



HOOK PARISH COUNCIL

**Financial Statements
for the year ended
31st March 2014**

HOOK PARISH COUNCIL

Explanatory Foreword to the unaudited financial statements for the year ended 31st March 2014

The Council's financial statements have been prepared in compliance with 'proper accounting practices' required by the Accounts and Audit Regulations for local councils. Whereas local councils were formerly obliged to prepare financial statements which were a receipts and payments summary, they are now prepared on the accruals basis and include a balance sheet and supporting notes. The Council falls within the Audit Commission's limited assurance audit regime and so the external audit opinion will be provided on the Annual Return, which includes a summary of the Income and Expenditure Account and particulars of bank balances, long-term assets and liabilities. The audit opinion will be provided and advertised in due course.

The financial statements comprise the following:-

- Income and Expenditure Account - recording financial transactions during the year for both revenue and capital schemes.
- Balance Sheet - summarising the Council's financial position at the year end.
- Notes to the Accounts - providing explanatory detail and more information on the financial statements and operational assets such as community facilities.

HOOK PARISH COUNCIL

Income & Expenditure Account for the year ended 31st March 2014

	<u>2014</u>	<u>2013</u>
	£	£
<u>Income</u>		
Precept	310,000	312,000
Grant from Hart DC re Council Tax Support	10,522	-
Cemetery and other fees and charges	7,384	6,727
Bank interest	9,706	17,946
Section 106 contributions	6[a] 20,880	-
Loan from the Public Works Loan Board	6[d] 500,000	-
Other income	-	784
	858,492	337,457
<u>Expenditure</u>		
General administration		
Staff costs and expenses	66,081	54,584
Insurance	6,792	1,503
Office rent and hire of halls	7,777	7,723
General professional fees including audit	6,482	4,073
Office and secretarial expenses	8,682	6,649
Election costs	-	5,747
Taxi Bus subsidy	2,994	-
Community facilities		
Cemetery	3,612	2,791
Parks and open spaces	60,755	51,164
Street lighting and CCTV	7,612	7,264
Christmas lighting	5,273	5,325
Litter and graffiti clearance, cleansing	16,924	22,074
Elizabeth Hall and Bowls Club professional fees	2,703	3,256
Hook Community Centre redevelopment	2	
Professional fees	41,020	72,111
Contractor's charges	6[c] 169,461	-
Interest and principal repayments on loan for Community Centre Refurbishment	6[d] 20,400	-
Community support	2	
Grants and similar payments	5,797	10,742
Hook Village Halls Community Association	5,889	1,800
Support for Base Youth Club	15,097	15,097
Capital expenditure	6[a] 21,407	9,365
	474,758	281,268
<u>Net income for the year</u>	383,734	56,189
Transfers to reserves	7 -367,077	-72,000
Added to/taken from(-) General Fund balance	16,657	-15,811
General Fund balance brought forward	76,110	91,921
<u>General Fund balance carried forward</u>	92,767	76,110

HOOK PARISH COUNCIL

Balance Sheet as at 31st March 2014

	<u>Note</u>	2014 £	<u>2013</u> £
<u>Current assets</u>			
Sundry debtors and accrued income		1,662	14,819
VAT recoverable		16,404	10,257
Bank balances		1,217,792	833,267
		1,235,858	858,343
<u>Current liabilities</u>			
Creditors	5	13,683	19,903
<u>Net assets</u>			
		1,222,175	838,440
Represented by: -			
Earmarked reserves	7	1,129,408	762,330
General fund	7	92,767	76,110
		1,222,175	838,440

These financial statements present fairly the financial position of the Council as at 31st March 2014 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 4th June 2014

Mrs D A Atkins
Responsible Financial Officer

Mr I Chalmers
Council Chairman

HOOK PARISH COUNCIL

Notes to the financial statements for the year ended 31st March 2014

1. Accounting policies

These financial statements have been prepared following the guidance issued by CIPFA to enable local councils to meet the requirements of the Accounts and Audit Regulations. The following are the principal accounting policies which have been applied consistently to items which are material in relation to these statements.

[a] Basis of preparation

These statements are prepared on an accruals basis and therefore include income receivable and accounts payable at the year end.

[b] Fixed assets and funding

Assets such as Council buildings that are held for long-term use, and any indebtedness connected with those assets, are not included in the balance sheet but are disclosed in the supporting notes. Fixed assets are valued in accordance with CIPFA guidance as follows:

- Land, operational properties are stated at estimated current values following a revaluation. Other assets are stated at depreciated current values based on current prices for similar equipment. In accordance with CIPFA guidance, capital funding is not included on the balance sheet.
- Community assets to be held in perpetuity are valued at £1.

[c] Value Added Tax (VAT)

Income and expenditure is stated exclusive of VAT.

2. Community support

The Council is entitled under Section 137 of the Local Government Act 1972 (as amended) to spend up to £6.98 per head of the electorate in any on projects not specifically authorised by other powers. The total amount available for this purpose in 2013/14 was £42,055, and £40 was spent by way of grants to local voluntary organisations under these powers.

The Council met the costs of professional fees to fund the consultation, tender and final design for the refurbishment of Hook Community Centre. The property is owned freehold by Hook Parish Council and until 31 March 2014 was managed under an informal tenancy agreement, by Hook Village Halls Charitable Association (HVHCA). A new lease to a charity will be in place once the construction work is completed at a peppercorn rental.

The Council has incurred professional fees of £50,228 and provided revenue support of £32,772 during the year.

3. Advertising & publicity

The Council incurred expenditure amounting to £1,090 on advertising and publicity (2012/13: £1,300) during the year for printing and distributing the annual report.

4. Pensions

The Council does not contribute to pension schemes for any of its staff.

5. Creditors

	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Revenue expenditure, sundry creditors	13,683	19,903

6. Fixed assets and borrowings

[a] Capital expenditure

During the year the Council incurred expenditure on the following capital projects:-

	<u>£</u>
Office equipment	1,172
Installation of new footpath beside Hook Bowling Club	17,400
Provision of meet room	2,835
	21,407

[b] Capital receipts

The Council receives £20,800 S106 contributions towards capital expenditure in the year.

[c] Hook Community Centre

Refurbishment of the Centre commenced during the year. The Council, as freeholder, is undertaking and meeting the cost of the work, which is estimated to cost £1.6 million. During the year £169,461 construction costs and £41,020 professional fees were incurred. The scheme is being financed through a loan of up to £0.8 million from the Public Works Loan Board (see Note 6[d] following); the Council's own earmarked reserves of £0.41 million; and the remainder from Section 106 funding. Hart District Council has approved the collection of up to £0.7 million Section 106 contributions towards this scheme; pending receipt of the latter, the Council will be using its other earmarked reserves as temporary bridging finance, and will restore such reserves afterwards.

[d] Borrowings from Public Works Loan Board

The Council has approval to borrow £0.8 million from the PWLB towards the Community Centre refurbishment scheme (see 6[c] above), and £0.5 million was drawn down on 26 September 2013. The loan is repayable over 25 years in equal annual instalments of principal and bears interest at 4.16%. The balance owed at 31 March 2014 was £490,000.

[e] Fixed assets owned by the Council

Hook Community Centre (Leased to a community association, no rent charged)	1,885,000
Elizabeth Hall (see Note 2, being a community asset)	1
Hook Bowling Club (leased to Bowling Club, peppercorn rent)	63,350
Other operational buildings	11,000
Parks and open spaces (all £1 nominal):-	9
• Bell Meadow Estate	
• Mitchell's Field	
• Cemetery	
• Hartletts Park	
• Holt Park & Bassetts Mead	
• John Morgan Close	
• King George V playing field	
• Varndell Road	
• Wellworth Park	
Street furniture and facilities	
• CCTV cameras, Hartletts Park	55,000
• Two bus shelters, public seats, notice boards	16,275
• 22 street light standards	50,000
• Play equipment, tennis court, seats & benches	414,000
• Holt Park sculpture	18,000
Office equipment	10,900
	£2,523,535

King George V playing fields is a registered charity (No. 1085457). The land was gifted to Hook Parish Council in 1936, and the Council is corporate trustee. The site is an area of open recreation land which is fully maintained by Hook Parish Council. It is available to local people free of charge for recreation. The charity has no income and no expenditure as declared in the Charity Commission Annual Return, which was updated online in 2013.

7. Reserves and balances

	<u>Total</u>	<u>General</u> <u>fund</u>	<u>Earmarked</u> <u>reserves</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balances brought forward	838,440	76,110	762,330
Net income from Income & Expenditure Account	383,735	383,735	-
Transfers to (-) or from reserves	-	-367,078	367,078
Balances carried forward	1,222,175	92,767	1,129,408

The amount retained in earmarked reserves at 31st March 2014 represents the following:-

	<u>£</u>
Hook Community Centre upgrade – including PWLB loan	740,004
Developer’s payment for maintenance at Holt Park, received 2007/08	324,957
Planning action reserve	5,000
Elections	2,000
Delayed projects	17,000
Replacement of play equipment, Wellworth Park	40,447
	1,129,408

8. Contingent liabilities

There were no contingent liabilities as at 31st March 2014 (March 2013: none)