

NEATH TOWN COUNCIL



**Statement of Accounts
(unaudited)
For the year ended
31 March 2023**

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

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**Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)**

COUNCIL INFORMATION

Town Mayor
Cllr. Mrs S Penry

Councillors

Cllr. Thomas Cooze
Cllr. Keith Finn
Cllr. Ms. Lauren Heard
Cllr. Paul James
Cllr. Mrs Leanne Jones
Cllr. Ms. Megan Lloyd
Cllr. Mrs Jan Lockyer
Cllr. John Miller
Cllr. Gareth Morgan
Cllr. Ali Musaied
Cllr. Terry Pearson
Cllr. Bob Price
Cllr. Mrs Sara Price
Cllr. Mark Protheroe
Cllr. Paul Sambrook
Cllr. Alex Sims
Cllr. Dan Thomas
Cllr. John Warman

Clerk to the Council
Kathryn Charles

Responsible Financial Officer
Amanda Holmes

Internal Auditors
Kerry Leigh-Grabham

External Auditors
Wales Audit Office

Neath Town Council
For the Year Ended 31 March 2023
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Explanatory Foreword

Welcome to Neath Town Council's statutory Statement of Accounts for the financial year ended 31st March 2023.

This foreword provides a brief explanation of the financial statements and supporting information that follows, and is intended to assist the reader in understanding the Statement of Accounts.

Introduction to Accounting Statements

The Council's statutory accounts are produced in the form of the Annual Return (Appendix IV). The Statements of Accounts which are not subject to audit provides background workings and explanations of the figures declared in the Annual Return.

The following items are included:

The Statement of Accounting Policies

The statements set out on pages 4 and 5 details the legislation and the accounting principles on which the financial statements are prepared.

The Statement of Responsibilities

The statement on page 3 identifies the council's responsibilities and identified the officer who is responsible for the Council's financial affairs.

The Income and Expenditure Account (Unaudited)

The Income and Expenditure Account set out on page 7 shows the income generated and the total expenditure on the services provided by the Council for the year.

The Statement of Movement on Reserves (Unaudited)

The Statement of Movement on Reserves set out on page 8 provides a summary of the overall change in the level of the Council's Balances and Earmarked Reserves during the year, including the transfer of the year end surplus or deficit from the Income and Expenditure Account, use of reserves to fund revenue and capital expenditure, and any transfers made between reserves.

The Balance Sheet (Unaudited)

The Balance Sheet on page 9 sets out the financial position of the Council on 31 March 2023. It shows the value of its assets, the value of its cash and bank values, how much it is owed and how much it owes and the balance of reserves at its disposal.

Notes to the Accounts

The Notes to the Accounts on pages 10 to 17 provide further information on the amounts included in the financial statements.

Additional Information

The additional information on page 18 do not form part of the Financial Statements but provides the reader with additional information regarding Neath Town Councils income and expenditure.

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Statement of Responsibilities for the Accounts

The Town Council's Responsibilities

The Town Council is required:

- To make arrangements for the proper administration of its financial affairs, including the appointment of an Internal Auditor.
- To secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Responsible Financial Officer (RFO).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the accounts and annual return.
- To set a budget and determine a precept levy on the local rating authority.

The Responsible Financial Officer's Responsibilities

The RFO is responsible for the preparation of the Council's Statement of Accounts as contained in Governance and Accountability for Local Councils in Wales: A Practitioners' Guide 2011 as amended, to present a true and fair view of the financial position of the Council at 31 March 2023 and its income and expenditure for the year then ended.

In preparing the statements of accounts, the RFO has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent, and complied with the Practitioners' Guide.

The RFO has also:

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

Responsible Financial Officer's Certificate

I hereby certify that the statement of accounts presents a true and fair view of the position of Neath Town Council at 31 March 2023, and its income and expenditure for the year ended 31 March 2023.

Signed:
Responsible Financial Officer

Date: 8/6/23

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Statement of Accounting Policies

Accounting Convention

The accounts have been prepared in accordance with the Governance and Accountability for local councils in Wales – A Practitioners' Guide (2011) (The Guide).

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understand ability 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 is written off to the Council's Income and Expenditure Account in the year of acquisition, and reported in the notes to the accounts.

Depreciation Policy

Depreciation, impairment adjustments, etc are not permitted for local councils. For reporting purposes, the 'book' value of fixed assets will remain constant until disposal.

Capital Receipts

Capital receipts arising from the disposal of fixed assets are taken to the Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

Investments

Short Term Investments are included in the balance sheet and any interest received is taken into the Income and Expenditure account as realised.

Debtors and Creditors

The revenue accounts of the Town Council are maintained on an accruals basis in accordance with the Account and Audit Regulations. That is, sums due to or from the Town 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) if the amount is not material. This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the Town Council's annual budget.

The Town 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 is not required by the Guide to incorporate external borrowings in its Balance Sheet. Details are shown in the notes to the accounts.

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Statement of Accounting Policies (continued)

Leases

The council is not required by the Guide to incorporate Hire Purchase and/or Finance Lease obligations in its Balance Sheet. Details are shown in the notes to the accounts.

Reserves

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

Interest Income

All interest receipts are credited initially to general funds.

Pensions

The pension costs charged to its 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 the relevant government regulations.

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

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Budget Comparison for the year ended 31 March 2023

The Council's policy is to estimate the total expenditure for the year, which may contain capital expenditure not financed via the precept. Any such expenditure of this type is included within the actual revenue expenditure for the year.

The Council's actual net revenue overspend for the year totalled £163,822 against a budgeted deficit of £11,506. This included work carried out on the refurbishment of 1-4 New Street, Neath, the cost of which has been transferred to the building reserve at the financial year end.

The above deficit on the Revenue Budget were transferred from the Council's balances and reserves at the end of the year. The position is summarised below:

Neath Town Council Year ended 31st March 2023	12 month actual	Annual Budget
	£	£
Precept	400,000	400,000
Other income	416,794	337,725
Total Income	816,794	737,725
Administration	475,423	505,686
Community Centres	100,281	87,423
Gardening and Maintenance	2,145	5,000
Allotments	871	-
Amenities	46,882	38,019
Leased investment Properties	355,014	113,103
Total Expenditure	980,616	749,231
Net Income over Expenditure	(163,822)	(11,506)

Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Income and Expenditure Account for the Year Ended 31 March 2023

2023		Notes	2022
£	Income		£
400,000	Precept	1	400,000
208,923	Rental Income, interest and investment income	2	234,647
110,616	Charges made for services		65,418
97,255	Other income and contributions		164,394
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816,794	Total Income		864,459
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	Expenditure		
	Direct Service Costs		
257,461	Salaries and Wages		241,353
7,995	Grant aid expenditure	3	6,600
625,886	Other expenditure		556,720
	Democratic, Management and Civic Costs		
89,274	Salaries and Wages		74,277
-	Other expenditure		7,401
<hr/>			<hr/>
980,616	Total Expenditure		886,351
<hr/>			
(163,822)	Net Operating (Deficit)/Surplus for Year		(21,892)
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(163,822)	Net (Deficit)/Surplus to General Fund		(21,892)
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Neath Town Council
For the Year Ended 31 March 2023
Statement of Accounts (unaudited)

Statement of Movement of Reserves for the
Year Ended 31 March 2023

The following statement summarises the movement on the Council's Balances and Earmarked Reserves during the year.

	Balance at 1st April 2022	Transfers to	Transfers from	Balance at 31st March 2023
	£	£	£	£
General Fund	285,360	(163,822)	134,423	255,961
Earmarked Reserves				
Elections	6,834	7,740	(14,574)	-
1-4 New Street renovations	169,560	89,944	(217,533)	41,971
Total Reserves	461,754	(66,138)	(97,684)	297,932

At the end of the financial year the deficit of expenditure over income was £163,822. Of this £134,423 related to election and/or building expenses and has been transferred to the relevant reserve.

The Election reserve balance at 1st April 2022 of £6,834 was utilised in full as election costs of £14,574 were incurred during the year. This left a deficit on the reserve of £7,740 which has been covered by a transfer in from general reserves. No provision has been made for an election reserve in this financial year and Council should consider making an annual provision sufficient which, when accumulated, can reasonably be expected to cover the costs of any by-elections and the next full election in 2027.

The Renovations reserve balance brought forward is made up of an £80,000 transfer from general reserves and the balance available on PWLB loan funding £89,560. During the year a further grant of £89,945 was received from NPTCBC and capital payments totalling £217,533 were made, leaving a balance carried forward of £41,972. The building work on 1-4 New Street has now been completed but the reserve remains in the accounts at 31st March 2023 as a contingency to cover any unexpected additional snagging works. Any residual reserve will be written back to general reserves in the next accounting year.

Neath Town Council
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Statement of Accounts (unaudited)

Balance Sheet as at 31 March 2023

2023		Notes	2022
£			£
	Current Assets		
2,158	Stock	1	1,262
66,776	Debtors	2	134,204
(3,251)	Provision for doubtful debt	2	(19,750)
12,820	Prepayments	3	16,444
533,474	Cash at Bank and in hand	4	518,311
39,254	VAT refund due		8,201
651,231			658,672
	Current Liabilities		
189,526	Creditors		24,149
2,314	Accruals		1,000
3,676	PAYE/NI		3,702
1,916	Allotment Key Deposits		1,067
155,867	Loan payable		167,000
353,299			196,918
297,932	Current Assets less Current Liabilities		461,754
	Financed by:		
255,960	General Reserves	5	285,360
41,972	Earmarked Reserves		176,394
297,932			461,754

Notes to the Financial Statements

Explanation of Income and Expenditure Account Items

This note is included in order to provide further explanation of some of the headings included in the Income and Expenditure Account and the income and expenditure items included under each.

Income

Precept

This is the amount required from local tax payers of Neath to fund the net cost of all of the Council's services after deducting all income due from grants, fees and charges etc.

Rental income, interest and investment

This includes rents and leases for non-community Council land and buildings. Interest received is based on the Council's investments and bank accounts.

Fees and charges for services

All income from fees and charges levied for services and activities provided by the Council such as the hall hire, café meals and allotments.

Other income and contributions

All other income not falling into one of the above categories such as renovation grants and refunded dilapidation payments on 6 Green Street.

Expenditure

Direct Service Costs

These are costs associated with the running of all front line service areas including Neath old Town Hall, community centres, Neath Day Centre cafe, allotments, street equipment and Neath Castle works and grounds maintenance.

Direct service salaries and wages costs include the cost of all staff directly involved in running of front line service areas, as well as the support provided by office based staff.

Other direct service costs include all non-staffing based costs such as the running costs of premises and vehicles, and supplies and services such as equipment, training, uniforms, telephones, bedding plants, bar and catering supplies.

Democratic, Management and Civic Costs

These are all costs relating to the democratic and corporate management of the Council including the cost of councillors, corporate management, finance and administration.

Salaries and wages costs include the cost of all staff directly involved in the corporate and democratic management of the Council, plus the cost of Members' Allowances.

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

Notes to the Income and Expenditure Account

1. Precept

Neath Town Council currently receives no money from Central Government. It is self-funding except for a precept levied on the ratepayers of Neath, which constitutes a very small portion of the overall Council Tax Bill; only residential dwelling council tax is included in the precept to the Town Council, business rates being excluded.

Each year, the council calculates the amount of money that it needs in order to deliver its services, and this amount is collected by Neath Port Talbot County Borough Council from the council tax paid by Neath residents.

2. Interest Receivable

The interest receivable from the investment of the Council's surplus balances in instant access bank accounts and the Public Sector Deposit Fund in 2022-23 totalled £691.

3. Section 137 Expenditure

Section 137(1) of the Local Government Act 1972 (as amended) permits the council to spend on activities for which it has no other specific powers if the council considers that the expenditure is in the interests of and will bring direct benefit to the area or any part of it or all of some of its inhabitants, providing the benefit is commensurate with the expenditure. The maximum expenditure per elector for 2022-23 is £8.82.

	2023	2022
	£	£
The total amount available for this purpose was	132,494	116,529
Expenditure was incurred for the following purposes:		
Grants – Annual	7,995	6,600

Grants issued in the 2022-23 totalled £8,800. During the year, unrepresented cheques from 2017 & 2018 amounting to £805 were written back.

4. Publicity

Section 5 of the Local Government Act 1986 requires the council to disclose expenditure on publicity. Details are shown under the following broad categories:

	2023	2022
	£	£
Recruitment	-	95
Advertising, Marketing & PR	2,960	555
	2,960	650

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

5. Loans

At the close of business on 31 March 2023 the following loans to the council were outstanding:

Lender	Loan Period	Amount £	Years Remaining
Public Works Loan Board 446018	15 years from 2021	46,667	15
Public Works Loan Board 467692	15 years from 2021	46,667	15
Public Works Loan Board 495871	15 years from 2022	62,533	15

The loans were taken out to cover the cost of capital renovations. The work is to be carried out in two phases. Phase 1 utilised £150,150 of the available funding. The balance of £16,850 has been put into a specific reserve to be used against the cost Phase 2 renovations.

The loan repayments commenced in the 2022/2023 accounting year. The amount repayable at 31st March 2023 was £155,867.

5. Leases

At the close of business on 31 March 2023 the following operating lease agreements were outstanding:

Finance Company	Rental Period	Annual Cost	Years Remaining
Kennet Leasing	Thirty six months from May 2022	£3,283	2 years

6. Hire Purchase Agreements

At the close of business on 31 March 2023 there were no Hire Purchase Agreements outstanding.

7. Employees

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

	2023 Number	2022 Number
Full Time	1	2
Part Time	12	13
	<u>13</u>	<u>15</u>

All staff are paid within nationally agreed pay scales.

Number of employees whose remuneration excluding employers pension contributions was over £50,000 in bands of £10,000 was: **One**

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

8. Participation in Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Town Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Town Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme for civilian employees, administered locally by City and County of Swansea Pension Fund. This is a defined benefit Career Average Related Earnings scheme (CARE), meaning the Town Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The pension costs in the Town Council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

The most recent actuarial valuation set the Town Councils employer's contributions rate at 24.1% of employee's pensionable pay, the same as the prior year.

	2023	2022
	£	£
Pension Costs	<u>62,452</u>	<u>44,860</u>

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

Notes to the Balance Sheet

1. Stocks

The Council holds stock at Neath Day Centre and Neath Town Hall and they are all included in the Balance Sheet at latest price.

	2023	2022
	£	£
Bar Stock	1,285	356
Food Stock	873	906
Total	2,158	1,262

2. Debtors

Hall hire and allotment debtors were reviewed by Council at the end of the financial year and it was agreed to make a provision for doubtful debts of £1,233 and to write off bad debts of £3,356.

Investment property income receivable at 31st March 2023 was £54,910. A provision for doubtful debts of £2,018 has been made against this.

Outstanding debtors are reviewed regularly during the year and any irrecoverable debts would be written off following approval by the Council.

3. Prepayments

At the end of the year, £12,820 related to payments made in advance.

5. Bank Balances and Cash in Hand

An analysis of the Council's bank balances and cash balances at the end of the year is detailed below.

	2023	2022
	£	£
Barclays Bank General Account	271,275	207,314
Barclays Business Savings Account	115,788	134,209
Swansea Building Society	58,315	57,879
NatWest Business Reserve	87,739	87,739
Cash in Bank and Floats	357	1,646
Rowland Jones Service Charge Account	-	29,524
Total	533,474	518,311

6. Council Balance and Earmarked Reserves

The Statement of Movement on Reserves on page 8 provides a full breakdown of the Council's Balances and Earmarked Reserves as at 31st March 2023.

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

Detailed Income and Expenditure Account		
Year ended 31st March 2023		
	2023	2022
	£	£
Investment property income	208,232	234,647
Hire of halls	57,215	33,930
Miscellaneous income	97,255	92,769
Precept	400,000	400,000
Bank interest received	691	102
Allotment rents	2,519	2,224
Sale of meals	46,137	25,909
Bar takings	3,452	1,667
Hire of Mayor's room	1,293	1,687
Service charge income	-	71,524
Total income	816,794	864,459
Gifts	7,000	5,000
Section 137	7,995	6,600
Goods purchased for resale	17,846	10,823
Bar provisions for resale	2,964	525
Rent	230	270
Water rates	2,866	4,557
General rates	23,085	23,085
Rates and utilities - investments	31,528	25,749
Premises insurance	15,671	11,866
Electricity	20,890	11,723
Gas	13,743	7,478
Service charge expenses	-	40,651
Travelling and sustenance	3,134	1,362
Competition costs and prizes	455	84
Councillors' seminars and training	-	180
Elections	14,574	6,008
Regalia	755	628
Councillors' expenses	70	60
Advertising and PR	2,960	2,044
Postage and carriage	843	438
Office stationery and printing	2,459	1,179
Equipment leasing	5,994	2,924
Small items of equipment	394	1,710
Telephone and fax	7,807	6,339
Internet	-	1,887
Computer and software	4,796	6,149
Equipment hire	-	157
Mayoral duties allowance	-	155
Repairs and renewals	39,398	17,532
Cleaning and laundry	2,884	3,715

Neath Town Council
For the Year Ended 31 March 2023

Notes to the Financial Statements

Premises safety expenses	5,203	6,680
Vehicle fuel	323	405
Vehicle services and running costs	1,243	1,149
Window cleaning	780	890
Licences	958	1,231
Trade refuse	5,659	3,541
Equipment servicing	583	658
Schools crossing recharge	18,840	24,650
Subscriptions	10,557	4,216
Stocktake	160	320
Christmas activities	32,698	36,096
Events and competition prizes	8,218	510
Hanging baskets & floral displays	13,382	13,135
Sundry expenses	302	606
Staff salaries	128,634	124,035
Prior year wages adjustments	7,769	4,515
Wages - regular	135,281	125,141
Wages	1,709	1,166
Employers NI	20,138	17,153
Employer's pensions	62,452	44,860
Other staff costs	7,652	-
Recruitment expenses	-	95
Staff training	864	1,601
Staff uniforms	249	1,242
Health & Safety costs	3,469	2,475
Audit fees	1,764	2,962
Professional fees	22,832	34,057
Credit charges	2,087	2,129
Loan interest paid	3,425	-
Late penalty charges	1	259
Bank Charges	-	95
Property Agent management fees	14,288	11,789
Bus shelters	13,635	360
Gardening Costs	186	348
Castle	52	80
Capital Expenditure	217,533	194,468
Defibrillator costs	742	-
Provision for doubtful debts	3,251	21,200
Bad debt written off	3,356	1,317
Total expenditure	980,616	886,351
Total expenditure	980,616	886,351
Total income	816,794	864,459
Net expenditure over income	(163,822)	(21,892)

Neath Town Council
For the Year Ended 31 March 2023
Additional Information

Additional Information

It is the Council's policy to provide full information about its affairs. Interested members of the public have the statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's notice boards and website.

Further information about the accounts is available from Neath Town Council, 10-12 Orchard Street, Neath, SA11 1DU.