

Llanelli Rural Council

Statements of Accounts

For the year ended 31 March 2018

Llanelli Rural Council

Table of Contents

31 March 2018

	Page
Table of Contents.....	2
Council Information.....	3
Annual Governance Statement.....	4
Statement of Responsibilities.....	6
Statement of Accounting Policies.....	7
Income and Expenditure Account.....	10
Statement of Movement in Reserves.....	11
Statement of Total Recognised Gains and Losses.....	12
Balance Sheet.....	13
Cash Flow Statement.....	14
Notes to the Accounts.....	15
1 Other Costs Analysis.....	15
2 Interest Payable and Similar Charges.....	15
3 Interest and Investment Income.....	16
4 Agency Work.....	16
5 Related Party Transactions.....	16
6 Audit Fees.....	16
7 Employees.....	16
8 Members' Allowances.....	17
9 Pension Costs.....	17
10 Pension Assets and Liabilities.....	17
11 Tangible Fixed Assets.....	19
12 Financing of Capital Expenditure.....	20
13 Information on Assets Held.....	20
14 Debtors.....	21
15 Creditors and Accrued Expenses.....	21
16 Long Term Liabilities.....	21
17 Deferred Liabilities.....	22
18 Deferred Grants.....	22
19 Financial Commitments under Operating Leases.....	23
20 Capital Financing Account.....	23
21 Earmarked Reserves.....	23
22 Capital Commitments.....	23
23 Contingent Liabilities.....	24
24 Reconciliation of Revenue Cash Flow.....	24
25 Movement in Cash.....	24
26 Reconciliation of Net Funds/Debt.....	25
27 Post Balance Sheet Events.....	25
Appendices.....	26

Llanelli Rural Council

Council Information

31 March 2018

(Information current at 27th June 2018)

Chairman

Cllr S. M. Caiach

Councillors

Cllr S. L. Davies (Vice Chairman)

Cllr F. Akhtar
Cllr M. V. Davies
Cllr T. Devichand
Cllr S. M. Donoghue
Cllr T. M. Donoghue
Cllr P. M. Edwards
Cllr H. J. Evans
Cllr J. P. Hart
Cllr T. J. Jones
Cllr S. N. Lewis
Cllr A. G. Morgan
Cllr R. J. Najmi
Cllr J. S. Phillips
Cllr J. S. Randall
Cllr C. A. Rees
Cllr A. Rogers
Cllr E. Simmons
Cllr W. V. Thomas
Cllr 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 2018

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 2018 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 2018

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 27th June 2018 when authority was given for the Chairman and the Clerk to the Council to sign.

Signed: 
Cllr S. L. Davies
Vice Chairman


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

Date: 27.6.18

Llanelli Rural Council
Statement of Responsibilities
31 March 2018

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 2018 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 2018 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 2018, and its income and expenditure for the year ended 31 March 2018.

Signed: *W. Evans*

Mrs Wendy Evans- Deputy Clerk

Date: *27-6-18*

Llanelli Rural Council
Statement of Accounting Policies
31 March 2018

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.

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.

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 2018

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 19.

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 20 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 2018

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 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 2018

	Notes	2018 £	2017 £
Income			
Precept on County Council		1,011,000	1,003,230
Grants Receivable		39,387	13,144
Rents Receivable, Interest & Investment Income		2,037	4,787
Charges made for Services		1,522,712	1,664,184
Other Income		194	848
Total Income		2,575,330	2,686,193
Expenditure			
Direct Service Costs:			
Salaries & Wages		(609,290)	(761,268)
Grant-aid Expenditure		(46,866)	(38,210)
Other Costs	1	(1,011,186)	(1,191,538)
Democratic, Management & Civic Costs:			
Salaries & Wages		(538,843)	(379,144)
Other Costs	1	(440,972)	(286,827)
Total Expenditure		(2,647,157)	(2,656,987)
Excess of (Expenditure over Income)/Income over Expenditure for the year.		(71,827)	29,206
Exceptional Items			
Profit on the disposal of fixed assets		22,500	8,489
Pension fund financing		(39,000)	(76,000)
Net Operating (Deficit) for Year		(88,327)	(38,305)
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(85,616)	(46,860)
Capital Expenditure charged to revenue	12	(164,781)	(227,005)
Reversal of annual depreciation and impairment		228,671	182,812
Reverse profit on asset disposals		(22,500)	(8,489)
Reversal of grant amortisation		(51,990)	(23,697)
Transfer from Earmarked Reserves	21	120,325	256,968
Reversal of Defined Benefit costs		185,000	94,000
Surplus for the Year to General Fund		143,282	205,264
Net Surplus for the Year		22,957	(51,704)
The above Surplus for the Year has been applied for the Year to as follows:			
Transfer from Earmarked Reserves	21	(120,325)	(256,968)
Surplus for the Year to General Fund		143,282	205,264
		22,957	(51,704)

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

Llanelli Rural Council
Statement of Movement in Reserves
31 March 2018

Reserve	Purpose of Reserve	Notes	2018 £	Net Movement in Year £	2017 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	20	2,460,739	73,716	2,387,023
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	415,818	(120,325)	536,143
Pensions Reserve	Balancing account to allow inclusion of Pension Liability in the Balance Sheet	10	(1,245,000)	164,000	(1,409,000)
General Fund	Resources available to meet future running costs		565,279	143,282	421,997
Total			2,196,836	260,673	1,936,163

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 2018

	Notes	2018 £	2017 £
Net Operating (Deficit) for Year		(88,327)	(38,305)
Actuarial gains/(losses)	10	349,000	(343,000)
Total recognised gains/(losses) for the year		260,673	(381,305)

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

Llanelli Rural Council

Balance Sheet


31 March 2018

	Notes	2018 £	2018 £	2017 £
Fixed Assets				
Tangible Fixed Assets	11		3,679,272	3,563,745
Current Assets				
Debtors and prepayments	14	226,853		338,806
Cash at bank and in hand		<u>1,110,421</u>		<u>975,956</u>
		1,337,274		1,314,762
Current Liabilities				
Current Portion of Long Term Borrowings		(48,054)		(45,845)
Current Portion of Deferred Liabilities		-		(1,821)
Creditors and income in advance	15	<u>(356,178)</u>		<u>(296,624)</u>
Net Current Assets			933,042	970,472
Total Assets Less Current Liabilities			4,612,314	4,534,217
Long Term Liabilities				
Long-term borrowing	16		(704,027)	(752,080)
Deferred Grants	18		(466,451)	(436,974)
Pension Fund Net (Liabilities)	10		(1,245,000)	(1,409,000)
Total Assets Less Liabilities			<u>2,196,836</u>	<u>1,936,163</u>
Capital and Reserves				
Capital Financing Reserve	20		2,460,739	2,387,023
Pensions Reserve	10		(1,245,000)	(1,409,000)
Earmarked Reserves	21		415,818	536,143
General Reserve			<u>565,279</u>	<u>421,997</u>
			2,196,836	1,936,163

The Statements of Accounts represent a true and fair view of the financial position of the Council as at 31 March 2018, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 27th June 2018 .

Signed: 
Cllr S. L. Davies
Vice Chairman


Mrs Wendy Evans
Responsible Financial Officer

Date: 27.6.18

27.6.18

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

Llanelli Rural Council

Cash Flow Statement

31 March 2018

	Notes	2018 £	2018 £	2017 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,007,155)		(1,136,165)
Other operating payments		(1,237,359)		(1,308,218)
			(2,244,514)	(2,444,383)
<i>Cash inflows</i>				
Precept on County Council		1,011,000		1,003,230
Cash received for services		1,653,747		1,625,977
Revenue grants received		39,387		13,144
			2,704,134	2,642,351
Net cash inflow from Revenue Activities	24		459,620	197,968
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(36,465)		(38,572)
Interest element of Finance Lease/HP Installments		(1,246)		(281)
<i>Cash inflows</i>				
Interest received		2,165		4,906
Net cash (outflow) from Servicing of Finance			(35,546)	(33,947)
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(307,960)		(225,293)
<i>Cash inflows</i>				
Sale of fixed assets		22,500		15,840
Capital grant received		81,467		-
Net cash (outflow) from Capital Activities			(203,993)	(209,453)
Net cash inflow before Financing			220,081	(45,432)
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			(45,844)	(43,738)
			(39,772)	(3,122)
Net cash (outflow) from financing and liquid resources			(85,616)	(46,860)
Increase/(Decrease) in cash	25		134,465	(92,292)

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

Llanelli Rural Council

Notes to the Accounts

31 March 2018

1 Other Costs Analysis

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

Direct Service Costs

	2018	2017
	£	£
Community Centres	99,206	73,869
Sports Development & Community Recreation	592	8,463
Outdoor Sports & Recreation Facilities	218,017	154,374
Cemeteries	(43,134)	(42,066)
Community Development	11,606	14,320
Routine Repairs (other roads)	-	49
Street Lighting	16,877	22,723
Transport Training Department	754,888	998,016
Less: Grant-aid Expenditure	(46,866)	(38,210)
Total	1,011,186	1,191,538

Democratic, Management & Civic Costs

	2018	2017
	£	£
Corporate Management	364,229	224,867
Democratic Representation & Management	25,787	2,017
Civic Expenses	2,555	2,899
Chairman's Allowance	4,304	8,129
Members' Allowances	6,386	10,062
Interest Payable	37,711	38,853
Total	440,972	286,827

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

	2018	2017
	£	£
External Interest Charges - Loans	36,465	38,572
External Interest Charges - Lease/H.P.	1,246	281
	37,711	38,853

Llanelli Rural Council

Notes to the Accounts

31 March 2018

3 Interest and Investment Income

	2018	2017
	£	£
Interest Income - General Funds	1,430	3,883
Interest Income - Earmarked Funds	607	904
	<u>2,037</u>	<u>4,787</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	2017	2016
		£	£
D R Taxis	Purchased – vehicle and taxi hire	0	138
D R Taxis	Income – training services	0	2,750

No amounts due remained unpaid at 31 March 2018 or at 31 March 2017.

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:

	2018	2017
	£	£
Fees for statutory audit services	4,000	400
Total fees	<u>4,000</u>	<u>400</u>

7 Employees

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

	2018	2017
	Number	Number
Full-time	35	32
Part-time	5	5
Temporary	-	-
	<u>40</u>	<u>37</u>

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

Llanelli Rural Council

Notes to the Accounts

31 March 2018

8 Members' Allowances

	2018	2017
	£	£
Members of Council have been paid the following allowances for the year:		
Chairman's Allowance	4,304	8,129
Members' Allowances	6,386	10,062
	<u>10,690</u>	<u>18,191</u>

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 2018 was £133,264 (31 March 2017 - £140,683).

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 2018 (year ended 31 March 2018 – 15.00%).

Financial Reporting Standard 102 (FRS102): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Dyfed's, 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 County Council. 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, to take account of the requirements of FRSSE in order to assess the liabilities of the Fund as at 31 March 2018. 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 2018	31 March 2017
	% p.a.	% p.a.
Discount Rate	2.60	2.50
Rate of increase in salaries	3.60	3.80
Rate of increase in pensions	2.20	2.30
Rate of increase in deferred pensions	2.20	2.30
Rate of inflation	2.10	2.30

Llanelli Rural Council

Notes to the Accounts

31 March 2018

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's Pension Fund Balance Sheet applicable to the council	31 March 2018 (£000s)	31 March 2017 (£000s)	31 March 2016 (£000s)
Share of assets	5,747	5,541	4,447
Estimated liabilities	(6,992)	(6,950)	(5,419)
Net pensions surplus	(1,245)	(1,409)	(972)

PENSION FUND RESERVE

Movement in Deficit during the year	2018 (£000s)	2017 (£000s)
Deficit at 01 April 2017	(1,409)	(972)
Current Service Cost	(283)	(167)
Employer Contributions	137	149
Past Service/Curtailment Cost	(5)	(46)
Net Interest/Return on Assets	(34)	(30)
Actuarial Gain/(Loss)	349	(343)
Deficit at 31 March 2018	(1,245)	(1,409)

AMOUNTS REPORTED IN THE COUNCIL'S

INCOME & EXPENDITURE ACCOUNT

Pension Revenue Items during the year

Operating Costs	2018 (£000s)	2017 (£000s)
Current Service Cost	(283)	(167)
Curtailment Service Cost	(5)	(46)
Total Cost	(288)	(213)
Financing (Cost)		
Expected Return on Assets	139	160
Interest on Pension Liabilities	(173)	(190)
	(34)	(30)

NON-REVENUE MOVEMENTS IN RESERVES

Statement of Actuarial Gains/(Losses)

	2018 (£000s)	2017 (£000s)
Asset Gain	62	943
Liability Gain/(Loss)	287	(1,286)
Net Gain/(Loss)	349	(343)

Llanelli Rural Council

Notes to the Accounts

31 March 2018

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 2017	2,636,597	1,275,585	1,063,653	791,249	14,726	5,781,810
Additions	-	-	334,096	10,102	-	344,198
Disposals	-	-	(49,591)	-	-	(49,591)
	2,636,597	1,275,585	1,348,158	801,351	14,726	6,076,417
Depreciation						
At 31 March 2017	(373,888)	(323,630)	(888,357)	(632,190)	-	(2,218,065)
Charged for the year	(47,105)	(31,112)	(121,208)	(29,246)	-	(228,671)
Eliminated on disposal	-	-	49,591	-	-	49,591
	(420,993)	(354,742)	(959,974)	(661,436)	-	(2,397,145)
Net Book Value						
At 31 March 2018	2,215,604	920,843	388,184	139,915	14,726	3,679,272
At 31 March 2017	2,262,709	951,955	175,296	159,059	14,726	3,563,745

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

	2018 £	2017 £
Value as at 31 March 2017	2,299	4,597
Additions to assets held under finance lease/hire purchase agreements	37,950	-
Assets no longer subject to finance lease/hire purchase agreements	(1)	-
Depreciation Charged in Year	(9,888)	(2,298)
Value as at 31 March 2018	30,360	2,299

Llanelli Rural Council

Notes to the Accounts

31 March 2018

12 Financing of Capital Expenditure

	2018	2017
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	344,198	227,005
	<u>344,198</u>	<u>227,005</u>
was financed by:		
Capital Receipts	22,500	15,840
Capital Grants	141,467	-
New H.P./Lease Finance	37,950	-
Revenue:		
Precept and Revenue Income	142,281	211,165
	<u>344,198</u>	<u>227,005</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 – 6

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 2018

14 Debtors

	2018	2017
	£	£
General Debtors	6,367	7,412
Training Department Debtors	138,825	221,204
Cemetery Debtors	22,296	21,584
Trade Debtors	167,488	250,200
VAT Recoverable	52,694	35,625
Other Debtors	-	13,149
Prepayments	2,094	8,129
Accrued Income	4,577	31,575
Accrued Interest Income	-	128
	226,853	338,806

15 Creditors and Accrued Expenses

	2018	2017
	£	£
Trade Creditors	68,105	85,000
Other Creditors	156,084	117,916
Superannuation Payable	15,434	20,871
Payroll Taxes and Social Security	17,052	16,636
Accruals	68,312	31,280
Income in Advance	31,191	23,209
Capital Creditors	-	1,712
	356,178	296,624

16 Long Term Liabilities

	2018	2017
	£	£
Public Works Loan Board	752,081	797,925
	752,081	797,925

The above loans are repayable as follows:

	2018	2017
	£	£
Within one year	48,054	45,845
From one to two years	50,370	48,054
From two to five years	166,157	158,514
From five to ten years	285,659	319,448
Over ten years	201,841	226,064
Total Loan Commitment	752,081	797,925
Less: Repayable within one year	(48,054)	(45,845)
Repayable after one year	704,027	752,080

Llanelli Rural Council

Notes to the Accounts

31 March 2018

17 Deferred Liabilities

	2018	2017
	£	£
H.P. and Lease Creditors	-	1,821

	2018	2017
	£	£

The above liabilities are repayable as follows:

Within one year	-	1,821
Total Deferred Liabilities	-	1,821
Less: Repayable within one year	-	(1,821)
	-	-

18 Deferred Grants

	2018	2017
	£	£
Capital Grants Unapplied		
At 01 April	60,000	60,000
Grants received in the year	81,467	-
Applied to finance capital investment	(141,467)	-
At 31 March	-	60,000

Capital Grants Applied		
At 01 April	376,974	400,671
Grants Applied in the year	141,467	-
Released to offset depreciation	(51,990)	(23,697)
At 31 March	466,451	376,974

Total Deferred Grants

At 31 March	466,451	436,974
At 01 April	436,974	460,671

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 2018

19 Financial Commitments under Operating Leases

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

	2018	2017
	£	£
Obligations expiring within one year	1,105	1,105
Obligations expiring between two and five years	-	-
Obligations expiring after five years	333	333
	<u>1,438</u>	<u>1,438</u>

20 Capital Financing Account

	2018	2017
	£	£
Balance at 01 April	2,387,023	2,279,624
Financing capital expenditure in the year		
Additions - using capital receipts	22,500	15,840
Additions - using revenue balances	142,281	211,165
Loan repayments	85,616	46,860
Disposal of fixed assets	(49,591)	(33,160)
Depreciation eliminated on disposals	49,591	25,809
Reversal of depreciation	(228,671)	(182,812)
Deferred grants released	51,990	23,697
Balance at 31 March	<u>2,460,739</u>	<u>2,387,023</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.

21 Earmarked Reserves

	Balance at	Contribution	Contribution	Balance at
	01/04/2017	to reserve	from reserve	31/03/2018
	£	£	£	£
Share of LJBS Reserves	102,859	38,993	(8,834)	133,018
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	433,284	86,300	(236,784)	282,800
Total Earmarked Reserves	<u>536,143</u>	<u>125,293</u>	<u>(245,618)</u>	<u>415,818</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 2018 are set out in detail at Appendix A.

22 Capital Commitments

The council had no other capital commitments at 31 March 2018 not otherwise provided for in these accounts.

Llanelli Rural Council

Notes to the Accounts

31 March 2018

23 Contingent Liabilities

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

24 Reconciliation of Revenue Cash Flow

	2018	2017
	£	£
Net Operating (Deficit) for the year	(71,827)	29,206
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	176,681	159,115
Interest Payable	37,711	38,853
Interest and Investment Income	(2,165)	(4,906)
Decrease/(Increase) in debtors	111,953	(56,070)
Increase in creditors	61,267	13,770
Revenue activities net cash inflow	<u>459,620</u>	<u>197,968</u>

25 Movement in Cash

	2018	2017
	£	£
Balances at 01 April		
Cash with accounting officers	450	400
Cash at bank	<u>975,506</u>	<u>1,067,848</u>
	975,956	1,068,248
Balances at 31 March		
Cash with accounting officers	450	450
Cash at bank	<u>1,109,971</u>	<u>975,506</u>
	1,110,421	975,956
Net cash inflow/(outflow)	<u>134,465</u>	<u>(92,292)</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2018

26 Reconciliation of Net Funds/Debt

	2018	2017
	£	£
Increase/(Decrease) in cash in the year	134,465	(92,292)
Cash outflow from repayment of debt	85,616	46,860
Net cash flow arising from changes in debt	85,616	46,860
New H P/Lease Agreements	(37,950)	1
Movement in net funds/debt in the year	182,131	(45,431)
Cash at bank and in hand	975,956	1,068,248
Total borrowings	(799,746)	(846,607)
Net funds at 01 April	176,210	221,641
Cash at bank and in hand	1,110,421	975,956
Total borrowings	(752,081)	(799,746)
Net funds at 31 March	358,340	176,210

27 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 27th June 2018), which would have a material impact on the amounts and results reported herein.

Llanelli Rural Council

Appendices

31 March 2018

Appendix A

Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2017</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2018</u>
	£	£	£	£
<u>Llanelli Joint Burial Committee</u> <u>(Llanelli Rural Council share)</u>				
General Fund	54,752		8,834	45,918
Earmarked Funds	48,107	38,993		87,100
	<u>102,859</u>	<u>38,993</u>	<u>8,834</u>	<u>133,018</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	20,614	6,700	20,614	6,700
Capital Schemes	155,720	27,580	113,300	70,000
Play Areas	75,300	83,450	59,900	98,850
Vauxhall Buildings	74,810	670	75,130	350
Resources	21,360	1,880	20,000	3,240
Miscellaneous Projects	75,480	70,570	61,140	84,910
Council Earmarked Reserves	433,284	190,850	350,084	274,050
Training Department Earmarked Reserves		8,750		8,750
	<u>433,284</u>	<u>199,600</u>	<u>350,084</u>	<u>282,800</u>
TOTAL EARMARKED RESERVES	<u>536,143</u>	<u>238,593</u>	<u>358,918</u>	<u>415,818</u>

Llanelli Rural Council

31 March 2018

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	651,269	714,900
Cemetery, Cremation & Mortuary	49,900	20,349
Planning & Development Services (including Markets)	102,117	11,606
Highways Roads (Routine)	138,902	90,540
Street Lighting	17,892	16,877
Transport Training Department	(35,110)	(169,775)
Net Direct Services Costs	924,970	684,497
Corporate Management	-	140,029
Democratic & Civic	56,539	76,627
Non Distributed Costs	-	146,000
Net Democratic, Management and Civic Costs	56,539	362,656
Interest & Investment Income	(3,000)	(2,037)
Loan Charges	82,310	123,327
Capital Expenditure	474,290	164,781
Proceeds of Disposal of Capital Assets	-	(22,500)
Transfers to/(from) other reserves	(374,260)	(120,325)
Reversal of Statutory Adjustments	(169,199)	(322,681)
Surplus to General Reserve	19,350	143,282
Precept on County Council	1,011,000	1,011,000

Llanelli Rural Council

31 March 2018

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2018 £	2018 £	2018 £	2017 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Recreation & Sport	805,777	(90,877)	714,900	602,943
ENVIRONMENTAL SERVICES				
Cemetery, Cremation & Mortuary	90,830	(70,481)	20,349	31,854
PLANNING & DEVELOPMENT SERVICES				
Community Development	11,606	-	11,606	17,933
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Highways Roads (Routine)	90,540	-	90,540	78,158
Street Lighting	16,877	-	16,877	22,723
OTHER SERVICES				
Transport Training Department	1,230,214	(1,399,989)	(169,775)	23,441
CENTRAL SERVICES				
Corporate Management	140,975	(946)	140,029	78,694
Democratic & Civic	63,382	-	63,382	45,795
Civic Expenses	13,245	-	13,245	20,417
Non Distributed Costs	146,000	-	146,000	18,000
Net Cost of Services	2,609,446	(1,562,293)	1,047,153	939,958