

NORTH EAST SURREY CREMATORIUM BOARD**11th JUNE 2019****REPORT OF THE TREASURER****Accounts for the Year Ending 31st March 2019**

Contents	Page
Treasurer's Foreword	2-3
Statement of Responsibilities for the Statement of Accounts and Certificate	4
Income and Expenditure Account	5-6
Balance Sheet	7
Notes to the Accounts (including Accounting Policies)	8-9

ACCOUNTS FOR THE YEAR ENDING 31st MARCH 2019**Treasurer's Foreword**

The Local Audit & Accountability Act 2014 confirmed the Board's position as a "smaller authority". As such, the Board is required to prepare an income and expenditure account and a statement of balances in the form of a specified Annual Governance and Accountability Return (AGAR). The AGAR comprises of an Annual Governance Statement and Accounting Statements. The statements presented below are in line with these requirements. Some of the practices used in larger local authority accounts are specifically excluded from the requirements for smaller authorities. The AGAR is the next item on this agenda and requires the Board's approval.

The Board's accounts are presented on the following pages. The Board is accustomed to receiving regular reports on its financial position against its approved estimates at each meeting. The income and expenditure position for the year just ended is shown on the next two pages and culminates in the Board's level of balances at 31st March. The next page is the Board's balance sheet and shows the value of the Board's assets and liabilities. This is followed by notes to the accounts.

Income and Expenditure Account

Total expenditure (Line 17) was £94,148 less than anticipated compared to the revised budget agreed in December 2018. This was mainly due to lower than anticipated expenditure on the management agreement costs incurred by Wandsworth Council's sub-contractor, Enable, and recharged to the Board (Line 14 - £76,072). The primary reason for the underspend on the management agreement costs was due to lower than anticipated staffing costs. There was an underspend on energy costs which continues to show the improved energy efficiency of the new cremators. In addition, anticipated expenditure on maintenance of buildings and plant was below the budget levels agreed by the Board (Line 3 - £15,522). This is as a result of some significant repair and maintenance items not being completed or required in year which will now roll forward to the 2019/20 programme where necessary.

Total income (Line 23) was £43,812 more than anticipated. This was mainly due to additional income from cremation fees (Line 18 - £49,386), with the final number of services undertaken in year (1,972) being higher than the revised estimate (1,950).

The net surplus for the year (Line 30) was £614,439. The effects of the variances on income and expenditure described above, coupled with a lower than anticipated capital spend resulted in the surplus being £152,349 more than estimated, meaning that the Board's balances at 31st March were £888,405 compared to an estimated closing position of £736,056. It is anticipated that a proportion of the Board's balances will be utilised in the 2019/20 financial year and beyond to fund agreed capital works as per the approved programme and the acquisition of land to ensure projected future demand can continue to be met.

Balance Sheet

The Board's assets are reflected at cost or a proxy for cost, where it has not been possible to ascertain the actual historic cost – the 2009 insurance valuations (reinstatement cost assessments undertaken by Lambert Smith Hampton as at 6 August 2009) have been

used for buildings. The increase in the Non-Current Assets (+£164,950) represents the additional items of plant purchased as recorded in the asset register.

The decrease in Debtors and Payments in Advance (-£102,281) reflects improvements made in obtaining timely payments from funeral directors. Investments increased (+£220,000) to stand at £770,000 year end. The decrease in Cash in Hand (-£138,115) reflects cash balance as at the end of the year as more use has been made of short term investments. The decrease in the Creditor balance (-£134,835) reflects outstanding costs on the Enable management agreement at the end of the year and other payments due to Wandsworth Council.

Due to the surplus for the year being higher than expected, the Board's balances are higher than planned. Any surplus balances would normally be considered for distribution to constituent authorities, however given the planned capital programme, a proportion of the balance will be used for capital purposes in 2019/20. Any surplus balances will be distributed in accordance with the distribution methodology.

Statement of Responsibilities for the Statement of Accounts

The Board is required:-

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Board, that officer is the Treasurer to the Board.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

The Treasurer to the Board is responsible for the preparation of the Board's accounts in accordance with the Accounts and Audit Regulations 2015.

In preparing this statement of accounts, the Treasurer to the Board has:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the relevant regulations;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate

I certify that the attached statement of accounts presents fairly the financial position of the North East Surrey Crematorium Board at 31st March 2019, and its income and expenditure for the year then ended.

Signed:

Signed:

Date: 29th May 2019

Date: 11th June 2019

MARK DAVIES
Treasurer to the Board
The Town Hall
Wandsworth High Street
London
SW18 2PU

Chairman presiding over meeting
North East Surrey Crematorium Board
Civic Offices
St. Nicholas Way
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SM1 1EA

NORTH EAST SURREY CREMATORIUM BOARD

Income and Expenditure Account for the period 1st April 2018 to 31st March 2019

		2017/18	2018/19	2018/19
		<u>Actual</u>	<u>Estimate</u>	<u>Actual</u>
		£	£	£
<u>EXPENDITURE</u>				
<u>EMPLOYEES</u>				
Salaries	(1)	16,110	17,890	17,890
	(2)	16,110	17,890	17,890
<u>PREMISES</u>				
Maintenance of Buildings and Plant	(3)	72,656	86,400	70,878
Maintenance of Grounds	(4)	3,580	3,620	3,620
Rents	(5)	9,763	9,760	9,763
Rates	(6)	71,656	73,670	73,667
	(7)	157,655	173,450	157,928
<u>SUPPLIES AND SERVICES</u>				
Bank, Audit and Actuary's Fees	(8)	3,789	3,880	4,016
Environmental Protection Act Fees	(9)	1,200	1,200	1,122
Expenses	(10)	5,130	1,000	430
Subscriptions etc	(11)	946	1,000	2,232
Insurance	(12)	16,103	16,740	16,866
	(13)	27,168	23,820	24,666
<u>THIRD PARTY PAYMENTS</u>				
Wandsworth Borough Council	(14)	423,472	479,500	403,428
Clerical and Accounting Assistance	(15)	20,100	18,980	15,580
	(16)	443,572	498,480	419,008
<u>TOTAL EXPENDITURE</u>	(17)	644,505	713,640	619,492
<u>INCOME</u>				
<u>FEES AND CHARGES</u>				
Cremation Fees	(18)	1,042,679	1,000,000	1,049,386
Memorials	(19)	283,259	280,300	281,702
Agency Reimbursement - LBW	(20)	7,360	7,430	7,430
Tradeable Mercury Abatement Credits	(21)	22,809	24,000	16,524
	(22)	1,356,107	1,311,730	1,355,042
<u>TOTAL INCOME</u>	(23)	1,356,107	1,311,730	1,355,042
<u>Less: TOTAL EXPENDITURE</u>	(24)	(644,505)	(713,640)	(619,492)
NET SERVICE INCOME/(EXPENDITURE)	(25)	711,602	598,090	735,550
Interest and Investment Income	(26)	944	1,000	2,613
NET OPERATING INCOME	(27)	712,546	599,090	738,163

APPROPRIATIONS

Contribution to Capital Reserves:

Capital Expenditure

(28)	<u>(227,060)</u>	<u>(137,000)</u>	<u>(123,724)</u>
(29)	<u>(227,060)</u>	<u>(137,000)</u>	<u>(123,724)</u>

SURPLUS/(DEFICIT) FOR YEAR

(30)	485,486	462,090	614,439
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BALANCES

Balance at 1st April

(31)	788,480	773,966	773,966
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Distribution of Surplus Balances

(32)	(500,000)	(500,000)	(500,000)
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Balance at 31st March

(33)	773,966	736,056	888,405
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Balance Sheet

<u>As at 31/03/2018</u>			<u>As at 31/03/2019</u>	
£	£		£	£
		Non-Current Assets		
		Operational Assets		
	1,890,000	- Crematorium and Land		1,890,000
	<u>880,840</u>	- Plant		<u>1,045,790</u>
	2,770,840			2,935,790
		Current Assets		
240,885		Debtors and Payments in Advance	138,604	
550,000		Investments	770,000	
<u>196,101</u>		Cash in Hand	<u>57,986</u>	
986,986			966,590	
		Current Liabilities		
		Creditors	<u>78,185</u>	
<u>213,020</u>				888,405
	773,966			
	<u>3,544,806</u>	Total Assets less Current Liabilities		<u>3,824,195</u>
	0	Long-Term Borrowing		0
	<u>3,544,806</u>	Total Assets less Liabilities		<u>3,824,195</u>
		Capital Reserves		
		Revaluation Reserve	<u>2,935,790</u>	
<u>2,770,840</u>		Common Fund Cumulative Surplus		2,935,790
	2,770,840			888,405
	773,966			
	<u>3,544,806</u>	Total Equity		<u>3,824,195</u>

Notes to the Accounts**1. Accounting Policies****General Principles**

The Statement of Accounts summarises the Board's transactions for the 2018/19 financial year and its position at 31st March 2019. It has been prepared on a consistent basis with previous years in accordance with proper accounting practice.

Non-Current Assets

Operational assets have been included in the balance sheet at historic cost, or a proxy for historic cost. The building values used in the accounts are primarily based upon professional reinstatement valuations for insurance purposes which were undertaken in June 2009 by Lambert Smith Hampton. The valuation date is 1st April 2009. Plant has been included at historic cost.

Basis of Provision for Redemption of Debt

The Board became debt-free following repayment of its remaining loan on 31st March 2007.

Revaluation Reserve

The Revaluation Reserve records unrealised revaluation gains arising from holding assets. The Reserve reflects the current carrying value of the Board's non-current assets.

Basis on which Debtors and Creditors at Year-End are Included in the Accounts

For all transactions, the Board operates on a system of income and expenditure attributable to the year.

Debtors - All sums due to the Board are set up in the accounts at the time they are due.

Creditors - At the year end, estimates of the amounts payable in respect of goods and services received before 31st March are made.

Basis of Valuation of Investments

All investments are shown at their cost price.

2. **Non-Current Assets**

	Operational Assets	
	Crematorium Building	Cremators Plant & Equipment
	£	£
Valuations at beginning of year	1,890,000	880,840
Additions	-	168,450
Disposals/Write-offs	-	(3,500)
Revaluations	-	-
Net book value at end of year	<u>1,890,000</u>	<u>1,045,790</u>

Non-Current Assets are valued at historic cost or a proxy for historic cost where this is not available.

3. **Debtors**

	2017/18	2018/19
	£	£
Debtors – Funeral Directors	233,928	138,604
Debtors – Other	6,957	-
	<u>240,885</u>	<u>138,604</u>

4. **Creditors**

	2017/18	2018/19
	£	£
Creditors – Wandsworth Borough Council	213,020	78,185
	<u>213,020</u>	<u>78,185</u>

5. **Investments**

Investments reflect the amounts held by Wandsworth Borough Council, redeemable on seven days' notice.

6. **Audit Fees**

Fees payable to PKF Littlejohn LLP with regard to external audit services carried out as the appointed auditor amounted to £2,000 in 2018/19 (2017/18 = £2,000 to BDO LLP).

7. **Contingent Liabilities and Contingent Assets**

As at 31st March 2019, the Board had no contingent liabilities or contingent assets.

8. **Capital Commitments**

As at 31st March 2019, the Board had no outstanding capital commitments to various capital projects in relation to part complete projects (2017/18 = £56,500).

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