

<b>Meeting of:</b>	<b>COYCHURCH CREMATORIUM JOINT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>21 JUNE 2024</b>
<b>Report Title:</b>	<b>ANNUAL ACCOUNTING STATEMENT 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE</b>
<b>Responsible Officer:</b>	<b>DEAN JONES ACCOUNTANT FINANCIAL CONTROL AND CLOSING</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The unaudited Annual Accounting Statement for the 2023-24 financial year is presented to the Joint Committee to obtain approval to submit the Annual Accounting Statement for Coychurch Crematorium to Audit Wales.</li> <li>• The Annual Accounting Statement is included in Appendix 1 and shows that in 2023-24 Coychurch Crematorium made a net deficit of £734,119. The deficit has been deducted from the accumulated reserve for the Crematorium brought forward at 31 March 2023, bringing the total of that reserve to £2,083,823 at 31 March 2024 compared to £2,817,942 in the preceding year. The report presents explanations for the main variances.</li> <li>• 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.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present the unaudited Annual Accounting Statement for the 2023-24 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 (as amended), 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) (Amendment) Regulations 2018 require that the Joint Committee must formally approve the Annual Accounting Statement by 31 May each year and certify that they present fairly the financial position of Coychurch Crematorium. If the Annual Accounting Statement can not be approved by 31 May a notice must be placed in a prominent position and on the website setting out the reasons why, known as a Regulation 10 notice. As the Annual Return was not approved by 31 May 2024 a notice has been placed both on the Bridgend Council's notice board and also on the website. Welsh Government have confirmed their expectation that Statutory Financial Accounts are prepared by 30 June 2024.
- 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. In line with the Accounts and Audit (Wales) (Amendment) Regulations 2018 the certified Annual Accounting Statement must be published by no later than the 31 July 2024, or a notice displayed setting out the reasons why this has not been done. The Welsh Government has confirmed their expectations for the Annual Accounting Statement to be certified no later than 30 November 2024. Should the Annual Return not be certified by 31 July 2024 a notice confirming this will be published in line with Regulation 10(4) of the Accounts and Audit (Wales) Regulations 2014.

### 3. Current situation / proposal

- 3.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2023-24 Coychurch Crematorium made a net deficit of £734,119 (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 2023, bringing the total of that reserve to £2,083,823 at 31 March 2024 compared to £2,817,942 at 31 March 2023.

Table 1 shows a summary of the final financial position for the Crematorium for 2023-24 compared to the budget set at the start of the financial year.

**Table 1 – Crematorium Financial Position 2023-24**

Actual 2022-23 £'000		Budget 2023-24 £'000	Actual 2023-24 £'000	Variance 2023-24 £'000
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	<b><u>Expenditure</u></b>			
396	Employees	407	394	(13)
260	Premises	440	408	(32)
153	Supplies, Services & Transport	229	219	(10)
95	Agency/Contractors	113	108	(5)
50	Administration	40	46	6
826	Capital Financing Costs	513	944	431
<b>1,780</b>	<b>Gross Expenditure</b>	<b>1,742</b>	<b>2,119</b>	<b>377</b>
	<b><u>Income</u></b>			
(1,372)	Crematorium Fees etc.	(1,625)	(1,338)	287
(14)	Welsh Government Grant	(14)	(13)	1
(32)	BCBC Contribution	(32)	(34)	(2)
<b>(1,418)</b>	<b>Gross Income</b>	<b>(1,671)</b>	<b>(1,385)</b>	<b>286</b>
<b>362</b>	<b>(Surplus)/Deficit</b>	<b>71</b>	<b>734</b>	<b>663</b>
<b>362</b>	<b>Transfer (to)/from Reserve</b>	<b>71</b>	<b>734</b>	

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

- The underspend of £13,000 on Employees is due to vacant posts including the Organist/Registration Assistant and Weekend Attendant positions.
- The underspend of £32,000 on Premises is made up of underspends on Planned and Day to Day Maintenance (£110,000) due to works being postponed until planned capital works are complete, Property Insurance (£3,000) and contractor payments (£1,000). This is offset by overspends on Cyclical and External Grounds Maintenance (£6,000), Business Rates (£7,000) and Utilities (£69,000).
- The underspend of £10,000 on Supplies, Services & Transport is made up of underspends on Protective Clothing (£3,000), Cleaning materials (£2,000), Medical Expenses (£14,000), Training (£2,000), and Printing (£1,000). This is offset by overspends on Purchase and repairs of Equipment (£4,000), Items for resale (£4,000) and Insurance (£4,000).
- 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 2023-24.

**Table 2 – Planned Capital Maintenance 2023-24**

2023-24	Budget 2023-24	Actual £'000	Variance £'000
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	£'000		
Flower Court Extension	403	896	493
Groundwork Paths	100	48	(52)
Chapel Of Remembrance	10	0	(10)
<b>Total</b>	<b>513</b>	<b>944</b>	<b>431</b>

- The overspend on the Flower Court extension is due to additional unforeseen works, including groundwork and drainage alterations, replacement of utility pipes, CCTV cabling and alterations to some materials used. Repair work and improvements to the existing adjoining building were also required to comply with safety requirements.
- The underspend on Groundworks Paths is due to accessibility and logistics on site whilst the Flower Court Extension was being completed. Works to paths will continue into 2024-25 and is included in the Capital budget for 2024-25.
- Capital works for the Chapel of Remembrance did not go ahead, instead, over £11,000 was spent from the revenue maintenance budget on various chapel refurbishments.
- Income is less than budgeted by £285,000. The small chapel was used whilst capital works took place on the Flower Court Extension. This resulted in a decrease in the number of cremations due to the size and accessibility of the chapel.
- At the previous meeting on 1 March 2024 a question regarding the Treasury Management process was raised. As detailed in point 3.4 below, Coychurch Crematorium does not have its own bank account, all transactions flow through a central bank account with all Treasury Management decisions administered by Bridgend County Borough Council. Therefore, an agreement has been made for interest payments to be given to Coychurch Crematorium, calculated on the quarterly cash balance held and credited annually in the accounts. As a result of this, the figure credited to the account for financial year ending 31<sup>st</sup> March 2024 was £97,900.

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 2023 & 2024**

31 March 2023	Description	31 March 2024
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£'000		£'000
	<b>Property, Plant &amp; Equipment</b>	
3,834	- Other Land and Buildings	5,803
1,100	- Community Assets	1,100
<b>4,934</b>	<b>Non-Current Assets</b>	<b>6,903</b>
28	Inventories	28
116	Short Term Debtors	164
2,684	Cash and Cash Equivalents	1,903
<b>2,828</b>	<b>Current Assets</b>	<b>2,095</b>
	<b>Short Term Borrowing</b>	
(8)	Short Term Creditors	(8)
<b>(8)</b>	<b>Current Liabilities</b>	<b>(8)</b>
<b>7,754</b>	<b>Net Assets</b>	<b>8,990</b>
	<b>Usable reserves</b>	
2,818	- Accumulated Surplus	2,084
	<b>Unusable reserves</b>	
1,301	- Revaluation Reserve	2,468
3,633	- Capital Adjustment Account	4,435
	- Short-term Accumulating	
2	- Compensated Absences Account	3
<b>7,754</b>	<b>Total Reserves</b>	<b>8,990</b>

#### 3.4 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £6.903 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 revaluation and addition to 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 £0.164 million represents the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors as at 31 March 2024.
- Cash and cash equivalents of £1.903 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 2023-24 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 2024 and revaluation of assets and capital adjustments.
- The accumulated surplus of £2.084 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 2023-24.

## **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 2023-24 (**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