

# **STATEMENT OF ACCOUNTS 2010—2011**



**BRETRY CREMATORIUM  
JOINT COMMITTEE**



# **BRETBY CREMATORIUM JOINT COMMITTEE**

## **STATEMENT OF ACCOUNTS**

**2010 – 2011**

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# EXPLANATORY FOREWORD

## Introduction

These accounts are presented in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom, published by the Chartered Institute of Public Finance and Accountancy. For the first time in 2010/11 the code adopts international financial reporting standards. Accordingly, the main statements and supporting notes are presented in a significantly different format from those published in previous years.

## Comprehensive Income and Expenditure Statement

As shown on the Comprehensive Income and Expenditure Account on page 4, for the financial year 2010/2011 Bretby Crematorium made a net operating deficit on the provision of services of £72,239.

However, after taking into account statutory adjustments of £290,740 this resulted in a surplus of £219,034 as at 31<sup>st</sup> March 2011.

The approved budget estimated a surplus of £82,269. The main reason for the increased surplus is additional income from cremation fees of £85,876 (1462 cremations in total for the year), deferral of debt repayment and also a favourable outcome relating to a VAT issue.

## Usable Reserves

The Woodland Fund reserve has reduced by £533 and the General Balance has increased by £219,034. The General Balance and Woodland Fund have balances of £646,140 and £18,036 respectively as at 31 March 2011.

## Capital

In 2010/11 expenditure amounting to £15,243 was incurred on capital works for the installation of new cremators and abatement plant, to comply with the Secretary of State's Guidance for Crematoria PG5/2(04) and DEFRA's commitment to 50% abatement of mercury emissions by 31<sup>st</sup> December 2012.

## Going Concern

These accounts have been prepared on a going concern basis. However, during April 2011, both East Staffordshire Borough Council and South Derbyshire District Council agreed to and finalised the sale of both Bretby Crematorium and the underlying business.

The Joint Committee is in the process of being "wound up" and the final set of accounts will be presented in due course. Any resulting surplus or deficit will be shared between the constituent authorities in line with the constitution.

## Transition to IFRS

There was only one material change to the accounts as at 1<sup>st</sup> April 2009 and 31<sup>st</sup> March 2010 on adoption of the new IFRS based code. This relates to the re-classification of short term investments to cash equivalents. These sums are monies held with East Staffordshire Borough Council and were repayable to the Joint Committee on demand.

# **GUIDE TO THE MAIN FINANCIAL STATEMENTS**

The Joint Committee accounts for the year 2010/2011 are set out on the following pages. The accounts comprise:

## **Statement of Responsibilities for the Statement of Accounts**

Within this statement the respective responsibilities of the Joint Committee and the Treasurer are set out in relation to the preparation of the accounts, and also of member approval of the accounts.

## **Comprehensive Income and Expenditure Statement**

This Account sets out the net cost of Bretby Crematorium, and also shows corporate income and expenditure relating to the Joint Committee as a whole, to arrive at a net operating surplus or deficit for the year. The surplus or deficit on the provision of services' line shows the economic cost of operating Bretby Crematorium. The Statement also includes a number of statutory adjustments required to the surplus or deficit on the provision of services.

## **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves.

## **Balance Sheet**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those that the Joint Committee may use to provide services. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category includes reserves linked to the Pension fund and also reserves relating to the un-financed element of fixed assets.

## **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

# **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

## **The Joint Committee's Responsibilities**

The Joint Committee 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 Joint Committee, that officer is the Head of Finance of East Staffordshire Borough Council who acts as Treasurer to the Joint Committee;
- 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 Joint Committee's Responsibilities**

The Head of Finance is responsible for the preparation of the Joint Committee's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing this Statement of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## **Certificate of the Treasurer to the Joint Committee**

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Crematorium at 31 March 2011 and its income and expenditure for the year ended 31 March 2011.

**Stephen Hinds CPFA**  
**Treasurer to the Joint Committee**

**Date:**

## **Member Approval of the Statement of Accounts**

The approval of the 2010 – 2011 accounts on behalf of East Staffordshire Borough Council has been delegated to the Leader of the Council.

**Cllr Richard Grosvenor**  
**Leader, East Staffordshire Borough Council**

**Date:**

The Statement of Accounts for 2010 – 2011 were presented to, and approved by the Finance and Management Committee at South Derbyshire District Council on the 30<sup>th</sup> June 2011.

**Chair, Finance and Management Committee, South Derbyshire District Council** **Date:**

# COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

## For the year ended 31 March 2011

	Note	2010/2011			2009/2010		
		Gross Expenditure £	Gross Income £	Net Expenditure £	Gross Expenditure £	Gross Income £	Net Expenditure £
Bretby Crematorium	3	741,569	557,671	183,898	480,418	643,305	(162,887)
Pensions - Past Service Gain	2	-	149,646	(149,646)	-	-	-
<b>Cost of Service</b>		741,569	707,317	34,252	480,418	643,305	(162,887)
Interest Payable				21,835			1,039
Investment Income				(2,716)			(1,816)
Pension Interest Cost				18,868			20,053
				<u>37,987</u>			<u>19,276</u>
<b>(Surplus)/Deficit on Provision of Service</b>				72,239			(143,611)
Actuarial (gains)/losses on pension assets/liabilities	14			<u>(138,008)</u>			<u>237,711</u>
<b>Total Comprehensive Income and expenditure</b>				<u><u>(65,769)</u></u>			<u><u>94,100</u></u>



## MOVEMENT IN RESERVES STATEMENT

### For the year ended 31 March 2011

	Note	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>Balance at 31 March 2010 carried forward</b>		<b>427,106</b>	<b>18,569</b>	<b>445,675</b>	<b>1,018,715</b>	<b>1,464,390</b>
<b>Movement in reserves during 2010/11</b>						
Deficit on provision of services		(72,239)	0	(72,239)	0	(72,239)
Other Comprehensive Income and Expenditure		0	0	0	138,008	138,008
Total Comprehensive Income and Expenditure		(72,239)	0	(72,239)	138,008	65,769
Adjustments between accounting basis & funding basis under regulations	4	290,740	0	290,740	(290,740)	0
Net Increase before Transfers to Earmarked Reserves		218,501	0	218,501	(152,732)	65,769
Transfers to/from Earmarked Reserves	5	533	(533)	0	0	0
Increase/(Decrease) in Year		219,034	(533)	218,501	(152,732)	65,769
<b>Balance at 31 March 2011 carried forward</b>		<b>646,140</b>	<b>18,036</b>	<b>664,176</b>	<b>865,983</b>	<b>1,530,159</b>

# **MOVEMENT IN RESERVES STATEMENT** **For the year ended 31 March 2010**

	Note	General Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>Balance at 31 March 2009</b>		<b>338,726</b>	<b>206,902</b>	<b>545,628</b>	<b>1,012,862</b>	<b>1,558,490</b>
<b>Movement in reserves during 2009/10</b>						
Deficit on provision of services		<b>143,611</b>	<b>0</b>	<b>143,611</b>	<b>0</b>	<b>143,611</b>
Other Comprehensive Income and Expenditure		<b>0</b>	<b>0</b>	<b>0</b>	<b>(237,711)</b>	<b>(237,711)</b>
Total Comprehensive Income and Expenditure		<b>143,611</b>	<b>0</b>	<b>143,611</b>	<b>(237,711)</b>	<b>(94,100)</b>
Adjustments between accounting basis & funding basis under regulations	4	<b>(243,564)</b>	<b>0</b>	<b>(243,564)</b>	<b>243,564</b>	<b>0</b>
Net Increase before Transfers to Earmarked Reserves		<b>(99,953)</b>	<b>0</b>	<b>(99,953)</b>	<b>5,853</b>	<b>(94,100)</b>
Transfers to/from Earmarked Reserves	5	<b>188,333</b>	<b>(188,333)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase/(Decrease) in Year		<b>88,380</b>	<b>(188,333)</b>	<b>(99,953)</b>	<b>5,853</b>	<b>(94,100)</b>
<b>Balance at 31 March 2010 carried forward</b>		<b>427,106</b>	<b>18,569</b>	<b>445,675</b>	<b>1,018,715</b>	<b>1,464,390</b>

# BALANCE SHEET

## as at 31<sup>st</sup> March 2011

1st April 2009 £	31st March 2010 £		Note	31st March 2011 £
1,498,311	2,336,500	Property, Plant and Equipment	6	
-	-	Assets Held for Sale	7	1,900,000
<b>1,498,311</b>	<b>2,336,500</b>	<b>Long Term Assets</b>		<b>1,900,000</b>
		<b>Current Assets</b>		
178,652	-	Short Term Debtors		215,785
366,977	547,445	Cash and Cash Equivalents	8	448,391
<b>545,629</b>	<b>547,445</b>	<b>Current Assets</b>		<b>664,176</b>
-	(101,770)	Short Term Creditors		
<b>-</b>	<b>(101,770)</b>	<b>Current Liabilities</b>		<b>-</b>
(161,682)	(751,485)	Long Term Borrowing		(740,706)
(323,768)	(566,300)	Pension Liability	9	(293,311)
<b>(485,450)</b>	<b>(1,317,785)</b>	<b>Long Term Liabilities</b>		<b>(1,034,017)</b>
<b>1,558,490</b>	<b>1,464,390</b>	<b>Net Assets</b>		<b>1,530,159</b>
		<b>Financed by:</b>		
1,336,630	1,585,015	Capital Adjustment Account	10	1,159,294
(323,768)	(566,300)	Pension Fund Reserve	10	(293,311)
<b>1,012,862</b>	<b>1,018,715</b>	<b>Unusable Reserves</b>		<b>865,983</b>
		Usable Reserves		
338,726	427,106	General Balance		646,140
17,602	18,569	Woodland Fund	5	18,036
189,300	-	Cremator Fund	5	-
<b>545,628</b>	<b>445,675</b>	<b>Usable Reserves</b>		<b>664,176</b>
<b>1,558,490</b>	<b>1,464,390</b>	<b>Total Net Worth</b>		<b>1,530,159</b>

# CASH FLOW STATEMENT

## For the year ended 31 March 2011

	Note	2010/2011 £	2009/2010 £
Net (surplus) or deficit on the provision of services		72,239	(143,611)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	11	<u>793</u>	<u>(317,637)</u>
<b>Net cash flows from operating activities</b>		<b>73,032</b>	<b>(461,248)</b>
Investing activities	12	15,243	870,583
Financing activities	13	10,779	(589,803)
<b>Net (increase) or decrease in cash and cash equivalents</b>		<b><u>99,054</u></b>	<b><u>(180,468)</u></b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>(547,445)</b>	<b>(366,977)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b><u>(448,391)</u></b>	<b><u>(547,445)</u></b>

# NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

### General Principles

The Statement of Accounts summarises Bretby Crematorium's transactions for the 2010/2011 financial year and its position as at the year-end 31 March 2011. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 and the Best Value Code of Practice 2010/11, supported by International Financial reporting Standards (IFRS). The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the Crematorium provides the relevant service.
- Supplies are recorded as expenditure when they are consumed. Exceptions to this principle relate to electricity, gas and similar periodic payments, which are charged at the date of meter reading rather than being apportioned between financial years.
- Interest payable and receivable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

### Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in one month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Crematorium's financial performance.

### Charges to Revenue for Non-Current Assets

The accounts are debited with the following amounts to record the cost of holding the fixed assets during the year:

- Depreciation attributable to the assets
- Revaluation and impairment losses on assets

## Pensions Scheme

The Local Government scheme is accounted for as a defined benefits scheme:

The liabilities of the Staffordshire County Council pension scheme attributable to the Joint Committee are included in the balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to the retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of future earnings by employees.

Liabilities are discounted to their value at current prices, using a discount rate of 1.6% real (5.5% actual). This rate is equal to the yield available on long-dated, high quality corporate bonds and is commonly referred to as the AA Corporate Bond Rate.

The assets of Staffordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

The change in the net pensions liability is analysed into seven components:

- Current service cost – the increase in liabilities as a result of years of service earned this year. This is allocated to the revenue accounts of the services for whom the employees worked.
- Past service gains/costs – the increase or decrease in liabilities arising from decisions made in the current year relating to years of service earned in earlier years. This is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. This is debited to financing and Investment income and expenditure line in the Comprehensive Income and Expenditure Statement.
- Expected return on assets – the annual investment return on the fund assets attributable to the Joint Committee, based on an average of the expected long-term return. This is credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.
- Gains/losses on settlements and curtailments – the result of actions to relieve the Joint Committee of liabilities, or events that reduce the expected future service or accrual of benefits of employees. This is debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement as part of non distributed costs.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is debited to the Pensions Reserve.
- Contributions paid to Staffordshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities – not accounted for as an expense.

## **Events after the Balance Sheet**

An event occurring after the balance sheet date of 31 March, which provides evidence of conditions which existed at 31 March, is an adjusting event with the amounts shown in the Statement of Accounts updated to take account of the new information.

An event occurring after 31 March which indicates conditions that arose from 1 April onwards is a non-adjusting event with no effect on amounts included in the Statement of Accounts. However if these events are material they are disclosed in the notes to the accounts.

## **Investments**

All investments have been recorded in the accounts at cost

## **Stocks and Work in Progress**

There is no stock or work in progress in the accounts.

## **Overheads and Support Services**

The costs of support services are charged to the services that benefit from the support service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2010. The total absorption costing principle is used with the full cost of support services being shared between users in proportion to the benefits received, with the exception of:

- Non-Distributed Costs – the impairment losses chargeable on Assets Held for Sale.

## **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the provision of services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

## **Recognition**

All expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis, provided that it yields benefit to the Joint Committee it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of the asset, e.g. repairs and maintenance, is charged to revenue as it is incurred.

## **Measurement**

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. The Joint Committee does not capitalise borrowing costs. Assets are then carried in the balance sheet using the following measurement bases:

- other land and buildings, vehicles, plant and equipment – fair value, determined as the amount that would be paid for the asset in existing use.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

### **Impairment**

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against the balance (up to the accumulated gains)
- Where there is no balance in the Revaluation Reserve or insufficient balance, the impairment is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided for all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are yet available for use (i.e. assets under construction).

#### **Depreciation is calculated on the following bases:**

- Buildings – straight line allocation over the useful life of the property as estimated by the valuer

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

### **Disposals and Non-Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through the sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.



If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal).

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. These receipts are appropriated to the Capital Receipts Reserve from the General Fund balance in the Movement in Reserves Statement.

### **Reserves**

The Joint Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and included in the Net Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Movement in Reserves Statement.

### **Value Added Tax**

Income and expenditure excludes any amounts related to VAT as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

## **2. MATERIAL ITEMS OF INCOME AND EXPENSE**

The non distributed costs line of the Comprehensive Income and Expenditure Statement relates to past service gains of £149,646 linked to the pension fund. This relates to the announcement by the Chancellor in June 2010 that with effect from 1 April 2011 public service pensions would be linked to the Consumer Price Index rather than the Retail Price Index. This gain is not permitted by statutory arrangements to have any impact on the General Balance. The gain is reversed in the Movement in Reserves Statement and posted to the Pension Reserve. Further details of this are set out in note 14 to the accounts.

## **3. DETAILS OF INCOME AND EXPENDITURE**

Full details of income and expenditure are shown in Appendix A on page 24

**4. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

	General Balance	Total Movement in Unusable reserves
2010/11	£	£
<b>Adjustments primarily involving the Capital Adjustment Account</b>		
Revaluation Losses on Plant, Property and Equipment	(451,743)	451,743
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>		
Minimum revenue provision for capital financing	10,779	(10,779)
Capital expenditure charged in-year to the General Fund Balance	15,243	(15,243)
<b>Adjustments involving the Pensions Reserve</b>		
Reversal of items relating to retirement benefits debited or credited to Comprehensive Income and Expenditure	106,892	(106,892)
Employers pensions contributions and direct payments to pensioners payable in the year	28,089	(28,089)
<b>TOTAL ADJUSTMENTS</b>	<b>(290,740)</b>	<b>290,740</b>

	General Balance	Movement in Unusable reserves
2009/10 Comparative figures	£	£
<b>Adjustments primarily involving the Capital Adjustment Account</b>		
Depreciation and impairment of fixed assets	(32,394)	32,394
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>		
Minimum revenue provision for capital financing	10,779	(10,779)
Capital expenditure charged in-year to the General Fund Balance	270,000	(270,000)
<b>Adjustments involving the Pensions Reserve</b>		
Reversal of items relating to retirement benefits debited or credited to Comprehensive Income and Expenditure	(29,079)	29,079
Employers pensions contributions and direct payments to pensioners payable in the year	24,258	(24,258)
<b>TOTAL ADJUSTMENTS</b>	<b>243,564</b>	<b>(243,564)</b>

## 5. TRANSFER TO / FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Balance expenditure in 2010/11.

	Balance at 1 April 2009 £	Transfers Out 2009/10 £	Transfers in 2009/10 £	Balance at 31st March 2010 £	Transfers Out 2010/11 £	Transfers in 2010/11 £	Balance at 31st March 2011 £
Woodland Fund	17,602	(8,244)	9,211	<b>18,569</b>	(6,966)	6,433	<b>18,036</b>
Cremator Fund	189,300	(189,300)	0	<b>0</b>	0	0	<b>0</b>

## 6. PROPERTY, PLANT AND EQUIPMENT

Movements in 2010/11	Land and Buildings £	Vehicles, Plant and Equipment £	Assets Under Constuction £	Total Property, Plant and Equipment £
<b>Cost or Valuation</b>				
1st April 2010	2,050,937	620,299	250,284	<b>2,921,520</b>
Additions		15,243		<b>15,243</b>
Revaluation	(1,036,763)			<b>(1,036,763)</b>
Reclassifications	(1,014,174)	(635,542)	(250,284)	<b>(1,900,000)</b>
Other Movements				<b>0</b>
31st March 2011	0	0	0	<b>0</b>
<b>Depreciation and Impairment</b>				
1st April 2010	(585,020)	0		<b>(585,020)</b>
Revaluation	585,020			<b>585,020</b>
Impairment	0			<b>0</b>
31st March 2011	0	0	0	<b>0</b>
<b>Balance Sheet as at 1st April 2010</b>	<b>1,465,917</b>	<b>620,299</b>	<b>250,284</b>	<b>2,336,500</b>
<b>Balance Sheet as at 31st March 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Comparative Movements in 2009/10</b>	<b>Land and Buildings £</b>	<b>Vehicles, Plant and Equipment £</b>	<b>Assets Under Constuction £</b>	<b>Total Property, Plant and Equipment £</b>
<b>Cost or Valuation</b>				
1st April 2009	2,050,937			<b>2,050,937</b>
Additions		620,299	250,284	<b>870,583</b>
31st March 2010	2,050,937	620,299	250,284	<b>2,921,520</b>
<b>Depreciation and Impairment</b>				
1st April 2009	(552,626)	0		<b>(552,626)</b>
Depreciation	(32,394)			<b>(32,394)</b>
31st March 2010	(585,020)	0	0	<b>(585,020)</b>
<b>Balance Sheet as at 1st April 2009</b>	<b>1,498,311</b>	<b>0</b>	<b>0</b>	<b>1,498,311</b>
<b>Balance Sheet as at 31st March 2010</b>	<b>1,465,917</b>	<b>620,299</b>	<b>250,284</b>	<b>2,336,500</b>

## 7. Assets Held for Sale

All assets previously classified under property, plant and equipment have been reclassified as Held for Sale during 2010-2011. This is due to Crematorium being actively marketed for sale.

## 8. Cash and cash Equivalents

	<b>31 March 2011</b>	<b>31 March 2010</b>
	£	£
Cash at Bank	<b>4,195</b>	4,195
Cash Invested with ESBC	<b>444,196</b>	543,250
<b>Cash and Cash Equivalents</b>	<b>448,391</b>	<b>547,445</b>

## 9. USABLE RESERVES

Movements in the Joint Committee's usable reserves are detailed in the Movements in Reserves Statement.

## 10. UNUSABLE RESERVES

### (a) Capital Adjustment Account

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 Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with amounts set aside by the Joint Committee as financing towards the costs.

	2010/11 £	2009/10 £
<b>Balance Brought Forward</b>	<b>1,585,015</b>	1,336,630
<u>Capital Financing</u>		
Revenue	<b>15,243</b>	270,000
<u>Reversal of Items debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Depreciation and Impairment of Fixed Assets	<b>(451,743)</b>	(32,394)
<u>Other Movements</u>		
Minimum Revenue Provision	<b>10,779</b>	10,779
<b>Balance as at 31st March</b>	<b>1,159,294</b>	<b>1,585,015</b>

### (b) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investments returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employers contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31 March 2011 £	31 March 2010 £
<b>Balance at 1 April</b>	<b>(566,300)</b>	(323,768)
Actuarial (gains) and losses on pensions assets and liabilities	<b>138,008</b>	(237,711)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	<b>106,892</b>	(29,079)
Employers pension contributions and direct payments to pensioners payable in year	<b>28,089</b>	24,258
<b>Balance at 31st March</b>	<b>(293,311)</b>	(566,300)

## 11. CASH FLOW STATEMENT – OPERATING ACTIVITIES

Adjustments made to the Net Surplus or deficit on the Provision of Services for non cash and other movements not relating to operating activities are as follows:

	31 March 2011	31 March 2010
	£	£
Depreciation		(32,394)
Impairment and downward revaluations	<b>(451,743)</b>	0
Increase/ decrease in debtors	<b>215,785</b>	(178,652)
Increase/decrease in creditors	<b>101,770</b>	(101,770)
pension liability	<b>134,981</b>	(4,821)
Other		
<b>Adjustment for non-cash movements</b>	<b>793</b>	<b>(317,637)</b>

The Cash flows for operating activities include the following items:

	31 March 2011	31 March 2010
	£	£
Interest received	<b>(2,716)</b>	(1,816)
Interest paid	<b>21,835</b>	1,039
Dividends received		
<b>Total</b>	<b>19,119</b>	<b>(777)</b>

## 12. CASH FLOW STATEMENT – INVESTING ACTIVITIES

	31 March 2011	31 March 2010
	£	£
Purchase of property, plant and equipment, investment property and intangible assets	<b>15,243</b>	870,583
<b>Total</b>	<b>15,243</b>	<b>870,583</b>

### 13. CASH FLOW STATEMENT – FINANCING ACTIVITIES

	31 March 2011	31 March 2010
	£	£
Cash receipts of short and long term borrowing	0	(600,582)
Repayments of short and long term borrowing	10,779	10,779
<b>Total</b>	<b>10,779</b>	<b>(589,803)</b>

## 14. PENSIONS

### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee, through East Staffordshire Borough Council (ESBC), offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time the employees earn their future entitlement.

The Joint Committee participates, through East Staffordshire Borough Council, in the Local Government Pensions Scheme for employees administered locally by Staffordshire County Council. This is a funded defined benefit final salary scheme in that the Joint Committee and its employees pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Joint Committee is included in the figures provided to East Staffordshire Borough Council by the Fund's Actuary for costs, returns, assets and liabilities.

The present day value of the schemes assets and liabilities have been based on the following assumption made by the Actuary.

### Transactions Relating to Post-employment Benefits

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement:

	<b>Local Government Pension Scheme</b>	
	<b>2010/11</b>	<b>2009/10</b>
	£	£
<b>Comprehensive Income and Expenditure Statement</b>		
<b>Cost of Services</b>		
Current Service Cost of General Fund Services	<b>23,886</b>	9,026
Past Service Costs	<b>(149,646)</b>	0
<b>Financing and Investment Income and Expenditure</b>		
Expected Return on Pensions Assets	<b>(58,174)</b>	(27,245)
Pensions Interest cost	<b>77,042</b>	47,298
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>(106,892)</b>	29,079
<b>Other Post Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
Actuarial (Gains) and Losses	<b>(138,008)</b>	237,711
<b>Total Post Employment Benefits charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>(244,900)</b>	266,790
<b>Movement in Reserves Statement</b>		
<b>Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code</b>	<b>106,892</b>	(29,079)
<b>Actual Amount charged against the General Fund Balance for pensions in the year</b>		
Employers contributions payable to Scheme	<b>28,089</b>	24,258
	<b>134,981</b>	<b>(4,821)</b>



The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31<sup>st</sup> March 2011 is a loss of £168,351

### Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities:

	2010/11 £	2009/10 £
Balance b/fwd	<b>(1,462,617)</b>	(1,051,679)
Current Service Cost	<b>(23,886)</b>	(9,026)
Past Service Gains	<b>149,646</b>	0
Settlements & Curtailments	<b>0</b>	0
Interest Cost	<b>(77,042)</b>	(47,298)
Actuarial Gains and Losses	<b>181,112</b>	(388,441)
Members Contributions	<b>(8,145)</b>	(8,430)
Unfunded Benefit Contributions	<b>1,692</b>	0
Benefits Paid	<b>45,682</b>	42,257
<b>Balance c/fwd</b>	<b><u>(1,193,558)</u></b>	<b><u>(1,462,617)</u></b>

In the UK budget statement on 22 June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI).

This has the effect of reducing the Joint Committees liabilities in the Local Government Pension Scheme by £149,646 and has been recognised as a Past Service Gain in accordance with guidance set down in UITF abstract 48, since the change is considered to be a change in benefit entitlement. There is no impact upon the General Fund.

Reconciliation of fair value of the scheme assets:

	2010/11 £	2009/10 £
Balance b/fwd	<b>896,317</b>	727,911
Expected Return on Pension Assets	<b>58,174</b>	27,245
Actuarial Gains and Losses	<b>(43,104)</b>	150,730
Employers Contributions	<b>26,397</b>	24,258
Unfunded Benefit Contributions	<b>1,692</b>	0
Members Contributions	<b>8,145</b>	8,430
Benefits Paid	<b>(45,682)</b>	(42,257)
Unfunded Benefits Paid	<b>(1,692)</b>	0
<b>Balance c/fwd</b>	<b><u>900,247</u></b>	<b><u>896,317</u></b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

The actual return on the scheme assets in the year was £68,530.

## Scheme History

	<b>2010/11</b>	<b>2009/10</b>	<b>2008/09</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present Value of Liabilities	(1,193,558)	(1,462,617)	(1,051,679)
Fair value of assets	900,247	896,317	727,911
<b>Net Liability</b>	<b>(293,311)</b>	<b>(566,300)</b>	<b>(323,768)</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc

The principal assumptions used by the actuary have been:

	<b>2010/11</b>	<b>2009/10</b>
	<b>%</b>	<b>%</b>
Long Term expected rate of return on assets:		
Equities	<b>7.5</b>	7.8
Bonds	<b>4.9</b>	5.0
Property	<b>5.5</b>	5.8
Cash	<b>4.6</b>	4.8
Mortality assumptions		
Longevity at 65 for current pensioners		
Male	<b>21.2</b>	20.8
Female	<b>23.4</b>	24.1
Longevity at 65 for future pensioners		
Male	<b>23.3</b>	22.3
Female	<b>25.6</b>	25.7
Rate of inflation	<b>2.8</b>	3.8
Rate of increase in salaries	<b>5.1</b>	5.3
Rate increase in pensions	<b>2.8</b>	3.8
Rate for discounting scheme liabilities	<b>5.5</b>	5.5
Take up of option to convert to tax free lump sum	<b>75.0</b>	75.0

The Joint Committee's share of the assets can be categorised as follows, shown as a proportion of the total assets held:

	<b>Fund value of assets 31-Mar-11</b>	<b>Fund value of assets 31-Mar-10</b>	<b>Fund value of assets 31-Mar-09</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Equities	<b>7.5</b>	7.8	7.0
Bonds	<b>4.9</b>	5.0	5.4
Property	<b>5.5</b>	5.8	4.9
Cash	<b>4.6</b>	4.8	4.0

## History of Experience Gains and Losses

The actuarial gains or losses identified as movements on the Pension Reserve in 2010/2011 and preceding years measured as a percentage of assets or liabilities are:

	<b>2010/11</b>	<b>2009/10</b>	<b>2008/09</b>
	%age	%age	%age
On Assets	<b>(4.78)</b>	25.45	(39.88)
On Liabilities	<b>5.36</b>	0.21	0.20

## 15. EVENTS AFTER BALANCE SHEET DATE

These are events occurring after the balance sheet date, which might have a bearing on the financial results for 2011/2012.

The following non-adjusting events have taken place:-

### Sale of Bretby Crematorium

As stated in the Explanatory Forward in page 1, the Bretby Crematorium and underlying business was sold in April 2011. This transaction will be reported in the 2011/12 accounts.

**BRETBY CREMATORIUM JOINT COMMITTEE**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 2010/2011**

2009/10 £	INCOME	2010/2011 £	£
	<b>Customer and Client Receipts</b>		
20,666	Sales	20,832	
609,062	Fees and Charges	675,658	
4,366	Rents	4,394	
<u>634,094</u>			<u>700,884</u>
	<b>Woodland Fund</b>		
9,211	Contributions to Woodland Fund	6,433	
<u>9,211</u>			<u>6,433</u>
<u>643,305</u>	<b>TOTAL INCOME</b>		<u>707,317</u>
	<b>EXPENDITURE</b>		
	<b>Employees Expenses</b>		
177,740	Salaries, Honoraria, National Insurance & Superannuation	191,058	
-	FRS Liability	(153,849)	
-	Redundancy/Termination Costs	4,452	
7,009	Other Expenses	6,403	
<u>184,749</u>			<u>48,064</u>
	<b>Premises Expenses</b>		
24,133	Repair & Maintenance of Buildings	53,171	
26,913	Maintenance Agreement - Cremators	6,430	
12,869	Maintenance of Grounds	7,270	
38,728	Energy Costs	36,821	
35,405	Rates	39,663	
(3,028)	Water Services	669	
3,321	Refuse Removal	1,694	
3,309	Premises Insurance	3,224	
32,394	Depreciation	-	
-	Downward revaluation of Fixed Assets	451,743	
<u>174,044</u>			<u>600,684</u>
	<b>Transport Expenses</b>		
4,583	Car Allowance	1,039	
<u>4,583</u>			<u>1,039</u>
	<b>Supplies &amp; Services</b>		
18,003	Equipment, Furniture & Materials	18,977	
729	Clothing, Uniforms and Laundry	1,365	
3,541	Printing, Stationery & General Office Expenses	8,795	
4,500	Computer Services	12,850	
8,967	Wesley Music System	9,217	
1,131	Conference Expenses	362	
-	Consultants	3,674	
22,194	Partial Exemption VAT liability	(22,194)	
3,018	Miscellaneous Expenses	3,529	
34,348	Cost of Miscellaneous Items for Sale	35,573	
<u>96,431</u>			<u>72,149</u>

# APPENDIX A

2009/10 £	EXPENDITURE CONTINUED	2010/2011 £
	<b>Central Support Services</b>	
	<b>East Staffordshire Borough Council</b>	
1,570	Internal Audit	1,617
4,900	Human Resources, Payroll & Payments	5,000
1,397	Legal Services	1,450
4,500	Financial Management	4,600
<u>12,367</u>		<u>12,667</u>
	<b>Woodland Fund</b>	
8,244	Woodland Fund Costs	6,966
<u>8,244</u>		<u>6,966</u>
<u>480,418</u>	TOTAL EXPENDITURE	<u>741,569</u>
<u>(162,887)</u>	NET DEFICIT/(SURPLUS) FOR YEAR	<u>34,252</u>