval of this report will assist in the planning of expenditure and funding to support future service delivery for the benefit of communities.
- **Integration:** the report supports all the well-being objectives.
- **Collaboration:** savings are achieved as a result of collaboration and integrated working of the Joint Committee.
- **Involvement:** publication of the report ensures that members and stakeholders can review and certify the Annual Accounting Statement for 2022-23.

6. Climate Change Implications

6.1 There are no Climate Change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding and Corporate Parent implications arising from this report.

8. Financial implications

8.1 These are reflected within the report.

9. Recommendations

9.1 The Joint Committee is recommended to approve the Annual Accounting Statement for Coychurch Crematorium for 2022-23 (**Appendix 1**), and requests that the Chair of the Joint Committee signs the Annual Accounting Statement prior to submission to Audit Wales.

Background documents: None