

Llanelli Rural Council

Statements of Accounts

For the year ended 31 March 2020

Llanelli Rural Council

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31 March 2020

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Llanelli Rural Council

Council Information

31 March 2020

(Information current at 24th June 2020)

Chairman

Clr S. L. Davies

Councillors

Clr T. Devichand (Vice Chairman)

Clr F. Akhtar
Clr S. M. Caiach
Clr M. V. Davies
Clr S. M. Donoghue
Clr T. M. Donoghue
Clr P. M. Edwards
Clr H. J. Evans
Clr J. P. Hart
Clr T. J. Jones
Clr S. N. Lewis
Clr A. G. Morgan
Clr J. S. Phillips
Clr J. S. Randall
Clr C. A. Rees
Clr A. J. Rogers
Clr E. Simmons
Clr W. V. Thomas
Clr I. G. 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 2020

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 “Delivering Good Governance in Local Government, A Framework”. This statement explains how the Council has complied with the code and also meets the requirements of regulation 5(10) of the Accounts and Audit Regulations 2014 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 2020 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 measures the quality of service to users by regularly carrying out surveys of users and carrying out comparisons with other suitable authorities.
- 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 2020

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

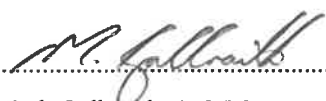
To date no significant governance issues have been identified. As such issues arise, effective steps will be taken to ensure that matters are addressed, weaknesses eradicated and revised arrangements implemented at the earliest possible opportunity.

Approval of Statement

This statement was approved at a meeting of the council held on 24th June 2020 when authority was given for the Chairman and the Clerk to the Council to sign.

Signed:


Cllr S. L. Davies
Chairman


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

Date:

24.6.2020

Llanelli Rural Council
Statement of Responsibilities
31 March 2020

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, 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 Statements of Accounts 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 2020 and its income and expenditure for the year then ended.

In preparing the Statements of Accounts, 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 Statements of Accounts for the year ended 31 March 2020 required by the Accounts and Audit Regulations 2010 (as amended) are set out in the following pages.

I further certify that the Statements of Accounts present a true and fair view of the financial position of Llanelli Rural Council at 31 March 2020, and its income and expenditure for the year ended 31 March 2020.

Signed: W Evans

Mrs Wendy Evans- Deputy Clerk

Date: 18.6.20

Llanelli Rural Council
Statement of Accounting Policies
31 March 2020

Auditors

The name and address of the External Auditors is provided for information only.

These Statements are not subject to audit and the External Auditors have no responsibility for them.

Accounting Convention

The accounts have been prepared, for the first time, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRS105) 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 FRS105 depreciation is provided on all operational buildings (but not land), as well as other assets.

Following the adoption of FRS105, 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.

Llanelli Cemetery Land and Buildings are not depreciated.

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 of either intrinsic or purely nominal value.

Other Llanelli Cemetery assets are depreciated by 100% in the year of purchase.

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.

Llanelli Rural Council
Statement of Accounting Policies
31 March 2020

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.

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 16.

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 21.

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.

Pension Fund Reserve – represents the council's interest in the net assets/liabilities in the fund in which it participates.

Interest Income

All interest receipts are credited initially to general funds.

Interest is reallocated to certain reserves based on the level of their fund balance.

Cost of Support Services

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

This apportionment is not reflected in the Income and Expenditure account, but is used for Management Accounting and Annual Report purposes only.

Llanelli Rural Council
Statement of Accounting Policies
31 March 2020

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 is due at 31st March 2023 and any change in contribution rates as a result of that valuation will take effect from 1st April 2023.

The Local Government scheme is accounted for as a defined benefit scheme.

The liabilities of the Dyfed Pension Fund attributable to the council are included in the balance sheet on an actuarial basis using the Projected Unit Method.

Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on a high quality corporate bond).

The assets of the pension fund attributable to the council are included in the balance sheet at their fair value.

In relation to retirement benefits, for purposes of calculating the precept the Income and Expenditure is required to be charged with the actual amount payable by the council to the pension fund for the year, not the amount calculated according to the relevant accounting standard. This means there are entries to remove these notional transactions from the Income and Expenditure Account and transfer them to the Pension Reserve.

Llanelli Rural Council
Income and Expenditure Account
31 March 2020

	Notes	2020 £	2019 £
Income			
Precept on County Council		1,041,560	1,011,060
Grants Receivable		8,221	40,992
Rents Receivable, Interest & Investment Income		4,561	3,506
Charges made for Services		1,790,945	1,559,848
Other Income		9,871	3,012
Total Income		2,855,158	2,618,418
Expenditure			
Direct Service Costs:			
Salaries & Wages		(698,494)	(701,920)
Grant-aid Expenditure		(27,331)	(20,902)
Other Costs	1	(1,314,381)	(1,128,443)
Democratic, Management & Civic Costs:			
Salaries & Wages		(750,283)	(527,540)
Other Costs	1	(250,888)	(235,385)
Total Expenditure		(3,041,377)	(2,614,190)
Excess of (Expenditure over Income)/Income over Expenditure for the year.		(186,219)	4,228
Exceptional Items			
Profit/(Loss) on the disposal of fixed assets		496	-
Pension fund financing		(42,000)	(36,000)
Net Operating (Deficit) for Year		(227,723)	(31,772)
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(50,371)	(48,054)
Capital Expenditure charged to revenue	12	(49,931)	(50,373)
Reversal of annual depreciation and impairment		258,490	237,617
Reverse profit on asset disposals		(496)	-
Reversal of grant amortisation		(53,079)	(56,716)
Transfer (to) Earmarked Reserves	21	(78,127)	(151,020)
Reversal of Defined Benefit costs		324,000	166,000
Surplus for the Year to General Fund		122,763	65,682
Net Surplus for the Year		200,890	216,702
The above Surplus for the Year has been applied for the Year to as follows:			
Transfer (to) Earmarked Reserves	21	78,127	151,020
Surplus for the Year to General Fund		122,763	65,682
		200,890	216,702

The notes on pages 15 to 25 form part of these unaudited statements.

Llanelli Rural Council
Statement of Movement in Reserves
31 March 2020

Reserve	Purpose of Reserve	Notes	2020 £	Net Movement in Year £	2019 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	19	2,273,651	(104,614)	2,378,265
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	644,965	78,127	566,838
Pensions Reserve	Balancing account to allow inclusion of Pension Liability in the Balance Sheet	10	(2,691,000)	(1,108,000)	(1,583,000)
General Fund	Resources available to meet future running costs		753,724	122,763	630,961
Total			981,340	(1,011,724)	1,993,064

The notes on pages 15 to 25 form part of these unaudited statements.

Llanelli Rural Council

Statement of Total Recognised Gains and Losses

31 March 2020

	Notes	2020	2019
		£	£
Net Operating (Deficit) for Year		(227,723)	(31,772)
Actuarial (losses)	10	(784,000)	(172,000)
Total recognised (losses) for the year		(1,011,723)	(203,772)

The notes on pages 15 to 25 form part of these unaudited statements.

Llanelli Rural Council

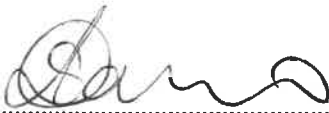
Balance Sheet


31 March 2020

	Notes	2020 £	2020 £	2019 £
Fixed Assets				
Tangible Fixed Assets	11		3,314,855	3,515,672
Current Assets				
Debtors and prepayments	14	247,149		223,729
Cash at bank and in hand		1,471,044		1,297,481
		<u>1,718,193</u>		<u>1,521,210</u>
Current Liabilities				
Current Portion of Long Term Borrowings		(52,799)		(50,370)
Creditors and income in advance	15	<u>(319,506)</u>		<u>(323,412)</u>
Net Current Assets			1,345,888	1,147,428
Total Assets Less Current Liabilities			4,660,743	4,663,100
Long Term Liabilities				
Long-term borrowing	16		(600,857)	(653,657)
Deferred Grants	17		(387,546)	(433,379)
Pension Fund Net (Liabilities)	10		(2,691,000)	(1,583,000)
Total Assets Less Liabilities			<u>981,340</u>	<u>1,993,064</u>
Capital and Reserves				
Capital Financing Reserve	19		2,273,651	2,378,265
Pensions Reserve	10		(2,691,000)	(1,583,000)
Earmarked Reserves	21		644,965	566,838
General Reserve			<u>753,724</u>	<u>630,961</u>
			<u>981,340</u>	<u>1,993,064</u>

The Statements of Accounts represent a true and fair view of the financial position of the Council as at 31 March 2020, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 24th June 2020 .

Signed: 
Cllr S. L. Davies
Chairman


Mrs Wendy Evans
Responsible Financial Officer

Date: 24.6.2020

24.6.2020

The notes on pages 15 to 25 form part of these unaudited statements.

Llanelli Rural Council

Cash Flow Statement

31 March 2020

	Notes	2020 £	2020 £	2019 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,165,170)		(1,094,476)
Other operating payments		<u>(1,363,758)</u>		<u>(1,162,846)</u>
			(2,528,928)	(2,257,322)
<i>Cash inflows</i>				
Precept on County Council		1,041,560		1,011,060
Cash received for services		1,780,391		1,530,370
Revenue grants received		<u>8,221</u>		<u>40,992</u>
			2,830,172	2,582,422
Net cash inflow from Revenue Activities	24		301,244	325,100
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(31,940)		(43,119)
<i>Cash inflows</i>				
Interest received		<u>4,561</u>		<u>3,506</u>
Net cash (outflow) from Servicing of Finance			(27,379)	(39,613)
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(57,677)		(74,017)
<i>Cash inflows</i>				
Sale of fixed assets		500		-
Capital grant received		<u>7,246</u>		<u>23,644</u>
Net cash (outflow) from Capital Activities			(49,931)	(50,373)
Net cash inflow before Financing			223,934	235,114
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			<u>(50,371)</u>	<u>(48,054)</u>
Net cash (outflow) from financing and liquid resources			(50,371)	(48,054)
Increase in cash	25		<u>173,563</u>	<u>187,060</u>

The notes on pages 15 to 25 form part of these unaudited statements.

Llanelli Rural Council

Notes to the Accounts

31 March 2020

1 Other Costs Analysis

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

Direct Service Costs

	2020 £	2019 £
Community Centres	105,874	102,942
Sports Development & Community Recreation	-	94
Outdoor Sports & Recreation Facilities	284,793	241,734
Visitor Centres	12	1,346
Cemeteries	(20,938)	(39,142)
Community Development	21,994	11,870
Routine Repairs (other roads)	5,200	190
Street Lighting	14,092	17,469
Transport Training Department	930,685	812,842
Less: Grant-aid Expenditure	(27,331)	(20,902)
Total	1,314,381	1,128,443

Democratic, Management & Civic Costs

	2020 £	2019 £
Corporate Management	195,073	170,370
Democratic Representation & Management	8,621	9,333
Civic Expenses	4,144	3,288
Civic Allowance	7,596	5,706
Members' Allowances	3,514	3,569
Interest Payable	31,940	43,119
Total	250,888	235,385

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

	2020 £	2019 £
External Interest Charges - Loans	31,940	43,119
	31,940	43,119

Llanelli Rural Council

Notes to the Accounts

31 March 2020

3 Interest and Investment Income

	2020	2019
	£	£
Interest Income - General Funds	3,732	2,634
Interest Income - Earmarked Funds	829	872
	<u>4,561</u>	<u>3,506</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 entered into no 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:

	2020	2019
	£	£
Fees for statutory audit services	2,780	5,500
Total fees	<u>2,780</u>	<u>5,500</u>

7 Employees

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

	2020	2019
	Number	Number
Full-time	38	35
Part-time	5	5
Temporary	-	-
	<u>43</u>	<u>40</u>

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

8 Members' Allowances

	2020	2019
	£	£
Members of Council have been paid the following allowances for the year:		
Civic Allowance	7,596	5,706
Members' Allowances	<u>3,514</u>	<u>3,569</u>
	<u>11,110</u>	<u>9,275</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

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 community councils in the scheme pay a common contribution rate.

The cost to the council for the year ended 31 March 2020 was £150,738 (31 March 2019 - £142,368).

The most recent actuarial valuation was carried out as at 31st March 2019, and the council's contribution rate is confirmed as being 15.90% of employees' pensionable pay with effect from 1st April 2020 (year ended 31 March 2020 – 15.90%).

Financial Reporting Standard 102 (FRS102): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Dyfed Pension Fund, paragraph 9(b) of FRS102 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

10 Pension Assets and Liabilities

In accordance with FRSSE, Llanelli Rural Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

Llanelli Rural Council participates in the Local Government Pension Scheme, which is administered by Dyfed Pension Fund. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. The most recent valuation was carried out as at 31st March 2019, and has been updated by Mercer Ltd, independent actuaries to Dyfed Pension Fund Pension Fund, to take account of the requirements of FRSSE in order to assess the liabilities of the Fund as at 31 March 2020. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value.

The main assumptions used for the purposes of FRSSE are as follows:

Financial Assumptions

	31 March 2020	31 March 2019
	% p.a.	% p.a.
Discount Rate	2.40	2.40
Rate of increase in salaries	3.60	3.70
Rate of increase in pensions	2.20	2.30
Rate of increase in deferred pensions	2.20	2.30
Rate of inflation	2.10	2.20

The following amounts were measured in accordance with the requirements of FRSSE:

AMOUNTS INCLUDED IN THE COUNCIL'S BALANCE SHEET

PENSION FUND NET ASSETS

Summary of Dyfed Pension Fund's Pension Fund Balance Sheet applicable to the council	31 March 2020	31 March 2019	31 March 2018
	(£000s)	(£000s)	(£000s)
Share of assets	6,901	6,132	5,747
Estimated liabilities	(9,592)	(7,715)	(6,992)
Net pensions surplus	<u>(2,691)</u>	<u>(1,583)</u>	<u>(1,245)</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

10 Pension Assets and Liabilities (cont'd)

PENSION FUND RESERVE

Movement in Deficit during the year

	2020	2019
	(£000s)	(£000s)
Deficit at 01 April 2019	(1,583)	(1,245)
Current Service Cost	(342)	(274)
Employer Contributions	144	144
Past Service/Curtailment Cost	92	(5)
Net Interest/Return on Assets	(38)	(31)
Actuarial (Loss)	(784)	(172)
Deficit at 31 March 2020	<u>(2,691)</u>	<u>(1,583)</u>

AMOUNTS REPORTED IN THE COUNCIL'S

INCOME & EXPENDITURE ACCOUNT

Pension Revenue Items during the year

Operating Costs

	2020	2019
	(£000s)	(£000s)
Current Service Cost	(342)	(274)
Past Service Cost	96	-
Curtailment Service Cost	(4)	(5)
Total Cost	<u>(250)</u>	<u>(279)</u>

Financing (Cost)

Expected Return on Assets	147	150
Interest on Pension Liabilities	(185)	(181)
	<u>(38)</u>	<u>(31)</u>

NON-REVENUE MOVEMENTS IN RESERVES

Statement of Actuarial (Losses)

	2020	2019
	(£000s)	(£000s)
Asset Gain	662	232
Liability (Loss)	(1,796)	(404)
Change in Assumptions	350	-
Net (Loss)	<u>(784)</u>	<u>(172)</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

11 Tangible Fixed Assets

	Operational Freehold Land and Buildings	Operational Leasehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Other	Total
Cost	£	£	£	£	£	£	£
At 31 March 2019	2,636,597	1,275,585	1,421,275	802,251	14,726	-	6,150,434
Additions	-	6,000	42,247	-	-	9,430	57,677
Disposals	-	-	(26,709)	-	-	-	(26,709)
At 31 March 2020	2,636,597	1,281,585	1,436,813	802,251	14,726	9,430	6,181,402
Depreciation							
At 31 March 2019	(468,098)	(509,206)	(966,699)	(690,759)	-	-	(2,634,762)
Charged for the year	(47,105)	(31,232)	(155,862)	(24,291)	-	-	(258,490)
Eliminated on disposal	-	-	26,705	-	-	-	26,705
At 31 March 2020	(515,203)	(540,438)	(1,095,856)	(715,050)	-	-	(2,866,547)
Net Book Value							
At 31 March 2020	2,121,394	741,147	340,957	87,201	14,726	9,430	3,314,855
At 31 March 2019	2,168,499	766,379	454,576	111,492	14,726	-	3,515,672

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.

Assets Held under Finance Agreements

The council holds no such assets

12 Financing of Capital Expenditure

	2020	2019
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	57,677	74,017
	<u>57,677</u>	<u>74,017</u>
was financed by:		
Capital Receipts	500	-
Capital Grants	7,246	23,644
Revenue:		
Precept and Revenue Income	49,931	50,372
	<u>57,677</u>	<u>74,017</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

13 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 ground

Community Centres – 8

Llanelli Cemetery (Jointly owned with Llanelli Town Council)

Llanelli Crematorium (Jointly owned with Llanelli Town Council)

Vehicles and Equipment

Cars – 4

Light Vans – 4

Commercial Vehicles - 3

Public Service Vehicles - 1

Tractors – 1

Sundry grounds maintenance equipment

Play Equipment

Llanelli Cemetery Equipment (Jointly owned with Llanelli Town Council)

Infrastructure Assets

Street lights - 348

Footpaths – 135

Llanelli Cemetery infrastructure (Jointly owned with Llanelli Town Council)

Community Assets

Recreation grounds and playing fields – 7

Childrens' play areas - 7

14 Debtors

	2020	2019
	£	£
General Debtors	33,271	33,019
Training Department Debtors	133,995	130,773
Cemetery Debtors	24,097	22,628
Trade Debtors	191,363	186,420
VAT Recoverable	25,254	24,592
Other Debtors	22,324	560
Prepayments	1,801	1,890
Accrued Income	6,407	10,267
	<u>247,149</u>	<u>223,729</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

15 Creditors and Accrued Expenses

	2020	2019
	£	£
Trade Creditors	91,837	89,057
Other Creditors	125,690	129,172
Superannuation Payable	18,219	16,283
Payroll Taxes and Social Security	20,857	21,187
Accruals	36,598	43,830
Income in Advance	26,305	23,883
	<hr/>	<hr/>
	319,506	323,412

16 Long Term Liabilities

	2020	2019
	£	£
Public Works Loan Board	653,656	704,027
	<hr/>	<hr/>
	653,656	704,027

The above loans are repayable as follows:

	2020	2019
	£	£
Within one year	52,799	50,370
From one to two years	55,345	52,799
From two to five years	182,574	174,172
From five to ten years	212,759	250,125
Over ten years	150,179	176,561
	<hr/>	<hr/>
Total Loan Commitment	653,656	704,027
Less: Repayable within one year	(52,799)	(50,370)
	<hr/>	<hr/>
Repayable after one year	600,857	653,657

Llanelli Rural Council

Notes to the Accounts

31 March 2020

17 Deferred Grants

	2020	2019
	£	£
Capital Grants Unapplied		
At 01 April	-	-
Grants received in the year	7,246	23,644
Applied to finance capital investment	(7,246)	(23,644)
At 31 March	-	-
Capital Grants Applied		
At 01 April	433,379	466,451
Grants Applied in the year	7,246	23,644
Released to offset depreciation	(53,079)	(56,716)
At 31 March	387,546	433,379
Total Deferred Grants		
At 31 March	387,546	433,379
At 01 April	433,379	466,451

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.

18 Financial Commitments under Operating Leases

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

	2020	2019
	£	£
Obligations expiring within one year	-	-
Obligations expiring between two and five years	-	-
Obligations expiring after five years	17,500	17,500
	<u>17,500</u>	<u>17,500</u>

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

	2020	2019
	£	£
Obligations expiring within one year	-	-
Obligations expiring between two and five years	2,883	738
Obligations expiring after five years	-	-
	<u>2,883</u>	<u>738</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

19 Capital Financing Account

	2020	2019
	£	£
Balance at 01 April	2,378,265	2,460,739
Financing capital expenditure in the year		
Additions - using capital receipts	500	-
Additions - using revenue balances	49,931	50,373
Loan repayments	50,370	48,054
Disposal of fixed assets	(26,709)	-
Depreciation eliminated on disposals	26,705	-
Reversal of depreciation	(258,490)	(237,617)
Deferred grants released	53,079	56,716
Balance at 31 March	<u>2,273,651</u>	<u>2,378,265</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 Usable Capital Receipts Reserve

	2020	2019
	£	£
Capital receipts (asset sales) during the year	500	-
<i>Less:</i>		
Capital used to fund expenditure	(500)	-
Balance at 31 March	<u>-</u>	<u>-</u>

The Usable Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

21 Earmarked Reserves

	Balance at	Contribution	Contribution	Balance at
	01/04/2019	to reserve	from reserve	31/03/2020
	£	£	£	£
Capital Projects Reserves	122,018	62,215	(71,828)	112,405
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	444,820	459,090	(371,350)	532,560
Total Earmarked Reserves	<u>566,838</u>	<u>521,305</u>	<u>(443,178)</u>	<u>644,965</u>

The Capital Projects Reserves are credited with amounts set aside from revenue to part finance specific projects which are part of the council's capital programme.

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 2020 are set out in detail at Appendix A.

Llanelli Rural Council

Notes to the Accounts

31 March 2020

22 Capital Commitments

The council had no other capital commitments at 31 March 2020 not otherwise provided for in these accounts.

23 Contingent Liabilities

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

24 Reconciliation of Revenue Cash Flow

	2020	2019
	£	£
Net Operating (Deficit) for the year	(186,219)	4,228
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	205,411	180,901
Interest Payable	31,940	43,119
Interest and Investment Income	(4,561)	(3,506)
(Increase)/Decrease in debtors	(23,420)	3,124
(Decrease) in creditors	(3,907)	(32,766)
Revenue activities net cash inflow	<u>301,244</u>	<u>325,100</u>

25 Movement in Cash

	2020	2019
	£	£
Balances at 01 April		
Cash with accounting officers	450	450
Cash at bank	<u>1,297,031</u>	<u>1,109,971</u>
	<u>1,297,481</u>	<u>1,110,421</u>
Balances at 31 March		
Cash with accounting officers	450	450
Cash at bank	<u>1,470,594</u>	<u>1,297,031</u>
	<u>1,471,044</u>	<u>1,297,481</u>
Net cash inflow	<u>173,563</u>	<u>187,060</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2020

26 Reconciliation of Net Funds/Debt

	2020	2019
	£	£
Increase in cash in the year	173,563	187,060
Cash outflow from repayment of debt	50,371	48,054
Net cash flow arising from changes in debt	50,371	48,054
Movement in net funds in the year	223,934	235,114
Cash at bank and in hand	1,297,481	1,110,421
Total borrowings	(704,027)	(752,081)
Net funds at 01 April	593,454	358,340
Cash at bank and in hand	1,471,044	1,297,481
Total borrowings	(653,656)	(704,027)
Net funds at 31 March	817,388	593,454

27 Post Balance Sheet Events

There are no significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 24th June 2020), which would have a material impact on the amounts and results reported herein.

Llanelli Rural Council

Appendices

31 March 2020

Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2019</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2020</u>
	£	£	£	£
<u>Llanelli Joint Burial Committee</u> <u>(Llanelli Rural Council share)</u>				
General Fund	60,535	120,000	(128,863)	51,672
Redevelopment	135,266	3,700	(12,393)	126,573
Infrastructure	35,330		(2,400)	32,930
Monument Repairs	1,854			1,854
Training/Cons'y	5,360	730		6,090
Advertisements	5,690			5,690
Share due to LTC	(122,017)	(62,215)	71,828	(112,404)
	<u>122,018</u>	<u>62,215</u>	<u>(71,828)</u>	<u>112,405</u>
<u>Asset Replacement Reserves</u>				
None	0			0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Earmarked Reserves</u>				
Furnace Community Hall	10,000			10,000
Committed Grants	3,956	7,800	(3,956)	7,800
Capital Schemes	84,960	1,950	(14,960)	71,950
Play Areas	160,300	223,010	(160,300)	223,010
Vauxhall Buildings	6,880	18,000	(13,410)	11,470
Resources	2,520	6,240	(2,520)	6,240
Miscellaneous Projects	171,510	180,560	(171,510)	180,560
				<u>0</u>
Council Earmarked Reserves	440,126	437,560	(366,656)	511,030
Training Department Earmarked Reserves	4,694	21,530	(4,694)	21,530
	<u>444,820</u>	<u>459,090</u>	<u>(371,350)</u>	<u>532,560</u>
TOTAL EARMARKED RESERVES	<u>566,838</u>	<u>521,305</u>	<u>(443,178)</u>	<u>644,965</u>

Llanelli Rural Council

31 March 2020

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	923,922	747,773
Tourism	-	12
Cemetery, Cremation & Mortuary	67,500	39,261
Planning & Development Services (including Markets)	97,202	90,382
Highways Roads (Routine)	97,476	77,453
Street Lighting	15,730	14,092
Transport Training Department	(13,312)	(124,644)
Net Direct Services Costs	<u>1,188,518</u>	<u>844,329</u>
Corporate Management	-	885
Democratic & Civic	49,201	73,186
Non Distributed Costs	-	282,000
Net Democratic, Management and Civic Costs	<u>49,201</u>	<u>356,071</u>
Interest & Investment Income	(2,300)	(4,561)
Loan Charges	82,310	82,311
Capital Expenditure	261,360	50,431
Proceeds of Disposal of Capital Assets	-	(500)
Transfers to/(from) other reserves	(373,314)	78,127
Reversal of Statutory Adjustments	(182,431)	(487,411)
Surplus to General Reserve	<u>18,216</u>	<u>122,763</u>
Precept on County Council	<u>1,041,560</u>	<u>1,041,560</u>

Llanelli Rural Council

31 March 2020

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2020 £	2020 £	2020 £	2019 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Recreation & Sport	849,720	(101,947)	747,773	644,762
Tourism	12	-	12	1,346
ENVIRONMENTAL SERVICES				
Cemetery, Cremation & Mortuary	123,917	(84,656)	39,261	66,872
PLANNING & DEVELOPMENT SERVICES				
Community Development	90,382	-	90,382	94,433
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Highways Roads (Routine)	80,488	(3,035)	77,453	68,335
Street Lighting	14,092	-	14,092	17,469
OTHER SERVICES				
Transport Training Department	1,484,324	(1,608,968)	(124,644)	(73,478)
CENTRAL SERVICES				
Corporate Management	8,188	(7,303)	885	(51,878)
Democratic & Civic	61,060	-	61,060	60,485
Civic Expenses	15,254	(3,128)	12,126	8,873
Non Distributed Costs	282,000	-	282,000	130,000
Net Cost of Services	3,009,437	(1,809,037)	1,200,400	967,219