

Llanelli Rural Council - Consolidated

Statements of Accounts

For the year ended 31 March 2019

Llanelli Rural Council

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31 March 2019

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Llanelli Rural Council

Council Information

31 March 2019

(Information current at 26th June 2019)

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 R. J. Najmi
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 2019

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 2019 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 2019

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 26th June 2019 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:

Llanelli Rural Council
Statement of Responsibilities
31 March 2019

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 2019 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 2019 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 2019, and its income and expenditure for the year ended 31 March 2019.

Signed:

Mrs Wendy Evans- Deputy Clerk

Date:

Llanelli Rural Council
Statement of Accounting Policies
31 March 2019

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 the 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 either intrinsic or purely nominal value.

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

Llanelli Rural Council
Statement of Accounting Policies
31 March 2019

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.

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 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.

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

Llanelli Rural Council
Statement of Accounting Policies
31 March 2019

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.

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 2019 and any change in contribution rates as a result of that valuation will take effect from 1st April 2020.

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 2019

	Notes	2019 £	2018 £
Income			
Precept on County Council		1,011,060	1,011,000
Grants Receivable		40,992	39,387
Rents Receivable, Interest & Investment Income		3,506	2,037
Charges made for Services		1,553,840	1,522,712
Other Income		3,012	194
Total Income		2,612,410	2,575,330
Expenditure			
Direct Service Costs:			
Salaries & Wages		(695,912)	(609,290)
Grant-aid Expenditure		(20,902)	(46,866)
Other Costs	1	(1,128,443)	(1,011,186)
Democratic, Management & Civic Costs:			
Salaries & Wages		(527,540)	(538,843)
Other Costs	1	(235,386)	(440,972)
Total Expenditure		(2,608,183)	(2,647,157)
Excess of Income over Expenditure/(Expenditure over Income) for the year.		4,227	(71,827)
Exceptional Items			
(Loss)/Profit on the disposal of fixed assets		-	22,500
Pension fund financing		(36,000)	(39,000)
Net Operating (Deficit) for Year		(31,773)	(88,327)
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(48,054)	(85,616)
Capital Expenditure charged to revenue	12	(50,373)	(164,781)
Reversal of annual depreciation and impairment		237,617	228,671
Reverse profit on asset disposals		-	(22,500)
Reversal of grant amortisation		(56,716)	(51,990)
Transfer (to)/from Earmarked Reserves	20	(151,020)	120,325
Reversal of Defined Benefit costs		166,000	185,000
Surplus for the Year to General Fund		65,681	143,282
Net Surplus for the Year		216,701	22,957
The above Surplus for the Year has been applied for the Year to as follows:			
Transfer (to)/from Earmarked Reserves	20	151,020	(120,325)
Surplus for the Year to General Fund		65,681	143,282
		216,701	22,957

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

Llanelli Rural Council
Statement of Movement in Reserves
31 March 2019

Reserve	Purpose of Reserve	Notes	2019	Net Movement in Year	2018
			£	£	£
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	19	2,378,265	(82,474)	2,460,739
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	20	566,838	151,020	415,818
Pensions Reserve	Balancing account to allow inclusion of Pension Liability in the Balance Sheet	10	(1,583,000)	(338,000)	(1,245,000)
General Fund	Resources available to meet future running costs		630,960	65,681	565,279
Total			1,993,063	(203,773)	2,196,836

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 2019

	Notes	2019 £	2018 £
Net Operating (Deficit) for Year		(31,773)	(88,327)
Actuarial (losses)/gains	10	(172,000)	349,000
Total recognised (losses)/gains for the year		<u>(203,773)</u>	<u>260,673</u>

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

Llanelli Rural Council

Balance Sheet

31 March 2019

	Notes	2019 £	2019 £	2018 £
Fixed Assets				
Tangible Fixed Assets	11		3,515,672	3,679,272
Current Assets				
Debtors and prepayments	14	223,729		226,853
Cash at bank and in hand		<u>1,297,481</u>		<u>1,110,421</u>
		1,521,210		1,337,274
Current Liabilities				
Current Portion of Long Term Borrowings		(50,370)		(48,054)
Creditors and income in advance	15	<u>(323,413)</u>		<u>(356,178)</u>
Net Current Assets			<u>1,147,427</u>	<u>933,042</u>
Total Assets Less Current Liabilities			4,663,099	4,612,314
Long Term Liabilities				
Long-term borrowing	16		(653,657)	(704,027)
Deferred Grants	17		(433,379)	(466,451)
Pension Fund Net (Liabilities)	10		<u>(1,583,000)</u>	<u>(1,245,000)</u>
Total Assets Less Liabilities			<u>1,993,063</u>	<u>2,196,836</u>
Capital and Reserves				
Capital Financing Reserve	19		2,378,265	2,460,739
Pensions Reserve	10		(1,583,000)	(1,245,000)
Earmarked Reserves	20		566,838	415,818
General Reserve			<u>630,960</u>	<u>565,279</u>
			<u>1,993,063</u>	<u>2,196,836</u>

The Statements of Accounts represent a true and fair view of the financial position of the Council as at 31 March 2019, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 26th June 2019 .

Signed:
Cllr S. L. Davies
Chairman
Mrs Wendy Evans
Responsible Financial Officer

Date:

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

Llanelli Rural Council

Cash Flow Statement

31 March 2019

	Notes	2019 £	2019 £	2018 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,094,476)		(1,007,155)
Other operating payments		<u>(1,156,824)</u>		<u>(1,237,359)</u>
			(2,251,300)	(2,244,514)
<i>Cash inflows</i>				
Precept on County Council		1,011,060		1,011,000
Cash received for services		1,524,362		1,653,747
Revenue grants received		<u>40,992</u>		<u>39,387</u>
			2,576,414	2,704,134
Net cash inflow from Revenue Activities	23		325,100	459,620
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(43,119)		(36,465)
Interest element of Finance Lease/HP Installments		-		(1,246)
<i>Cash inflows</i>				
Interest received		<u>3,506</u>		<u>2,165</u>
Net cash (outflow) from Servicing of Finance			(39,613)	(35,546)
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(74,017)		(307,960)
<i>Cash inflows</i>				
Sale of fixed assets		-		22,500
Capital grant received		<u>23,644</u>		<u>81,467</u>
Net cash (outflow) from Capital Activities			(50,373)	(203,993)
Net cash inflow before Financing			<u>235,114</u>	<u>220,081</u>
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			(48,054)	(45,844)
			-	(39,772)
Net cash (outflow) from financing and liquid resources			<u>(48,054)</u>	<u>(85,616)</u>
Increase in cash	24		<u>187,060</u>	<u>134,465</u>

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

Llanelli Rural Council

Notes to the Accounts

31 March 2019

1 Other Costs Analysis

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

Direct Service Costs

	2019	2018
	£	£
Community Centres	102,942	99,206
Sports Development & Community Recreation	94	592
Outdoor Sports & Recreation Facilities	241,734	218,017
Visitor Centres	1,346	-
Cemeteries	(39,142)	(43,134)
Community Development	11,870	11,606
Routine Repairs (other roads)	190	-
Street Lighting	17,469	16,877
Transport Training Department	812,842	754,888
Less: Grant-aid Expenditure	(20,902)	(46,866)
Total	1,128,443	1,011,186

Democratic, Management & Civic Costs

	2019	2018
	£	£
Corporate Management	170,371	364,229
Democratic Representation & Management	9,333	25,787
Civic Expenses	3,288	2,555
Chairman's Allowance	5,706	4,304
Members' Allowances	3,569	6,386
Interest Payable	43,119	37,711
Total	235,386	440,972

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

	2019	2018
	£	£
External Interest Charges - Loans	43,119	36,465
External Interest Charges - Lease/H.P.	-	1,246
	43,119	37,711

Llanelli Rural Council

Notes to the Accounts

31 March 2019

3 Interest and Investment Income

	2019	2018
	£	£
Interest Income - General Funds	2,634	1,430
Interest Income - Earmarked Funds	872	607
	<u>3,506</u>	<u>2,037</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:

	2019	2018
	£	£
Fees for statutory audit services	5,500	5,000
Total fees	<u>5,500</u>	<u>5,000</u>

7 Employees

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

	2019	2018
	Number	Number
Full-time	35	35
Part-time	5	5
Temporary	-	-
	<u>40</u>	<u>40</u>

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

8 Members' Allowances

	2019	2018
	£	£
Members of Council have been paid the following allowances for the year:		
Chairman's Allowance	5,706	4,304
Members' Allowances	3,569	6,386
	<u>9,275</u>	<u>10,690</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2019

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.

The cost to the council for the year ended 31 March 2019 was £142,368 (31 March 2018 - £133,264).

The most recent actuarial valuation was carried out as at 31st March 2016, and the council's contribution rate is confirmed as being 15.90% of employees' pensionable pay with effect from 1st April 2019 (year ended 31 March 2019 – 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 2016, 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 2019. 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 2019	31 March 2018
	% p.a.	% p.a.
Discount Rate	2.40	2.60
Rate of increase in salaries	3.70	3.60
Rate of increase in pensions	2.30	2.20
Rate of increase in deferred pensions	2.30	2.20
Rate of inflation	2.20	2.10

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 2019	31 March 2018	31 March 2017
	(£000s)	(£000s)	(£000s)
Share of assets	6,132	5,747	5,541
Estimated liabilities	(7,715)	(6,992)	(6,950)
Net pensions surplus	(1,583)	(1,245)	(1,409)

Llanelli Rural Council

Notes to the Accounts

31 March 2019

10 Pension Assets and Liabilities (cont'd)

PENSION FUND RESERVE

Movement in Deficit during the year

	2019 (£000s)	2018 (£000s)
Deficit at 01 April 2018	(1,245)	(1,409)
Current Service Cost	(274)	(283)
Employer Contributions	144	137
Past Service/Curtailment Cost	(5)	(5)
Net Interest/Return on Assets	(31)	(34)
Actuarial (Loss)/Gain	(172)	349
Deficit at 31 March 2019	<u>(1,583)</u>	<u>(1,245)</u>

AMOUNTS REPORTED IN THE COUNCIL'S

INCOME & EXPENDITURE ACCOUNT

Pension Revenue Items during the year

Operating Costs

	2019 (£000s)	2018 (£000s)
Current Service Cost	(274)	(283)
Curtailment Service Cost	(5)	(5)
Total Cost	<u>(279)</u>	<u>(288)</u>

Financing (Cost)

Expected Return on Assets	150	139
Interest on Pension Liabilities	<u>(181)</u>	<u>(173)</u>
	<u>(31)</u>	<u>(34)</u>

NON-REVENUE MOVEMENTS IN RESERVES

Statement of Actuarial (Losses)/Gains

	2019 (£000s)	2018 (£000s)
Asset Gain	232	62
Liability (Loss)/Gain	<u>(404)</u>	<u>287</u>
Net (Loss)/Gain	<u>(172)</u>	<u>349</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2019

11 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 2018	2,636,597	1,275,585	1,348,158	801,351	14,726	6,076,417
Additions	-	-	73,117	900	-	74,017
Reclassification						
	<u>2,636,597</u>	<u>1,275,585</u>	<u>1,421,275</u>	<u>802,251</u>	<u>14,726</u>	<u>6,150,434</u>
Depreciation						
At 31 March 2018	(420,993)	(354,742)	(959,974)	(661,436)	-	(2,397,145)
Charged for the year	(47,105)	(31,112)	(130,077)	(29,323)	-	(237,617)
Reclassification						
	<u>(468,098)</u>	<u>(385,854)</u>	<u>(1,090,051)</u>	<u>(690,759)</u>	<u>-</u>	<u>(2,634,762)</u>
Net Book Value						
At 31 March 2019	<u>2,168,499</u>	<u>889,731</u>	<u>331,224</u>	<u>111,492</u>	<u>14,726</u>	<u>3,515,672</u>
At 31 March 2018	<u>2,215,604</u>	<u>920,843</u>	<u>388,184</u>	<u>139,915</u>	<u>14,726</u>	<u>3,679,272</u>

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

	2019	2018
	£	£
Value as at 31 March 2018	-	2,299
Additions to assets held under finance lease/hire purchase agreements	-	37,950
Assets held under finance lease/hire purchase agreements disposed of	-	-
Assets no longer subject to finance lease/hire purchase agreements	-	(1)
Depreciation Charged in Year	-	(9,888)
Value as at 31 March 2019	<u>-</u>	<u>30,360</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2019

12 Financing of Capital Expenditure

	2019	2018
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	74,017	344,198
	<u>74,017</u>	<u>344,198</u>
was financed by:		
Capital Receipts	-	22,500
Capital Grants	23,644	141,467
New H.P./Lease Finance	-	37,950
Precept and Revenue Income	50,373	142,281
	<u>74,017</u>	<u>344,198</u>

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 grounds

Community Centres – 8

Llanelli Cemetery (Jointly owned with Llanelli Town Council)

Llanelli Crematorium (Jointly owned with Llanelli Town Council)

Vehicles and Equipment

Cars – 6

Light Vans – 7

Commercial Vehicles - 2

Public Service Vehicles - 1

Tractors – 3

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 – 3

Childrens' play areas - 8

Llanelli Rural Council

Notes to the Accounts

31 March 2019

14 Debtors

	2019	2018
	£	£
Trade Debtors	186,420	167,488
VAT Recoverable	24,592	52,694
Other Debtors	560	-
Prepayments	1,890	2,094
Accrued Income	10,267	4,577
	223,729	226,853

15 Creditors and Accrued Expenses

	2019	2018
	£	£
Trade Creditors	89,058	68,105
Other Creditors	129,172	156,084
Superannuation Payable	16,283	15,434
Payroll Taxes and Social Security	21,187	17,052
Accruals	43,830	68,312
Income in Advance	23,883	31,191
	323,413	356,178

16 Long Term Liabilities

	2019	2018
	£	£
Public Works Loan Board	704,027	752,081
	704,027	752,081

The above loans are repayable as follows:

	2019	2018
	£	£
Within one year	50,370	48,054
From one to two years	52,799	50,370
From two to five years	174,172	166,157
From five to ten years	250,125	285,659
Over ten years	176,561	201,841
Total Loan Commitment	704,027	752,081
Less: Repayable within one year	(50,370)	(48,054)
Repayable after one year	653,657	704,027

Llanelli Rural Council

Notes to the Accounts

31 March 2019

17 Deferred Grants

	2019	2018
	£	£
Capital Grants Unapplied		
At 01 April	-	60,000
Grants received in the year	23,644	81,467
Applied to finance capital investment	(23,644)	(141,467)
At 31 March	-	-
Capital Grants Applied		
At 01 April	466,451	376,974
Grants Applied in the year	23,644	141,467
Released to offset depreciation	(56,716)	(51,990)
At 31 March	433,379	466,451
Total Deferred Grants		
At 31 March	433,379	466,451
At 01 April	466,451	436,974

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 equipment as follows:

	2019	2018
	£	£
Obligations expiring within one year	-	1,105
Obligations expiring between two and five years	738	-
Obligations expiring after five years	-	333
	738	1,438

Llanelli Rural Council

Notes to the Accounts

31 March 2019

19 Capital Financing Account

	2019	2018
	£	£
Balance at 01 April	2,460,739	2,387,023
Financing capital expenditure in the year		
Additions - using capital receipts	-	22,500
Additions - using revenue balances	50,373	142,281
Loan repayments	48,054	85,616
Disposal of fixed assets	-	(49,591)
Depreciation eliminated on disposals	-	49,591
Reversal of depreciation	(237,617)	(228,671)
Deferred grants released	56,716	51,990
Balance at 31 March	<u>2,378,265</u>	<u>2,460,739</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 01/04/2018	Contribution to reserve	Contribution from reserve	Balance at 31/03/2019
	£	£	£	£
Share of LJBAC Reserves	133,018	60,400	(71,400)	122,018
Other Earmarked Reserves	282,800	207,790	(45,770)	444,820
Total Earmarked Reserves	<u>415,818</u>	<u>268,190</u>	<u>(117,170)</u>	<u>566,838</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 2019 are set out in detail at Appendix A.

21 Capital Commitments

The council had no other capital commitments at 31 March 2019 not otherwise provided for in these accounts.

22 Contingent Liabilities

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

Llanelli Rural Council

Notes to the Accounts

31 March 2019

23 Reconciliation of Revenue Cash Flow

	2019	2018
	£	£
Net Operating (Deficit) for the year	4,227	(71,827)
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	180,901	176,681
Interest Payable	43,119	37,711
Interest and Investment Income	(3,506)	(2,165)
Decrease in debtors	3,124	111,953
(Decrease)/Increase in creditors	(32,765)	61,267
Revenue activities net cash inflow	<u>325,100</u>	<u>459,620</u>

24 Movement in Cash

	2019	2018
	£	£
Balances at 01 April		
Cash with accounting officers	450	450
Cash at bank	<u>1,109,971</u>	<u>975,506</u>
	<u>1,110,421</u>	<u>975,956</u>

Balances at 31 March

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>

Net cash inflow

187,060 134,465

25 Reconciliation of Net Funds/Debt

	2019	2018
	£	£
Increase in cash in the year	<u>187,060</u>	<u>134,465</u>
Cash outflow from repayment of debt	<u>48,054</u>	<u>85,616</u>
Net cash flow arising from changes in debt	<u>48,054</u>	<u>85,616</u>
New H P/Lease Agreements	-	(37,950)
Movement in net funds in the year	<u>235,114</u>	<u>182,131</u>
Cash at bank and in hand	1,110,421	975,956
Total borrowings	<u>(752,081)</u>	<u>(799,746)</u>
Net funds at 01 April	<u>358,340</u>	<u>176,210</u>
Cash at bank and in hand	1,297,481	1,110,421
Total borrowings	<u>(704,027)</u>	<u>(752,081)</u>
Net funds at 31 March	<u>593,454</u>	<u>358,340</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2019

26 Post Balance Sheet Events

There are no other significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 26th June 2019), which would have a material impact on the amounts and results reported herein.

Llanelli Rural Council

Appendices

31 March 2019

Appendix A

Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2018</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2019</u>
	£	£	£	£
<u>Llanelli Joint Burial Advisory Committee</u>				
<u>(Llanelli Rural Council share)</u>				
General Fund	45,918	55,000	(70,650)	30,268
Earmarked Funds	87,100	5,400	(750)	91,750
	<u>133,018</u>	<u>60,400</u>	<u>(71,400)</u>	<u>122,018</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>				
MUGA Maintenance	10,000			10,000
Committed Grants	6,700	3,956	(6,700)	3,956
Capital Schemes	70,000	16,310	(1,350)	84,960
Play Areas	98,850	64,000	(2,550)	160,300
Vauxhall Buildings	350	6,530		6,880
Resources	3,240		(720)	2,520
Miscellaneous Projects	84,910	112,300	(25,700)	171,510
Council Earmarked Reserves	274,050	203,096	(37,020)	440,126
Training Department Earmarked Reserves	8,750	4,694	(8,750)	4,694
	<u>282,800</u>	<u>207,790</u>	<u>(45,770)</u>	<u>444,820</u>
TOTAL EARMARKED RESERVES	<u>415.818</u>	<u>268.190</u>	<u>(117.170)</u>	<u>566.838</u>

Llanelli Rural Council

31 March 2019

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	785,990	644,762
Tourism	-	1,346
Cemetery, Cremation & Mortuary	60,000	66,872
Planning & Development Services (including Markets)	85,596	94,433
Highways Roads (Routine)	82,720	68,335
Street Lighting	18,332	17,469
Transport Training Department	(93,165)	(73,478)
Net Direct Services Costs	939,473	819,739
Corporate Management	-	(51,877)
Democratic & Civic	47,168	69,358
Non Distributed Costs	-	130,000
Net Democratic, Management and Civic Costs	47,168	147,481
Interest & Investment Income	(1,200)	(3,506)
Loan Charges	82,310	91,173
Capital Expenditure	237,570	50,373
Transfers to/(from) other reserves	(133,200)	151,020
Reversal of Statutory Adjustments	(180,901)	(310,901)
Surplus to General Reserve	19,840	65,681
Precept on County Council	1,011,060	1,011,060

Llanelli Rural Council

31 March 2019

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2019 £	2019 £	2019 £	2018 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Recreation & Sport	760,620	(115,858)	644,762	714,900
Tourism	1,346	-	1,346	-
ENVIRONMENTAL SERVICES				
Cemetery, Cremation & Mortuary	136,854	(69,982)	66,872	20,349
PLANNING & DEVELOPMENT SERVICES				
Community Development	94,433	-	94,433	11,606
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Highways Roads (Routine)	70,170	(1,835)	68,335	90,540
Street Lighting	17,469	-	17,469	16,877
OTHER SERVICES				
Transport Training Department	1,332,758	(1,406,236)	(73,478)	(169,775)
CENTRAL SERVICES				
Corporate Management	(51,634)	(243)	(51,877)	140,029
Democratic & Civic	60,485	-	60,485	63,382
Civic Expenses	12,563	(3,690)	8,873	13,245
Non Distributed Costs	130,000	-	130,000	146,000
Net Cost of Services	2,565,064	(1,597,844)	967,220	1,047,153