



# **HOOK PARISH COUNCIL**

**Financial Statements  
for the year ended  
31st March 2016**

# HOOK PARISH COUNCIL

## Explanatory Foreword to the unaudited financial statements for the year ended 31st March 2016

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 2016

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
<b><u>Income</u></b>			
Precept		321,400	313,000
Grant from Hart DC re Council Tax Support		3,472	6,945
Cemetery and other fees and charges		6,040	7,183
Bank interest		879	927
Section 106 contributions	7	253,822	160,275
Loan from the Public Works Loan Board	6[d]	0	300,000
Other income	7	22,481	11,611
		<b>608,094</b>	<b>799,941</b>
<b><u>Expenditure</u></b>			
General administration			
Staff costs and expenses		64,524	62,365
Insurance		1,283	1,900
Office rent and hire of halls		11,092	1,458
General professional fees including audit		33,248	15,865
Office and secretarial expenses		8,983	7,869
Election costs		74	-
Community facilities			
Cemetery		4,745	4,569
Parks and open spaces		79,772	70,915
Street lighting and CCTV		3,496	6,059
Christmas lighting		6,451	6,229
Litter and graffiti clearance, cleansing		20,414	20,161
Elizabeth Hall and Bowls Club professional fees		-	-
Hook Community Centre redevelopment			
Professional fees	6[c]	112,612	126,438
Contractor's charges	6[c]	317,438	1,057,174
Non Contract charges		57,487	2,217
Utility costs		935	11,118
Interest and principal repayments on loan for Community Centre Refurbishment	6[d]	59,601	40,176
Community support	2		
Grants and similar payments		9,100	4,687
Hook Village Halls Community Association		-	-
Support for Base Youth Club		15,097	15,097
Taxi Bus subsidy		6,407	12,233
Neighbourhood Plan		7,326	8,314
Wellbeing		620	0
Capital expenditure	6[a]	36,049	47,465
		<b>856,754</b>	<b>1,522,309</b>
<b><u>Net income for the year</u></b>		<b>-248,659</b>	<b>-722,370</b>
Transfers to/from reserves	8	-237,877	722,370
Net income		<b>-10,782</b>	<b>0</b>
General Fund balance brought forward		92,766	92,767
<b><u>General Fund balance carried forward</u></b>		<b>81,984</b>	<b>92,767</b>

# HOOK PARISH COUNCIL

## Balance Sheet as at 31st March 2016

	<u>Note</u>	2016 £	2015 £
<b><u>Current assets</u></b>			
Sundry debtors and accrued income		1,755	-
VAT recoverable		9,225	30,853
Bank balances		<u>296,664</u>	<u>501,804</u>
			<b>532,657</b>
<b><u>Current liabilities</u></b>			
Creditors	5	<u>45,520</u>	<u>32,852</u>
<b><u>Net assets</u></b>		<b>251,144</b>	<b>499,805</b>
Represented by: -			
Earmarked reserves	8	169,161	407,038
General fund	8	81,983	92,766
		<b>251,144</b>	<b>499,805</b>

These financial statements present fairly the financial position of the Council as at 31st March 2016 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 1st June 2016

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Mrs D A Atkins  
Responsible Financial Officer

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Dr J Worlock  
Council Chairman

# HOOK PARISH COUNCIL

## Notes to the financial statements for the year ended 31st March 2016

### 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 £7.36 per head of the electorate in any on projects not specifically authorised by other powers. The total amount available for this purpose in 2015/16 was £42,665, and £2,420 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. The construction is completed and the building is being managed under a temporary SLA, pending signing a new lease to the Hook Village Halls Charitable Association (HVHCA) on a peppercorn rental.

The Council has incurred professional fees of £145,860 and provided revenue support of £30,604 during the year.

**3. Advertising & publicity**

The Council incurred expenditure amounting to £643 on advertising and publicity (2014/15: £1,005) 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>2016</u>	<u>2015</u>
	<u>£</u>	<u>£</u>
Revenue expenditure, PAYE/NI and sundry creditors	45,520	32,852

**6. Fixed assets and borrowings**

[a] Capital expenditure

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

	£
Office furniture & equipment	1338
Community Centre equipment	13,715
Parks & community buildings	5,228
KGV Drainage	15,768

36,049

[b] Capital and grant receipts

The Council received £0 of S106 contributions and grants towards capital expenditure in the year.

[c] Hook Community Centre

Refurbishment of the Centre commenced in December 2013 and was 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 £317,438 construction costs and £112,612 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 £0.443 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 16<sup>th</sup> 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 2016 was £738,000.

[e] Fixed assets owned by the Council

Hook Community Centre (Leased to a community association, no rent charged)	3,459,008
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 - removed	0
• Two bus shelters, public seats, notice boards	16,200
• 38 street light standards	38,000
• Play equipment, tennis court, seats & benches	414,000
• Holt Park sculpture	18,000
Office equipment	15,567
	<b>£4,035,135</b>

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 2015.

**7. Non capital S106 and grant receipts**

During the year the council received the following monies:

	£
S106 contribution toward maintenance of SANG	250,000
Grants toward Health and Wellbeing activities	6,025
Grants toward preparation of Neighbourhood Plan	9,846
Hart for Allotment maintenance	3,822

Income totalling £5,259 was also received from, refunds and compensation payments.

## 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	499,805	92,767	407,038
Net income from Income & Expenditure Account	-248,660	-248,660	-
Transfers to (-) or from reserves	-	237,877	-237,877
Balances carried forward	251,145	81,983	169,161

The amount retained in earmarked reserves at 31st March 2016 represents the following:-

	<u>£</u>
Hook Community Centre upgrade – reserves loaned to project	-443,408
Developer's payment for maintenance at Holt Park, received 2007/08	195,471
Developer payments held received for SANG Maintenance	309,993
Taxi Bus	19,666
KGV Drainage	2,000
Planning action reserve	5,000
Elections	6,000
Allotment Maintenance	2,902
Neighbourhood Plan	1,865
Wellbeing activities	9,225
Replacement of play equipment, Wellworth Park	60,447
	<b>169,161</b>

## 9. Contingent liabilities

The final account for the community centre refurbishment had not been settled at 31<sup>st</sup> March. The value of the works is being disputed. At the time of preparing the accounts the final settlement could not be quantified. (March 2015: none)