

Llanelli Rural Council

Unaudited Financial Statements

For the year ended 31 March 2022

Llanelli Rural Council

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31 March 2022

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Llanelli Rural Council

Council Information

31 March 2022

(Information current at 29th June 2022)

Chairman

Cllr A. G. Morgan

Councillors

Cllr J. S. Phillips (Vice Chairman)

Cllr S. R. Bowen

Cllr D. M. Cundy

Cllr M. V. Davies

Cllr S. L. Davies

Cllr T. M. Donoghue

Cllr E. M. Evan

Cllr A. Evans

Cllr N. Evans

Cllr R. E. Evans

Cllr S. M. T. Ford

Cllr J. P. Hart

Cllr S. N. Lewis

Cllr S. K. Nurse

Cllr A. J. Rogers

Cllr W. E. Skinner

Cllr A. G. Stephens

Cllr N. A. Stephens

Cllr B. M. Williams

Cllr O. Williams

Clerk to the Council

Mr Mark Galbraith. A.C.I.S

Responsible Financial Officer (R.F.O.)

Ms Alison Williams BA (Hons) (Bus. Studies)

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 2022

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 2022 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 2022

Review of effectiveness

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


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

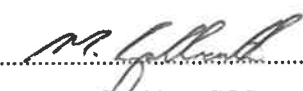
Significant governance issues

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

Approval of Statement

This statement was approved at a meeting of the council held on 29th June 2022 when authority was given for the Chairman and the Clerk to the Council to sign.

Signed: 
Clr A. G. Morgan
Chairman


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

Date: 29-6-22

Llanelli Rural Council
Statement of Accounting Policies
31 March 2022

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.

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 2022

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 2022

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 2022 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 2022

	Notes	2022 £	2021 £
Income			
Precept on County Council		1,093,010	1,079,290
Grants Receivable		193,124	149,871
Rents Receivable, Interest & Investment Income		209	1,998
Charges made for Services		1,770,171	1,728,088
Other Income		18,921	12,393
Total Income		3,075,435	2,971,640
Expenditure			
Direct Service Costs:			
Salaries & Wages		(818,776)	(754,762)
Grant-aid Expenditure		(38,658)	(37,224)
Other Costs	1	(1,324,038)	(1,265,807)
Democratic, Management & Civic Costs:			
Salaries & Wages		(765,186)	(663,583)
Other Costs	1	(306,895)	(260,397)
Total Expenditure		(3,253,553)	(2,981,773)
Excess of (Expenditure over Income) for the year.		(178,118)	(10,133)
Exceptional Items			
Profit on the disposal of fixed assets		8,000	8,087
Pension fund financing		(60,000)	(67,000)
Net Operating (Deficit) for Year		(230,118)	(69,046)
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(55,345)	(52,799)
Capital Expenditure charged to revenue	12	(272,213)	(61,624)
Reversal of annual depreciation and impairment		294,938	237,127
Reverse profit on asset disposals		(8,000)	(8,087)
Reverse Losses on investment disposals		-	-
Reversal of grant amortisation		(40,212)	(59,439)
Transfer from/(to) Earmarked Reserves	21	52,279	(87,452)
Reversal of Defined Benefit costs		341,000	237,000
Surplus for the Year to General Fund		82,329	135,680
Net Surplus for the Year		30,050	223,132
The above Surplus for the Year has been applied for the Year to as follows:			
Transfer from/(to) Earmarked Reserves	21	(52,279)	87,452
Surplus for the Year to General Fund		82,329	135,680
		30,050	223,132

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

Llanelli Rural Council
Statement of Movement in Reserves
31 March 2022

Reserve	Purpose of Reserve	Notes	2022 £	Net Movement in Year £	2021 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	19	2,299,305	80,832	2,218,473
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	680,138	(52,279)	732,417
Pensions Reserve	Balancing account to allow inclusion of Pension Liability in the Balance Sheet	10	(2,568,000)	157,000	(2,725,000)
General Fund	Resources available to meet future running costs		971,733	82,329	889,404
Total			1,383,176	267,882	1,115,294

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 2022

	Notes	2022 £	2021 £
Net Operating (Deficit) for Year		(230,118)	(69,046)
Actuarial gains	10	498,000	203,000
Total recognised gains for the year		267,882	133,954

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

Llanelli Rural Council

Balance Sheet

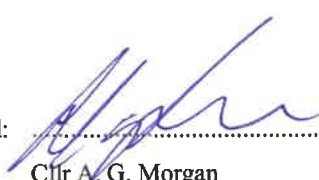
31 March 2022


	Notes	2022 £	2022 £	2021 £
Fixed Assets				
Tangible Fixed Assets	11		3,183,859	3,176,737
Current Assets				
Debtors and prepayments	14	389,165		435,071
Cash at bank and in hand		1,893,478		1,722,371
		<u>2,282,643</u>		<u>2,157,442</u>
Current Liabilities				
Current Portion of Long Term Borrowings		(58,014)		(55,345)
Creditors and income in advance	15	<u>(609,084)</u>		<u>(535,622)</u>
Net Current Assets			<u>1,615,545</u>	<u>1,566,475</u>
Total Assets Less Current Liabilities			4,799,404	4,743,212
Long Term Liabilities				
Long-term borrowing	16		(487,499)	(545,513)
Deferred Grants	17		(360,729)	(357,405)
Pension Fund Net (Liabilities)	10		<u>(2,568,000)</u>	<u>(2,725,000)</u>
Total Assets Less Liabilities			<u>1,383,176</u>	<u>1,115,294</u>
Capital and Reserves				
Capital Financing Reserve	19		2,299,305	2,218,473
Pensions Reserve	10		(2,568,000)	(2,725,000)
Earmarked Reserves	21		680,138	732,417
General Reserve			<u>971,733</u>	<u>889,404</u>
			<u>1,383,176</u>	<u>1,115,294</u>

The Unaudited Financial Statements represent a true and fair view of the financial position of the Council as at 31 March 2022, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 29th June 2022 .

Signed:


Clr A. G. Morgan
Chairman


Ms Alison Williams BA (Hons) (Bus. Studies)
Responsible Financial Officer

Date:

29-6-22

29-6.22

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

Llanelli Rural Council

Cash Flow Statement

31 March 2022

	Notes	2022 £	2022 £	2021 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,197,307)		(1,193,087)
Other operating payments		(1,353,878)		(1,374,734)
			(2,551,185)	(2,567,821)
<i>Cash inflows</i>				
Precept on County Council		1,093,010		1,079,290
Cash received for services		1,653,314		1,852,673
Revenue grants received		313,874		29,121
			3,060,198	2,961,084
Net cash inflow from Revenue Activities	24		509,013	393,263
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(26,966)		(29,512)
<i>Cash inflows</i>				
Interest received		209		1,998
Net cash (outflow) from Servicing of Finance			(26,757)	(27,514)
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(302,060)		(99,010)
<i>Cash inflows</i>				
Sale of fixed assets		8,000		8,088
Capital grant received		38,256		29,298
Net cash (outflow) from Capital Activities			(255,804)	(61,624)
Net cash inflow before Financing			226,452	304,125
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			(55,345)	(52,798)
Net cash (outflow) from financing and liquid resources			(55,345)	(52,798)
Increase in cash	25		171,107	251,327

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

Llanelli Rural Council

Notes to the Accounts

31 March 2022

1 Other Costs Analysis

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

Direct Service Costs

	2022	2021
	£	£
Community Centres	95,265	93,641
Outdoor Sports & Recreation Facilities	232,065	249,900
Community Parks & Open Spaces	156,867	135,349
Cemeteries	5,224	(44,932)
Community Development	13,961	12,604
Street Lighting	11,278	10,719
Training Department	848,036	845,750
Less: Grant-aid Expenditure	(38,658)	(37,224)
Total	1,324,038	1,265,807

Democratic, Management & Civic Costs

	2022	2021
	£	£
Corporate Management	251,102	213,366
Democratic Representation & Management	14,864	3,855
Civic Expenses	8,663	8,660
Civic Allowance	2,000	2,000
Members' Allowances	3,300	3,004
Interest Payable	26,966	29,512
Total	306,895	260,397

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

	2022	2021
	£	£
External Interest Charges - Loans	26,966	29,512
	26,966	29,512

Llanelli Rural Council

Notes to the Accounts

31 March 2022

3 Interest and Investment Income

	2022	2021
	£	£
Interest Income - General Funds	139	1,671
Interest Income - Earmarked Funds	70	327
Discount in Year	-	-
	<u>209</u>	<u>1,998</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:

	2022	2021
	£	£
Fees for statutory audit services	7,000	7,000
Total fees	<u>7,000</u>	<u>7,000</u>

7 Employees

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

	2022	2021
	Number	Number
Full-time	39	38
Part-time	8	4
Temporary	-	-
	<u>47</u>	<u>42</u>

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

Llanelli Rural Council

Notes to the Accounts

31 March 2022

8 Members' Allowances

	2022	2021
	£	£
Members of Council have been paid the following allowances for the year:		
Chair's Allowance	1,000	1,000
Deputy Chair's Allowance	500	500
Council Leader's Allowance	500	500
Members' Allowances	<u>3,300</u>	<u>3,004</u>
	<u>5,300</u>	<u>5,004</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 2022 was £148,743 (31 March 2021 - £160,130).

The most recent actuarial valuation was carried out as at 31st March 2019, and the council's contribution rate is confirmed as being 14.40% of employees' pensionable pay with effect from 1st April 2022 (year ended 31 March 2022 – 14.40%).

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 2022. 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 2022	31 March 2021
	% p.a.	% p.a.
Discount Rate	2.80	2.10
Rate of increase in salaries	4.90	4.20
Rate of increase in pensions	3.50	2.80
Rate of increase in deferred pensions	3.50	2.80
Rate of inflation	3.40	2.70

Llanelli Rural Council

Notes to the Accounts

31 March 2022

The following amounts were measured in accordance with the requirements of FRSS2:

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 2022	31 March 2021	31 March 2020
	(£000s)	(£000s)	(£000s)
Share of assets	9,197	8,674	6,901
Estimated liabilities	(11,765)	(11,399)	(9,592)
Net pensions surplus	(2,568)	(2,725)	(2,691)

PENSION FUND RESERVE

Movement in Deficit during the year	2022	2021
	(£000s)	(£000s)
Deficit at 01 April 2021	(2,725)	(2,691)
Current Service Cost	(428)	(331)
Employer Contributions	147	160
Past Service/Curtailment Cost	(4)	(4)
Net Interest/Return on Assets	(56)	(63)
Actuarial Gain	498	203
Deficit at 31 March 2022	(2,568)	(2,725)

AMOUNTS REPORTED IN THE COUNCIL'S

INCOME & EXPENDITURE ACCOUNT

Pension Revenue Items during the year

Operating Costs	2022	2021
	(£000s)	(£000s)
Current Service Cost	(428)	(331)
Curtailment Service Cost	(4)	(4)
Total Cost	(432)	(335)
Financing (Cost)		
Expected Return on Assets	181	165
Interest on Pension Liabilities	(237)	(228)
	(56)	(63)

NON-REVENUE MOVEMENTS IN RESERVES

Statement of Actuarial Gains

	2022	2021
	(£000s)	(£000s)
Asset Gain	436	1,669
Liability (Loss)/Gain	(27)	169
Change in Assumptions	89	(1,635)
Net Gain	498	203

Llanelli Rural Council

Notes to the Accounts

31 March 2022

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 2021	2,636,597	1,281,585	1,505,526	802,251	14,726	9,430	6,250,115
Additions	-	14,368	109,009	178,683	-	-	302,060
At 31 March 2022	2,636,597	1,295,953	1,614,535	980,934	14,726	9,430	6,552,175
Depreciation							
At 31 March 2021	(562,308)	(571,670)	(1,202,707)	(736,693)	-	-	(3,073,378)
Charged for the year	(46,725)	(18,519)	(155,366)	(74,328)	-	-	(294,938)
At 31 March 2022	(609,033)	(590,189)	(1,358,073)	(811,021)	-	-	(3,368,316)
Net Book Value							
At 31 March 2022	2,027,564	705,764	256,462	169,913	14,726	9,430	3,183,859
At 31 March 2021	2,074,289	709,915	302,819	65,558	14,726	9,430	3,176,737

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

Llanelli Rural Council

Notes to the Accounts

31 March 2022

12 Financing of Capital Expenditure

	2022	2021
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	302,060	99,010
	<u>302,060</u>	<u>99,010</u>
was financed by:		
Capital Receipts	8,000	8,088
Capital Grants	21,847	29,298
Revenue:		
Capital Projects Reserve	45,623	-
Precept and Revenue Income	226,590	61,624
	<u>302,060</u>	<u>99,010</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 ground

Community Centres – 8

Dwyfor Growing Space

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)

Llanelli Rural Council

Notes to the Accounts

31 March 2022

13 Information on Assets Held (cont'd)

Community Assets

Recreation grounds and playing fields – 7

Childrens' play areas - 7

14 Debtors

	2022	2021
	£	£
General Debtors	12,205	31,946
Training Department Debtors	220,280	163,670
Cemetery Debtors	25,433	23,198
Trade Debtors	257,918	218,814
VAT Recoverable	40,462	53,447
Other Debtors	(2,695)	-
Revenue Grant Debtors	-	120,750
Prepayments	12,213	9,425
Accrued Income	75,987	32,635
Capital Grant Debtors	5,280	-
	<u>389,165</u>	<u>435,071</u>

15 Creditors and Accrued Expenses

	2022	2021
	£	£
Trade Creditors	174,275	105,816
Other Creditors	178,143	141,996
Superannuation Payable	20,503	18,261
V A T Payable	2,876	4,209
Payroll Taxes and Social Security	28,234	19,706
Accruals	91,218	75,782
Income in Advance	113,835	169,852
	<u>609,084</u>	<u>535,622</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2022

16 Long Term Liabilities

	2022	2021
	£	£
Public Works Loan Board	545,513	600,858
	<u>545,513</u>	<u>600,858</u>

	2022	2021
	£	£
The above loans are repayable as follows:		
Within one year	58,014	55,345
From one to two years	60,813	58,014
From two to five years	200,621	191,384
From five to ten years	132,146	173,466
Over ten years	93,919	122,649
	<u>545,513</u>	<u>600,858</u>
Total Loan Commitment	545,513	600,858
Less: Repayable within one year	(58,014)	(55,345)
Repayable after one year	<u>487,499</u>	<u>545,513</u>

17 Deferred Grants

	2022	2021
	£	£
Capital Grants Unapplied		
At 01 April	-	-
Grants received in the year	43,536	29,298
Applied to finance capital investment	(21,847)	(29,298)
At 31 March	<u>21,689</u>	<u>-</u>
Capital Grants Applied		
At 01 April	357,405	387,546
Grants Applied in the year	21,847	29,298
Released to offset depreciation	(40,212)	(59,439)
At 31 March	<u>339,040</u>	<u>357,405</u>
Total Deferred Grants		
At 31 March	<u>360,729</u>	<u>357,405</u>
At 01 April	<u>357,405</u>	<u>387,546</u>

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 2022

18 Financial Commitments under Operating Leases

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

	2022	2021
	£	£
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:

	2022	2021
	£	£
Obligations expiring within one year	-	-
Obligations expiring between two and five years	2,335	333
Obligations expiring after five years	-	-
	<u>2,335</u>	<u>333</u>

19 Capital Financing Account

	2022	2021
	£	£
Balance at 01 April	2,218,473	2,273,651
Financing capital expenditure in the year		
Additions - using capital receipts	8,000	8,088
Additions - using revenue balances	272,213	61,624
Loan repayments	55,345	52,799
Disposal of fixed assets	-	(30,297)
Depreciation eliminated on disposals	-	30,296
Reversal of depreciation	(294,938)	(237,127)
Deferred grants released	40,212	59,439
Balance at 31 March	<u>2,299,305</u>	<u>2,218,473</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

	2022	2021
	£	£
Capital receipts (asset sales) during the year	8,000	8,088
Less:		
Capital used to fund expenditure	(8,000)	(8,088)
Balance at 31 March	<u>-</u>	<u>-</u>

Llanelli Rural Council

Notes to the Accounts

31 March 2022

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

21 Earmarked Reserves

	Balance at 01/04/2021	Contribution to reserve	Contribution from reserve	Balance at 31/03/2022
	£	£	£	£
Capital Projects Reserves	138,700	75,745	(89,878)	124,567
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	593,717	258,881	(297,027)	555,571
Total Earmarked Reserves	732,417	334,626	(386,905)	680,138

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 2022 are set out in detail at Appendix A.

22 Capital Commitments

The council had no capital commitments at 31 March 2022 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

	2022	2021
	£	£
Net Operating (Deficit) for the year	(178,118)	(10,133)
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	254,726	177,688
Interest Payable	26,966	29,512
Interest and Investment Income	(209)	(1,998)
Decrease/(Increase) in debtors	51,186	(187,922)
Increase in creditors	73,462	216,116
Revenue activities net cash inflow	509,013	393,263

Llanelli Rural Council

Notes to the Accounts

31 March 2022

25 Movement in Cash

	2022	2021
	£	£
Balances at 01 April		
Cash with accounting officers	450	450
Cash at bank	1,721,921	1,470,594
	<u>1,722,371</u>	<u>1,471,044</u>
Balances at 31 March		
Cash with accounting officers	350	450
Cash at bank	1,893,128	1,721,921
	<u>1,893,478</u>	<u>1,722,371</u>
Net cash inflow	<u>171,107</u>	<u>251,327</u>

26 Reconciliation of Net Funds/Debt

	2022	2021
	£	£
Increase in cash in the year	171,107	251,327
Cash outflow from repayment of debt	55,345	52,798
Net cash flow arising from changes in debt	<u>55,345</u>	<u>52,798</u>
Movement in net funds in the year	<u>226,452</u>	<u>304,125</u>
Cash at bank and in hand	1,722,371	1,471,044
Total borrowings	(600,858)	(653,656)
Net funds at 01 April	<u>1,121,513</u>	<u>817,388</u>
Cash at bank and in hand	1,893,478	1,722,371
Total borrowings	(545,513)	(600,858)
Net funds at 31 March	<u>1,347,965</u>	<u>1,121,513</u>

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 29th June 2022), which would have a material impact on the amounts and results reported herein.

Llanelli Rural Council

Appendices

31 March 2022

Appendix A

Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2021</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2022</u>
	£	£	£	£
<u>Llanelli Joint Burial Committee</u> <u>(Llanelli Rural Council share)</u>				
General Fund	96,162	133,000	(120,909)	108,253
Redevelopment	133,173	16,990	(35,356)	114,807
Infrastructure	32,930		(17,800)	15,130
Monument Repairs	1,854			1,854
Training/Consultancy	7,590	1,500		9,090
Advertisements	5,690		(5,690)	0
Share due to LTC	(138,699)	(75,745)	89,877	(124,567)
	<u>138,700</u>	<u>75,745</u>	<u>(89,878)</u>	<u>124,567</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>				
Community Halls	36,000		(29,720)	6,280
Committed Grants	5,007	1,780	(2,227)	4,560
Capital Schemes	71,950	60,000		131,950
Parks & Play Areas	248,000	11,980	(154,970)	105,010
Vauxhall Buildings	15,300	68,180	(4,960)	78,520
Resources	14,610		(6,860)	7,750
Global	151,260	63,781	(89,740)	125,301
Depot Building		24,710		24,710
				0
Council Earmarked Reserves	<u>542,127</u>	<u>230,431</u>	<u>(288,477)</u>	<u>484,081</u>
Training Department Earmarked Reserves	<u>51,590</u>	<u>28,450</u>	<u>(8,550)</u>	<u>71,490</u>
	<u>593,717</u>	<u>258,881</u>	<u>(297,027)</u>	<u>555,571</u>
TOTAL EARMARKED RESERVES	<u>732,417</u>	<u>334,626</u>	<u>(386,905)</u>	<u>680,138</u>

Llanelli Rural Council

31 March 2022

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	1,007,880	749,193
Open Spaces	14,419	62,256
Cemetery, Cremation & Mortuary	144,714	68,502
Planning & Development Services (including Markets)	41,560	69,219
Highways Roads (Routine)	105,798	79,333
Street Lighting	11,420	11,278
Training Department	(60,419)	(100,356)
Net Direct Services Costs	<u>1,265,372</u>	<u>939,425</u>
Corporate Management	-	(46,608)
Democratic & Civic	60,510	70,554
Non Distributed Costs	-	281,000
Net Democratic, Management and Civic Costs	<u>60,510</u>	<u>304,946</u>
Interest & Investment Income	(730)	(209)
Loan Charges	96,610	82,311
Capital Expenditure	435,280	280,213
Proceeds of Disposal of Capital Assets	-	(8,000)
Transfers to/(from) other reserves	(517,397)	(52,279)
Reversal of Statutory Adjustments	(254,726)	(535,726)
Surplus to General Reserve	<u>8,091</u>	<u>82,329</u>
Precept on County Council	<u>1,093,010</u>	<u>1,093,010</u>

Llanelli Rural Council

31 March 2022

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2022 £	2022 £	2022 £	2021 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Recreation & Sport	860,521	(111,328)	749,193	782,398
Open Spaces	219,123	(156,867)	62,256	-
ENVIRONMENTAL SERVICES				
Cemetery, Cremation & Mortuary	159,790	(91,288)	68,502	40,532
PLANNING & DEVELOPMENT SERVICES				
Community Development	69,219	-	69,219	84,592
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Highways Roads (Routine)	82,368	(3,035)	79,333	77,766
Street Lighting	11,278	-	11,278	10,719
OTHER SERVICES				
Training Department	1,480,979	(1,581,335)	(100,356)	(153,191)
CENTRAL SERVICES				
Corporate Management	(13,026)	(33,582)	(46,608)	(23,340)
Democratic & Civic	61,372	-	61,372	58,769
Civic Expenses	13,963	(4,781)	9,182	13,664
Non Distributed Costs	281,000	-	281,000	170,000
Net Cost of Services	3,226,587	(1,982,216)	1,244,371	1,061,909