

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

FRIDAY 13 JUNE 2014

STATEMENT OF ACCOUNTS 2013-14

1. Purpose of the Report

- 1.1 The purpose of this report is to present the unaudited Statement of Accounts for the financial year 2013-14 to the Joint Committee.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities

- 2,1 None.

3. Background

- 3.1 For the past few years turnover of Coychurch Crematorium has been less than £1million, and as such the Crematorium has not been required to produce a Statement of Accounts under the Accounts and Audit Wales (regulations) as they have been classified as being exempt by being deemed as a minor joint committee. The definition of a Minor Joint Committee is one whose gross income or expenditure (whichever is the higher) for the year is, and each of the two immediately preceding years was, less than £1,000,000. Minor Joint Committees instead are required to produce an annual return which must be approved by the Joint Committee and audited by 30th September.
- 3.2 During 2013-14 the income received by Coychurch Crematorium exceeded the £1million threshold and as such they can no longer be classified as a Minor joint Committee, and are now required to produce a Statement of Accounts for the year ending 31st March 2014.
- 3.3 The Accounts and Audit (Wales) Regulation 2005 (as amended) require that the Joint Committee must sign and date the accounts by 30th June and certify that they present a true and fair view. The Joint Committee will then be required to re-approve the accounts as soon as reasonably practicable after the receipt of the auditor's final findings. The audited accounts must be published by no later than the 30th September. The format and content of the statement is governed by those regulations and for 2013-14 the accounts have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the

Code) for 2013 which is in line with International Financial Reporting Standards.

4. Current Situation /Proposal

- 4.1 The unaudited Statement of Accounts for the financial year ended 31 March 2014 has been completed and is attached as Appendix 1.
- 4.2 The accounts will now be placed on public deposit and be subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office. Once audited, the accounts will need to be approved by the Joint Committee by the 30 September 2014, and will be presented to the next Committee meeting on 19th September 2014 for approval.
- 4.3 The accounts show that in 2013-14 Coychurch Crematorium made a net surplus of £464,000 as reported in the Comprehensive Income and Expenditure statement. This includes an adjustment in respect of holiday entitlements as required by accounting practise. The accumulated usable reserves for Coychurch Crematorium are £1.002million at the 31 March 2014 compared to £538,000 in the preceding year.
- 4.4 For reporting consistency, the actual performance for the year is also provided in the format in which information is normally reported to the Joint Committee. This 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 2014 (excluding holiday accruals) showed a surplus in the year of £464,000. For 2013-14 this is the same as the surplus figure reported in the Comprehensive Income and Expenditure Account which although included an adjustment in respect of holiday entitlements the movement had a net effect in the year on the surplus.
- 4.5 The following table shows a summary of the final financial position for the Crematorium for 2013-14 as compared to the budget set at the start of the financial year.

Table 1 – Crematorium Financial Position 2013-14

| Actual 2012-13 £'000 | | Revised Budget 2013-14 £'000 | Actual 2013-14 £'000 | Variance 2013-14 £'000 |
|-------------------------------------|-----------------------------------|---|-------------------------------------|---------------------------------------|
| | <u>Expenditure</u> | | | |
| 236 | Employees | 244 | 240 | (4) |
| 253 | Premises | 326 | 249 | (77) |
| 146 | Supplies, Services & Transport | 162 | 189 | 27 |
| 81 | Agency/Contractors | 79 | 86 | 7 |
| 35 | Administration | 27 | 42 | 15 |
| 51 | Capital Financing Costs | 50 | 50 | 0 |
| 802 | Gross Expenditure | 888 | 856 | (32) |
| | <u>Income</u> | | | |
| (925) | Crematorium Fees etc. | (950) | (1,320) | (370) |
| (123) | (Surplus)/Deficit | (62) | (464) | (402) |
| (123) | Transfer (to)/from Reserve | | (464) | |

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

- A net underspend of £4,000 on employees as a result of a part year vacancy.
- A net underspend of £77,000 on Premises costs due mainly to a decrease in planned maintenance and a reduction in the annual charge for business rates due to a rating revaluation.
- An increase of £27,000 in relation to Supplies, Services & Transport as a result of an increase in equipment purchases and insurance costs relating to the replacement of the roof. A claim has been put forward to cover the charge made by the outcome of which is currently unknown.
- A net overspend of £15,000 on Administration as a result of an increase in central support recharges due to the change in the methodology used.
- An over recovery of income of £370,000 as a result of additional cremations resulting from the closure due to fire of the neighbouring Neath Port Talbot CBC crematorium at Margam in

July 13. The number of cremations increased from 1,484 in 2012-13 to 1,883 in 2013-14, an increase of 27%.

5. Effect upon Policy Framework and Procedure Rules

5.1 None.

6. Equalities Impact Assessment

6.1 There are no equality implications.

7. Financial Implications

7.1 The total surplus for the year of £464,000 reflects the decision to set aside money towards planned future works in relation to premises and equipment accompanied by the impact of additional cremations following the temporary closure of Margam Crematorium as reported in paragraph 4.3 above. This surplus has been added to the accumulated reserve for the Crematorium bringing the total of that reserve to £1.002million (£538,000 in 2012-13).

8. Recommendation:

8.1 It is recommended that the Joint Committee note its unaudited Statement of Accounts for 2013-14.

**NESS YOUNG, CPFA
CORPORATE DIRECTOR RESOURCES, S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT
COMMITTEE**

June 2014

Contact Officer: Frances Mantle Tel No (01656) 643286
Finance Manager-Technical & Corporate
Frances.Mantle@bridgend.gov.uk

Background Papers

Coychurch Crematorium Statement of Accounts 2013-14