

Llanelli Rural Council

Financial Statements

For the year ended 31 March 2016

Llanelli Rural Council

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31 March 2016

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Llanelli Rural Council

Council Information

31 March 2016

(Information current at 29th June 2016)

Chairman

Cllr S. M. Donoghue

Councillors

Cllr H. J. Evans (Vice Chairman)

Cllr F. Akhtar
Cllr L. A. Beer
Cllr T. Bowen
Cllr L. J. Butler
Cllr S. M. Caiach
Cllr D. M. Cundy
Cllr M. V. Davies
Cllr S. L. Davies
Cllr T. Devichand
Cllr M. L. Evans
Cllr R. E. Evans
Cllr T. J. Jones
Cllr S. N. Lewis
Cllr A. G. Morgan
Cllr J. S. Phillips
Cllr C. A. Rees
Cllr A. Rogers
Cllr W. V. Thomas
Cllr G. H. Wooldridge

Clerk to the Council

Mr Mark Galbraith. A.C.I.S

Responsible Financial Officer (R.F.O.)

Mrs Wendy Evans

Auditors

Grant Thornton UK LLP
11/13 Penhill Road
Cardiff, CF11 9UP

Internal Auditors

Auditing Solutions Limited
Clackerbrook Farm, 46 The Common
Bromham, Chippenham
Wiltshire, SN15 2JJ

Llanelli Rural Council
Annual Governance Statement
31 March 2016

Scope of Responsibility

Llanelli Rural Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2005 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Llanelli Rural Council for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

The governance framework

The key elements of Llanelli Rural Council's systems and processes that comprise the governance arrangements are:-

- The Council identifies its visions as part of its programme setting process and communicates its intentions and intended outcomes to its citizens and service users via its web site, local news leaflet and press releases.
- The definition and documenting of the roles within the authority are as contained within the Council's constitution document. The Council's disciplinary and grievance procedures cover the staff element and the Council Members are covered by the national code of conduct adopted by the Council.
- The Council procedures are updated when required to take account of changes in legislation and the changing needs of the authority. The Finance & General Purposes Committee acts as the Committee for assuring adherence with financial matters and is the Committee responsible also in regard to matters of complying with all laws and regulations.
- The Council has a complaints procedure for the public and whilst no formally whistle blowing procedure is in place the Council's grievance procedure would permit such matters to be dealt with properly.
- The Council has clear channels of communication with all sectors and welcomes the public to attend its meetings.
- The Council has agreed as a fundamental policy partnership working with other local authorities and organisations where benefit can be shown by such partnership working.

Llanelli Rural Council
Annual Governance Statement
31 March 2016

Review of effectiveness

Llanelli Rural Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the control exercised by members and the work of the internal auditor and the executive managers within the Council, who have responsibility for the development and maintenance of the governance framework. It is further enhanced by reports and comments made by the external auditors and other review agencies and inspectors.

We continue to be advised on the implications of the result of the review of the governance framework by the Council, relevant committees, officers and the internal auditor, and plan to address weaknesses as they arise and thus ensure continuous improvement of the system is in place.

Significant governance issues

To date no significant governance issues have been identified. As such issues arise, effective steps will be taken to ensure that matters are addressed, weaknesses eradicated and revised arrangements implemented at the earliest possible opportunity.

Approval of Statement

This statement was approved at a meeting of the council held on 29th June 2016 when authority was given for the Chairman and the Clerk to the Council to sign.

Signed:



Cllr S. M. Donoghue
Chairman



Mr Mark Galbraith. A.C.I.S
Clerk to the Council

Date:

29.6.16

Llanelli Rural Council
Statement of Responsibilities
31 March 2016

The Council's Responsibilities

The council is required:

- to make arrangements for the proper administration of its financial affairs,
- to secure that one of its officers (R.F.O.) has the responsibility for the administration of those affairs. At this council that officer is the Deputy Clerk (Administration), and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Responsible Financial Officer's Responsibilities

The R.F.O. is responsible for the preparation of the council's Financial Statements in accordance with Part 4 of the Governance and Accountability for Local Councils – A Practitioners Guide (Wales) (the guide), so far as is applicable to this council, to present a true and fair view of the financial position of the council at 31 March 2016 and its income and expenditure for the year then ended.

In preparing the Financial Statements, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that were reasonable and prudent, and
- complied with the guide.

The R.F.O. has also:

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

Responsible Financial Officer's Certificate

I hereby certify that the Financial Statements for the year ended 31 March 2016 required by the Accounts and Audit Regulations 2010 (as amended) are set out in the following pages.

I further certify that the Financial Statements present a true and fair view of the financial position of Llanelli Rural Council at 31 March 2016, and its income and expenditure for the year ended 31 March 2016.

Signed: *W. Evans*

Mrs Wendy Evans- Deputy Clerk (Administration)

Date: *29-6-16*

Llanelli Rural Council
Statement of Accounting Policies

31 March 2016

Accounting Convention

The accounts have been prepared, for the first time, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE) issued by the Accounting Standards Board, as applied to Local Councils by part 4 of Governance and Accountability for Local Councils – A Practitioners Guide (Wales) (the guide). Comparative figures have been restated to conform to the revised formats where appropriate.

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets above the council de-minimis (currently £1000) is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority, and the services it provides, for a period of more than one year.

In accordance with FRSSE depreciation is provided on all operational buildings (but not land), as well as other assets.

Following the adoption of the FRSSE, as interpreted by the guide, the council has elected to retain the book value of fixed assets at the balance sheet valuations current on 31st March 2009 together with subsequent acquisitions and enhancements at cost, in accordance with the transitional provisions of paragraph 4.40 of the guide.

Disposals of fixed assets are reported in the Income and Expenditure Account and, in accordance with the guide, the net book value of asset disposals is reversed out to the Capital Financing Account in order not to constitute a charge to the council's revenue reserves.

Depreciation Policy

Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.

Freehold land is not depreciated.

Non Operational Assets (including Investment Properties) are not depreciated.

Vehicle, plant, equipment and furniture are depreciated over 4 to 10 years on a straight line basis.

Play equipment is depreciated over 10 years at 10% per annum straight line.

Infrastructure assets are depreciated over 10 to 25 years at 4% to 10% per annum straight line.

Community assets are not depreciated, because they are either intrinsic or purely nominal value.

Grants or Contributions from Government or Related Bodies

Capital Grants

The council has elected, as permitted under the guide, to continue with the previous policy with regard to capital grants. Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the amount of the grant has been credited to Deferred Grants Account and carried forward. Grants so credited are released back to revenue over the life of the asset to match, and thereby offset wholly or in part, depreciation charged.

Revenue Grants

Revenue grants are credited to income when conditions attached thereto have been fulfilled and/or equivalent expenditure has been incurred. Grants received in respect of which the conditions have not been fulfilled, or expenditure incurred, are carried forward as deferred revenue grants.

Llanelli Rural Council
Statement of Accounting Policies
31 March 2016

Debtors and Creditors

The revenue accounts of the council are maintained on an accruals basis in accordance with the regulations. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of regular quarterly and other accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

Value Added Tax

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

External Loan Repayments

The council accounts for loans on an accruals basis. Details of the council's external borrowings are shown at note 15.

Rentals payable under operating leases are charged to revenue on an accruals basis. Details of the council's obligations under operating leases are shown at note 18.

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 19 to 20.

Certain reserves are maintained to manage the accounting processes for tangible fixed assets, available for sale investments and retirement benefits. They do not represent usable resources for the council:

Capital Financing Account – represent the council's investment of resources in such assets already made.

Interest Income

All interest receipts are credited initially to general funds.

Cost of Support Services

The costs of management and administration have been apportioned to services on an appropriate and consistent basis.

Pensions

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation was due at 31st March 2016 and any change in contribution rates as a result of that valuation will take effect from 1st April 2017.

Llanelli Rural Council
Income and Expenditure Account
31 March 2016

	Notes	2016 £	2015 £
Income			
Precept on County Council			
Grants Receivable		979,710	979,710
Rents Receivable, Interest & Investment Income		8,000	2,463
Charges made for Services		4,803	4,512
Other Income		1,502,024	1,356,737
		39	714
Total Income		2,494,576	2,344,136
Expenditure			
Direct Service Costs:			
Salaries & Wages		(864,401)	(827,546)
Grant-aid Expenditure		(38,210)	(33,122)
Other Costs	1	(1,093,951)	(877,544)
Democratic, Management & Civic Costs:			
Salaries & Wages		(350,758)	(299,677)
Other Costs	1	(229,234)	(242,652)
Total Expenditure		(2,576,554)	(2,280,541)
Excess of (Expenditure over Income)/Income over Expenditure for the year.		(81,978)	63,595
Exceptional Items			
Profit/(Loss) on the disposal of fixed assets		1,399	-
Net Operating (Deficit)/Surplus for Year		(80,579)	63,595
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(44,850)	(46,062)
Capital Expenditure charged to revenue	11	(137,471)	(57,340)
Reversal of annual depreciation and impairment		174,447	156,625
Reversal of grant amortisation		(28,697)	(20,055)
Transfer (to) Earmarked Reserves	20	(188,208)	(242,829)
(Deficit) for the Year (from) General Fund		(305,357)	(146,066)
Net (Deficit) for the Year		(117,149)	96,763
The above (Deficit) for the Year has been (funded) for the Year (from) as follows:			
Transfer (to) Earmarked Reserves	20	188,208	242,829
(Deficit) for the Year (from) General Fund		(305,357)	(146,066)
		(117,149)	96,763

The council had no other recognisable gains and/or losses during the year.

The notes on pages 13 to 22 form part of these statements.

Llanelli Rural Council
Statement of Movement in Reserves
31 March 2016

Reserve	Purpose of Reserve	Notes	2016 £	Net Movement in Year £	2015 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	19	2,056,553	36,570	2,019,983
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	20	703,394	188,208	515,186
General Fund	Resources available to meet future running costs		216,733	(305,357)	522,090
Total			2,976,680	(88,579)	3,057,259

The notes on pages 13 to 22 form part of these statements.

Llanelli Rural Council

Balance Sheet

31 March 2016

	Notes	2016 £	2016 £	2015 £
Fixed Assets				
Tangible Fixed Assets	10		3,303,832	3,289,849
Current Assets				
Debtors and prepayments	13	255,223		302,626
Cash at bank and in hand		876,346		912,287
		<u>1,131,569</u>		<u>1,214,913</u>
Current Liabilities				
Current Portion of Long Term Borrowings		(43,738)		(41,728)
Current Portion of Deferred Liabilities		(3,122)		(3,122)
Creditors and income in advance	14	<u>(151,443)</u>		<u>(117,638)</u>
Net Current Assets			933,266	1,052,425
Total Assets Less Current Liabilities			<u>4,237,098</u>	<u>4,342,274</u>
Long Term Liabilities				
Long-term borrowing	15		(797,925)	(841,663)
Deferred liabilities	16		(1,822)	(4,944)
Deferred Grants	17		(460,671)	(438,408)
Total Assets Less Liabilities			<u>2,976,680</u>	<u>3,057,259</u>
Capital and Reserves				
Capital Financing Reserve	19		2,056,553	2,019,983
Earmarked Reserves	20		703,394	515,186
General Reserve			<u>216,733</u>	<u>522,090</u>
			<u>2,976,680</u>	<u>3,057,259</u>

The Financial Statements represent a true and fair view of the financial position of the Council as at 31 March 2016, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 29th June 2016 .

Signed: *S. M. Donoghue*
Cllr S. M. Donoghue
Chairman

W. Evans
Mrs Wendy Evans
Responsible Financial Officer

Date: *29/6/16*

29.6.16

The notes on pages 13 to 22 form part of these statements.

Llanelli Rural Council

Cash Flow Statement

31 March 2016

	Notes	2016 £	2016 £	2015 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,210,569)		(1,130,856)
Other operating payments		(1,147,250)		(965,959)
			(2,357,819)	(2,096,815)
<i>Cash inflows</i>				
Precept on County Council		979,710		979,710
Cash received for services		1,551,174		1,210,225
Revenue grants received		8,000		2,463
			2,538,884	2,192,398
Net cash inflow from Revenue Activities	23		181,065	95,583
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(40,582)		(42,499)
Interest element of Finance Lease/HP Installments		(281)		(1,280)
<i>Cash inflows</i>				
Interest received		4,778		4,529
Net cash (outflow) from Servicing of Finance			(36,085)	(39,250)
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(188,431)		(57,340)
<i>Cash inflows</i>				
Sale of fixed assets		1,400		-
Capital grant received		50,960		60,000
Net cash (outflow)/inflow from Capital Activities			(136,071)	2,660
Net cash inflow before Financing			8,909	58,993
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			(41,728)	(39,810)
Hire Purchase and Lease repayments made			(3,122)	(6,250)
Net cash (outflow) from financing and liquid resources			(44,850)	(46,060)
(Decrease)/Increase in cash	24		(35,941)	12,933

The notes on pages 13 to 22 form part of these statements.

Llanelli Rural Council

Notes to the Accounts

31 March 2016

1 Other Costs Analysis

Other Costs reported in the council's Income and Expenditure Account comprise the following:

Direct Service Costs

	2016	2015
	£	£
Community Centres	100,536	81,937
Sports Development & Community Recreation	8,511	8,741
Indoor Sports & Recreation Facilities	8,086	12,449
Outdoor Sports & Recreation Facilities	122,547	109,788
Cemeteries	85,805	85,805
Community Development	14,291	16,244
Routine Repairs (other roads)	958	376
Street Lighting	30,987	30,982
Transport Training Department	760,440	564,344
Less: Grant-aid Expenditure	(38,210)	(33,122)
Total	1,093,951	877,544

Democratic, Management & Civic Costs

	2016	2015
	£	£
Corporate Management	167,854	174,095
Democratic Representation & Management	858	5,383
Civic Expenses	3,176	2,889
Chairman's Allowance	5,170	5,472
Members' Allowances	11,313	11,034
Interest Payable	40,863	43,779
Total	229,234	242,652

As reported in the Statement of Accounting Policies, apportionment of central costs is not reflected in the above analysis.

2 Interest Payable and Similar Charges

	2016	2015
	£	£
External Interest Charges - Loans	40,582	42,499
External Interest Charges - Lease/H.P.	281	1,280
	40,863	43,779

Llanelli Rural Council

Notes to the Accounts

31 March 2016

3 Interest and Investment Income

	2016	2015
	£	£
Interest Income - General Funds	4,803	4,512
	<u>4,803</u>	<u>4,512</u>

4 Agency Work

During the year the Council undertook no agency work on behalf of other authorities.

During the year the Council commissioned no agency work to be performed by other authorities.

5 Related Party Transactions

The council had arms length trading transactions with one business controlled by Councillor C A Rees.

Transactions during the year were as follows:

Name	Transaction details	2016	2015
		£	£
D R Taxis	Purchased – vehicle and taxi hire	0	3,790
D R Taxis	Income – training services	600	1,580

No amounts due remained unpaid at 31 March 2016 or at 31 March 2015.

The council entered into no other material transactions with related parties during the year.

6 Audit Fees

The council is required to report and disclose the cost of services provided by its external auditors.

These may be summarised as follows:

	2016	2015
	£	£
Fees for statutory audit services	2,400	6,130
Total fees	<u>2,400</u>	<u>6,130</u>

7 Employees

The average weekly number of employees during the year was as follows:

	2016	2015
	Number	Number
Full-time	39	37
Part-time	5	9
Temporary	2	2
	<u>46</u>	<u>48</u>

All staff are paid in accordance with nationally agreed pay scales.

Llanelli Rural Council

Notes to the Accounts

31 March 2016

8 Members' Allowances

	2016	2015
	£	£
Members of Council have been paid the following allowances for the year:		
Chairman's Allowance	5,170	5,472
Members' Allowances	11,313	11,034
	<u>16,483</u>	<u>16,506</u>

Other than the Chairman 18 of the total of 21 elected members claimed allowances to which they were entitled. Co-opted members are not entitled to claim allowances.

9 Pension Costs

The council participates in the Dyfed Pension Fund.

The Dyfed Pension Fund is a defined benefit scheme, but the council is unable to identify its share of the underlying assets and liabilities because all town and parish councils in the scheme pay a common contribution rate.

Financial Reporting Standard for Small Enterprises (FRSSE), for schemes such as Dyfed Pension Fund requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

The cost to the council for the year ended 31 March 2016 was £134,421 (31 March 2015 - £121,733).

The most recent actuarial valuation was carried out as at 31st March 2013, and the council's contribution rate is confirmed as being 14.60% of employees' pensionable pay, plus a lump sum of £11,500, with effect from 1st April 2016 (year ended 31 March 2016 – 14.60%, plus a lump sum of £11,100).

Llanelli Rural Council

Notes to the Accounts

31 March 2016

10 Tangible Fixed Assets

	Operational Freehold Land and Buildings	Operational Leasehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Total
Cost	£	£	£	£	£	£
At 31 March 2015	2,341,941	1,275,585	568,835	511,557	97,477	4,795,395
Additions	-	-	97,442	90,989	-	188,431
Disposals	-	-	(4,500)	-	-	(4,500)
Reclassification						
	2,341,941	1,275,585	661,777	602,546	97,477	4,979,326
Depreciation						
At 31 March 2015	(281,109)	(261,406)	(595,829)	(367,202)	-	(1,505,546)
Charged for the year	(45,674)	(31,112)	(54,968)	(42,693)	-	(174,447)
Eliminated on disposal	-	-	4,499	-	-	4,499
Reclassification						
	(326,783)	(292,518)	(646,298)	(409,895)	-	(1,675,494)
Net Book Value						
At 31 March 2016	2,015,158	983,067	15,479	192,651	97,477	3,303,832
At 31 March 2015	2,060,832	1,014,179	(26,994)	144,355	97,477	3,289,849

Although classified as capital expenditure, certain minor equipment purchases are not included in the above as they are not material in overall value.

Fixed Asset Valuation

The freehold and leasehold properties that comprise the council's properties have been valued as at 31st March 2006 by external independent valuers, Messrs Lambert Smith Hampton, Chartered Surveyors. Valuations have been made on the basis set out in the Statement of Accounting Policies, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building. Following the adoption of the FRSSE, the council elected to retain the depreciated valuation as the book value of such assets.

Assets Held under Finance Agreements

	2016 £	2015 £
Value as at 31 March 2015	6,895	4,250
Additions to assets held under finance lease/hire purchase agreements	-	9,193
Assets no longer subject to finance lease/hire purchase agreements	-	(2)
Depreciation Charged in Year	(2,298)	(6,546)
Value as at 31 March 2016	4,597	6,895

Llanelli Rural Council

Notes to the Accounts

31 March 2016

11 Financing of Capital Expenditure

	2016	2015
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	188,431	66,533
	<u>188,431</u>	<u>66,533</u>
was financed by:		
Capital Grants	50,960	-
New H.P./Lease Finance	-	9,193
Precept and Revenue Income	137,471	57,340
	<u>188,431</u>	<u>66,533</u>

12 Information on Assets Held

Fixed assets owned by the council include the following:

Operational Land and Buildings

- Council Offices Vauxhall
- Felinfoel Community Resource Centre
- Works Depots – 1
- Changing Rooms – at 1 recreation grounds
- Community Centres – 8

Vehicles and Equipment

- Cars – 6
- Light Vans – 6
- Commercial Vehicles - 2
- Public Service Vehicles - 1
- Tractors – 2
- Sundry grounds maintenance equipment
- Play Equipment

Infrastructure Assets

- Street lights - 348
- Footpaths - 135

Community Assets

- Recreation grounds and playing fields – 3
- Childrens' play areas - 8

Llanelli Rural Council

Notes to the Accounts

31 March 2016

13 Debtors

	2016	2015
	£	£
General Debtors	12,452	12,959
Training Department Debtors	179,535	134,650
Trade Debtors	191,987	147,609
VAT Recoverable	18,540	18,501
Prepayments	1,601	727
Accrued Income	42,848	135,567
Accrued Interest Income	247	222
	<u>255,223</u>	<u>302,626</u>

14 Creditors and Accrued Expenses

	2016	2015
	£	£
Trade Creditors	92,991	58,784
Other Creditors	4,593	396
Superannuation Payable	16,521	14,635
Payroll Taxes and Social Security	19,633	19,749
Accruals	14,935	22,074
Income in Advance	2,770	2,000
	<u>151,443</u>	<u>117,638</u>

15 Long Term Liabilities

	2016	2015
	£	£
Public Works Loan Board	841,663	883,391
	<u>841,663</u>	<u>883,391</u>

The above loans are repayable as follows:

	2016	2015
	£	£
Within one year	43,738	41,728
From one to two years	45,845	43,738
From two to five years	151,223	144,269
From five to ten years	304,742	290,717
Over ten years	296,115	362,939
Total Loan Commitment	841,663	883,391
Less: Repayable within one year	(43,738)	(41,728)
Repayable after one year	<u>797,925</u>	<u>841,663</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2016

16 Deferred Liabilities

	2016	2015
	£	£
H.P. and Lease Creditors	4,944	8,066

The above liabilities are repayable as follows:

	2016	2015
	£	£
Within one year	3,122	3,122
From one to two years	1,821	3,122
From two to five years	-	1,822
From five to ten years	-	-
Over ten years	-	-
Total Deferred Liabilities	4,943	8,066
Less: Repayable within one year	(3,122)	(3,122)
	1,821	4,944

17 Deferred Grants

	2016	2015
	£	£
Capital Grants Unapplied		
At 01 April	60,000	-
Grants received in the year	50,960	60,000
Applied to finance capital investment	(50,960)	-
At 31 March	60,000	60,000
Capital Grants Applied		
At 01 April	378,408	398,463
Grants Applied in the year	50,960	-
Released to offset depreciation	(28,697)	(20,055)
At 31 March	400,671	378,408
Total Deferred Grants		
At 31 March	460,671	438,408
At 01 April	438,408	398,463

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from the Deferred Grants Account to offset any provision for depreciation charged to revenue accounts in respect of assets that were originally acquired with the assistance of such grants.

Llanelli Rural Council

Notes to the Accounts

31 March 2016

18 Financial Commitments under Operating Leases

The council had annual commitments under non-cancellable operating leases of equipment as follows:

	2016 £	2015 £
Obligations expiring within one year	-	-
Obligations expiring between two and five years	3,250	3,250
Obligations expiring after five years	-	-
	<u>3,250</u>	<u>3,250</u>

19 Capital Financing Account

	2016 £	2015 £
Balance at 01 April	2,019,983	2,053,152
Financing capital expenditure in the year		
Additions - using revenue balances	137,471	57,340
Loan repayments	44,850	46,061
Disposal of fixed assets	(4,500)	-
Depreciation eliminated on disposals	4,499	-
Reversal of depreciation	(174,447)	(156,625)
Deferred grants released	28,697	20,055
Balance at 31 March	<u>2,056,553</u>	<u>2,019,983</u>

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure or for the repayment of external loans. It also includes the reversal of depreciation to ensure it does not impact upon the amount to be met from precept. It does not represent a reserve that the council can use to support future expenditure.

20 Earmarked Reserves

	Balance at 01/04/2015 £	Contribution to reserve £	Contribution from reserve £	Balance at 31/03/2016 £
Capital Projects Reserves	-	-	-	-
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	515,186	395,494	(207,286)	703,394
Total Earmarked Reserves	<u>515,186</u>	<u>395,494</u>	<u>(207,286)</u>	<u>703,394</u>

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

The Other Earmarked Reserves at 31 March 2016 are set out in detail at Appendix A.

21 Capital Commitments

The council had no other capital commitments at 31 March 2016 not otherwise provided for in these accounts.

Llanelli Rural Council

Notes to the Accounts

31 March 2016

22 Contingent Liabilities

The council is not aware of any contingent liabilities at the date of these accounts.

23 Reconciliation of Revenue Cash Flow

	2016	2015
	£	£
Net Operating (Deficit)/Surplus for the year	(81,978)	63,595
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	145,750	136,570
Interest Payable	40,863	43,779
Interest and Investment Income	(4,778)	(4,529)
Decrease/(Increase) in debtors	47,403	(143,449)
Increase/(Decrease) in creditors	33,805	(383)
Revenue activities net cash inflow	<u>181,065</u>	<u>95,583</u>

24 Movement in Cash

	2016	2015
	£	£
Balances at 01 April		
Cash with accounting officers	300	200
Cash at bank	<u>911,987</u>	<u>899,154</u>
	912,287	899,354
Balances at 31 March		
Cash with accounting officers	400	300
Cash at bank	<u>875,946</u>	<u>911,987</u>
	876,346	912,287
Net cash (outflow)/inflow	<u>(35,941)</u>	<u>12,933</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2016

25 Reconciliation of Net Funds/Debt

	2016	2015
	£	£
(Decrease)/Increase in cash in the year	(35,941)	12,933
Cash outflow from repayment of debt	44,850	46,060
Net cash flow arising from changes in debt	44,850	46,060
New H P/Lease Agreements	-	(9,193)
Movement in net funds in the year	8,909	49,800
Cash at bank and in hand	912,287	899,354
Total borrowings	(891,457)	(928,325)
Net funds/(debt) at 01 April	20,830	(28,971)
Cash at bank and in hand	876,346	912,287
Total borrowings	(846,607)	(891,457)
Net funds at 31 March	29,739	20,830

26 Post Balance Sheet Events

The Training Department is undergoing transformation to help sustain its future operational structure and financial viability. Necessary and unavoidable costs have been identified to support the transition arrangements and an Earmarked Reserve has been created to set aside funds to achieve the council's objectives.

There are no other significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 29th June 2016), which would have a material impact on the amounts and results reported herein.

Llanelli Rural Council

Appendices

31 March 2016

Appendix A

Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2015</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2016</u>
	£	£	£	£
<u>Other Earmarked Reserves</u>				
Furnace Hall	10,000			10,000
Felinfoel Community Resource Centre	0			0
Capital Schemes	115,000	122,390		237,390
Vauxhall Buildings	9,640	69,060	8,840	69,860
Resources	30,950	5,740	1,960	34,730
Miscellaneous Projects	114,160	58,570	41,050	131,680
Committed Grants	16,836	27,844	16,836	27,844
Pwll Pavilion Car Park	115,900	1,890	115,900	1,890
Play Areas	102,700		22,700	80,000
training Department Restructuring		110,000		110,000
				0
				0
	<u>515,186</u>	<u>395,494</u>	<u>207,286</u>	<u>703,394</u>
TOTAL EARMARKED RESERVES	<u>515,186</u>	<u>395,494</u>	<u>207,286</u>	<u>703,394</u>

Llanelli Rural Council

31 March 2016

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	783,452	625,691
Cemetery, Cremation & Mortuary	71,010	71,005
Planning & Development Services (including Markets)	17,522	18,035
Highways Roads (Routine)	92,474	72,519
Street Lighting	31,312	30,987
Transport Training Department	-	127,873
Net Direct Services Costs	<u>995,770</u>	<u>946,110</u>
Corporate Management	-	14,583
Democratic & Civic	84,024	64,935
Net Democratic, Management and Civic Costs	<u>84,024</u>	<u>79,518</u>
Interest & Investment Income	(3,900)	(4,803)
Loan Charges	82,310	85,713
Capital Expenditure	457,710	137,471
Proceeds of Disposal of Capital Assets	-	(1,400)
Transfers to/(from) other reserves	(501,750)	188,208
Reversal of Statutory Adjustments	(134,454)	(145,750)
(Deficit from) General Reserve	-	(305,357)
Precept on County Council	<u>979,710</u>	<u>979,710</u>

Llanelli Rural Council

31 March 2016

Annual Report Tables

Table. 2 – Service Income & Expenditure

	Notes	2016 £	2016 £	2016 £	2015 £
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES					
Recreation & Sport		637,577	(11,886)	625,691	526,156
ENVIRONMENTAL SERVICES					
Cemetery, Cremation & Mortuary		85,805	(14,800)	71,005	74,354
PLANNING & DEVELOPMENT SERVICES					
Community Development		18,035	-	18,035	16,244
HIGHWAYS, ROADS & TRANSPORT SERVICES					
Highways Roads (Routine)		76,719	(4,200)	72,519	84,002
Street Lighting		30,987	-	30,987	30,982
OTHER SERVICES					
Transport Training Department		1,607,011	(1,479,138)	127,873	50,313
CENTRAL SERVICES					
Corporate Management		14,622	(39)	14,583	31,710
Democratic & Civic		45,276	-	45,276	44,241
Civic Expenses		19,659	-	19,659	18,846
Net Cost of Services		2,535,691	(1,510,063)	1,025,628	876,848

