



Orbitas Bereavement Services Limited

Draft Summary Financial Statements 2015-16

Summary

Orbitas Bereavement Services Ltd (Orbitas) commenced trading on 1 April 2014. Orbitas performed strongly in 2015/16, recording a £36,928 profit from its operations before taxation.

Core bereavement services related income (i.e. Burials/Cremations) is managed / collected by Orbitas on behalf of Cheshire East Borough Council (CEBC) through the contract and is reflected in CEBC's Accounts.

The profit for the year, after statutory accounting, taxation and contract profit share adjustment is £30,995. This is attributable to profit retained by Orbitas from commercial activities and the CEBC contract profit share.

The contracted profit sharing arrangement for 2016-17 is such that, 25% profit is retained by the Company, 50% is held in a ring-fenced reserve held by the Shareholder and 25% is retained by the Parent. The profit sharing arrangement is effected through a management fee adjustment in year. The ring-fenced reserve, retained by the Parent is held for future use by the Company in line with provisions in the contract.

Pensions costs

CEBC has altered its pension arrangements with its owned and controlled companies in respect of employee benefits resulting from membership of the Local Government Pension Scheme (LGPS), by moving to a 'pass through' agreement, effective from 1 April 2015. This new agreement replaces the original arrangement whereby Orbitas was allocated a share of pension assets sufficient to cover pension liabilities as determined by the Actuary on the date of its formation. Orbitas then reflected the latest value of these assets and liabilities in its financial statements. The new 'pass through' agreement transfers all pensions assets and liabilities back to the CEBC, from 1 April 2015, CEBC will reflect the amounts and related accounting entries in their financial statements

The 'pass through' agreement between CEBC and Orbitas will specify a fixed rate of employer contribution payable by the company to the Cheshire Pension Fund and as a consequence, Orbitas will disclose these contributions to the scheme in its Profit and Loss account, consistent with the accounting treatment of a defined contribution scheme. The effect of the 'pass through' arrangement in the 2015/16 Financial Statements equates to the removal of the net pension liability previously shown in the Statement of Financial Position effected through an actuarial adjustment through the Statement of Other Comprehensive Income.

Statement of Comprehensive Income (Unaudited)

For the year ended 31 March 2016

	2016	2015
	£'000	£'000
Turnover	1,759	1,373
Cost of Sales	<u>(1,083)</u>	<u>(873)</u>
Gross Profit	<u>676</u>	<u>500</u>
Administrative Expenses	<u>(639)</u>	<u>(473)</u>
Operating profit	<u>37</u>	<u>27</u>
Total operating profit	<u>37</u>	<u>27</u>
Profit on ordinary activities before interest	37	27
Interest payable and similar charges	<u>0</u>	<u>(19)</u>
Profit on ordinary activities before taxation	37	8
Taxation	<u>(6)</u>	<u>-</u>
Profit for the financial year	<u>31</u>	<u>8</u>
Other comprehensive income for the year/period		
Opening pension scheme deficit	-	(420)
Movement on pension scheme in year	<u>769</u>	<u>(349)</u>
Other comprehensive period for the year/period	<u>769</u>	<u>(769)</u>
Total comprehensive income for the year/period	<u>800</u>	<u>(761)</u>

Statement of Financial Position (Unaudited)

At 31 March 2016

	2016 £'000	2015 £'000
<u>Current assets</u>		
Stocks	31	37
Debtors	403	154
Cash at bank in hand	68	220
Total Current assets	502	411
<u>Creditors: amounts falling due within one year</u>		
Trade creditors	(342)	(319)
Short Term Provisions	(120)	(21)
Total Creditors: amounts falling due within one year	(463)	(340)
Net Current Assets	39	71
Total Assets less current liabilities	39	71
<u>Creditors: amounts falling due after more than one year</u>		
Total Creditors: amounts falling due after more than one year	-	-
Defined benefit pension plan deficit	-	(832)
Net Assets	39	(761)
<u>Capital and Reserves</u>		
Share capital	-	-
Retained Earnings	39	(761)
Total Equity	39	(761)

The financial statements of Orbitas Bereavement Services Limited (the "Company") for the year ended 31 March 2016 will be issued to the Board for authorisation in September 2016 following the external audit of the company accounts.

As a wholly owned company within the Cheshire East Borough Council Group, Orbitas Bereavement Services Limited's results are included in the consolidated financial statements of CEBC which are available from:

http://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/statement_of_accounts/statement_of_accounts.aspx.