

CHILTERN CREMATORIUM JOINT COMMITTEE - 2 JULY 2007

REPORT OF THE TREASURER

6. 2006/07 STATEMENT OF ACCOUNTS

(Contact Officer: Malcolm Crawford 01494 732071)

- 1 The Chilterns Crematorium Joint Committee Statement of Accounts for the financial year 2006/07 has now been finalised, subject to external audit by Grant Thornton (who have merged with RSM Robson Rhodes), and is attached at *Appendix 6.1*. The accounts are still draft at this stage and there may be some minor amendments arising from the audit. They are being presented for approval by the Joint Committee, the final version, following the audit will be available for publication by 30 September.
- 2 The main point to note arising from the accounts is that a net surplus for the year of £415,446 is reported which has been allocated to constituent authorities in accordance with agreed accounting policy. This is after a revenue contribution to finance capital expenditure incurred during the year of £131,347.
- 3 The overall cumulative position on constituent authorities' shares is a surplus of £625,299 and as previously agreed this is being held to fund future capital projects e.g. filtration system.
- 4 In accordance with agreed practice the assets of the Crematorium were re-valued as at 31 March 2007. The net effect of the valuation was a net reduction of £247,372. The valuation is based on market value, however the nature of the Crematorium business and its location in the green belt, means that the likelihood of any change of use of this site is unlikely.
- 5 The accounts continued to be prepared in accordance with Financial Reporting Standard 17 Accounting for Retirement Benefits. Although these accounting entries do not impact on the overall financial performance of the Crematorium they do recognise the pension fund liability in the balance sheet and thus reduce the reported net worth of the Crematorium.
- 6 The continuing increase in the level of fee income has seen total income exceed £1million for the second year running. As a result the Crematorium Accounts will be subject to a full audit and will need to comply fully with Statements of Recommended Accounting Practice (SORPs); the requirement is likely to take effect in respect of the current financial year, 2007/08. The impact of this will be a significant increase in external audit work and a corresponding increase in fees and a further change to the presentation of the Statement of Accounts, although some preparatory work on this has already been undertaken and reflected in Statement of Accounts for 2006/07.

RECOMMENDATIONS

That Members approve the 2006/07 Statement of Accounts

Background Papers: None