



HOOK PARISH COUNCIL

**Financial Statements
for the year ended
31st March 2015**

HOOK PARISH COUNCIL

Explanatory Foreword to the unaudited financial statements for the year ended 31st March 2015

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.

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Income & Expenditure Account for the year ended 31st March 2015

	<u>Note</u>	<u>2015</u> £	<u>2014</u> £
<u>Income</u>			
Precept		313,000	310,000
Grant from Hart DC re Council Tax Support		6,945	10,522
Cemetery and other fees and charges		7,183	7,384
Bank interest		927	9,706
Section 106 contributions	6[b],7	160,275	20,880
Loan from the Public Works Loan Board	6[d]	300,000	500,000
Other income	6[b],7	11,611	-
		799,941	858,492
<u>Expenditure</u>			
General administration			
Staff costs and expenses		62,365	66,081
Insurance		1,900	6,792
Office rent and hire of halls		1,458	7,777
General professional fees including audit		15,865	6,482
Office and secretarial expenses		7,869	8,682
Election costs		-	-
Community facilities			
Cemetery		4,569	3,612
Parks and open spaces		70,915	60,755
Street lighting and CCTV		6,059	7,612
Christmas lighting		6,229	5,273
Litter and graffiti clearance, cleansing		20,161	16,924
Elizabeth Hall and Bowls Club professional fees		-	2,703
Hook Community Centre redevelopment			
Professional fees	6[c]	126,438	41,020
Contractor's charges	6[c]	1,057,174	169,461
Non Contract charges		2,217	-
Utility costs		11,118	-
Interest and principal repayments on loan for			
Community Centre Refurbishment	6[d]	40,176	20,400
Community support			
Grants and similar payments	2	4,687	5,797
Hook Village Halls Community Association		-	5,889
Support for Base Youth Club		15,097	15,097
Taxi Bus subsidy		12,233	2,994
Neighbourhood Plan		8,314	-
Capital expenditure	6[a]	47,465	21,407
		1,522,309	474,758
<u>Net income for the year</u>		-722,370	383,734
Transfers to/from reserves	8	722,370	-367,077
Added to/taken from(-) General Fund balance		-	16,657
General Fund balance brought forward		92,767	76,110
<u>General Fund balance carried forward</u>		92,767	92,767

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Balance Sheet as at 31st March 2015

	<u>Note</u>	2015 £	2014 £
<u>Current assets</u>			
Sundry debtors and accrued income		-	1,662
VAT recoverable		30,853	16,404
Bank balances		501,804	1,217,792
		532,657	1,235,858
<u>Current liabilities</u>			
Creditors	5	32,852	13,683
<u>Net assets</u>		499,805	1,222,175
Represented by: -			
Earmarked reserves	8	407,038	1,129,408
General fund	8	92,766	92,767
		499,805	1,222,175

These financial statements present fairly the financial position of the Council as at 31st March 2015 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 3rd June 2015

Mrs D A Atkins
Responsible Financial Officer

Mr F Kirkham
Council Vice Chairman

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Notes to the financial statements for the year ended 31st March 2015

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 and other assets are stated at cost with the exception of the Bowling Club which is stated at its value at transfer from the District Council.
- 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 £7.20 per head of the electorate in any on projects not specifically authorised by other powers. The total amount available for this purpose in 2014/15 was £43,380, and £426 was spent by way of grants to local voluntary organisations under these powers.

The Council met the costs of professional fees to fund the refurbishment of Hook Community Centre. The property is owned freehold by Hook Parish Council. Once the construction is completed and the building handed over it is intended that a new lease to the Hook Village Halls Charitable Association (HVHCA) will be in place on a peppercorn rental.

The Council has incurred professional fees of £142,303 and provided revenue support of £32,017 during the year.

3. **Advertising & publicity**

The Council incurred expenditure amounting to £1,005 on advertising and publicity (2013/14: £1,090) 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>2015</u>	<u>2014</u>
	<u>£</u>	<u>£</u>
Revenue expenditure, sundry creditors	32,852	13,683

6. **Fixed assets and borrowings**

[a] **Capital expenditure**

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

	£
Office furniture & equipment	215
Community Centre equipment	1,011
Parks & community buildings	4,485
KGV Drainage	41,753
	47,464

[b] **Capital and grant receipts**

The Council received £61,995 of S106 contributions and grants towards capital expenditure in the year.

[c] **Hook Community Centre**

Refurbishment of the Centre commenced in December 2013 and will be completed in early summer 2015. The Council, as freeholder, is undertaking and meeting the cost of the work, which is estimated to cost £1.6 million. During the year £1,057,174 construction costs and £126,438 professional fees were incurred. The scheme is being financed through a loan of £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 balance, £0.3m was drawn down on 16th January 2015. The loans are repayable over 25 years in equal annual instalments of principal. The first loan bears interest at 4.16% and the second at 2.78%. The balance owed on the two loans at 31 March 2015 was £770,000.

[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 2014.

7. Non capital S106 and grant receipts

During the year the council received the following monies:

	£
S106 contribution toward operation of Taxi Bus	32,552
S106 contribution toward maintenance of SANG	67,723
Start-up grant for Taxi Bus trial	1,416
Grants toward preparation of Neighbourhood Plan	9,000

8. Reserves and balances

	<u>Total</u>	<u>General</u>	<u>Earmarked</u>
	<u>£</u>	<u>fund</u>	<u>reserves</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balances brought forward	1,222,175	92,767	1,129,408
Net income from Income & Expenditure Account	-722,370	-722,370	-
Transfers to (-) or from reserves	-	722,370	-722,370
Balances carried forward	499,805	92,767	407,038

The amount retained in earmarked reserves at 31st March 2015 represents the following:-

	<u>£</u>
Hook Community Centre upgrade – including PWLB loan	463
Developer's payment for maintenance at Holt Park, received 2007/08	218,736
Developer payments received for SANG Maintenance	61,073
Taxi Bus	26,073
KGV Drainage	24,246
Planning action reserve	5,000
Elections	4,000
Delayed projects	17,000
Replacement of play equipment, Wellworth Park	50,447
	407,038

9. Contingent liabilities

There were no contingent liabilities as at 31st March 2015 (March 2014: none)