



HOOK PARISH COUNCIL

**Unaudited Financial Statements
for the year ended
31st March 2017**

HOOK PARISH COUNCIL

Explanatory Foreword to the unaudited financial statements for the year ended 31st March 2017

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 2017

	<u>Notes</u>	<u>2017</u> £	<u>2016</u> £
<u>Income</u>			
Precept		321,400	321,400
Grant from Hart DC re Council Tax Support		0	3,472
Cemetery and other fees and charges		3,805	6,040
Bank interest		160	879
Section 106 contributions	6[b]/7	300,000	253,822
Loan from the Public Works Loan Board	6[d]	190,000	0
Other income	7	9,890	22,481
		825,255	608,094
<u>Expenditure</u>			
General administration			
Staff costs and expenses	4	66,135	64,524
Insurance		1,363	1,283
Office rent and hire of halls		11,599	11,092
General professional fees including audit		128,912	33,248
Office and secretarial expenses	3	7,833	8,983
Election costs		0	74
Community facilities			
Cemetery		6,279	4,745
Parks and open spaces		87,898	79,772
Street lighting and CCTV		4,104	3,496
Christmas lighting		6,538	6,451
Litter and graffiti clearance, cleansing		20,387	20,414
Hook Community Centre redevelopment			
Professional fees	6[c]	76,359	112,612
Contractor's charges	6[c]	164,232	317,438
Non Contract charges		2,225	57,487
Utility costs		0	935
Interest and principal repayments on loan for Community Centre Refurbishment	6[d]	58,435	59,601
Community support	2		
Grants and similar payments		10,095	9,100
Support for Base Youth Club		15,097	15,097
Taxi Bus subsidy		8,220	6,407
Neighbourhood Plan		359	7,326
Wellbeing		8,638	620
Capital expenditure	6[a]	12,987	36,049
		697,695	856,754
<u>Net income for the year</u>		127,560	-248,660
Transfers to/from reserves	8	91,547	-237,877
Added to/taken from(-) General Fund balance			-
General Fund balance brought forward		81,984	92,766
<u>General Fund balance carried forward</u>		117,997	81,984

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Balance Sheet as at 31st March 2017

	<u>Notes</u>	2017 £	2016 £
<u>Current assets</u>			
Sundry debtors and accrued income		1,394	1,755
VAT recoverable		5,896	9,225
Bank balances		399,155	285,664
		406,445	296,665
<u>Current liabilities</u>			
Creditors	5	27,740	45,520
<u>Net assets</u>		378,705	251,145
Represented by: -			
Earmarked reserves	8	260,708	169,161
General fund	8	117,997	81,984
		378,705	251,145

These financial statements present fairly the financial position of the Council as at 31st March 2017 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 7th June 2017

Mrs D A Atkins
Responsible Financial Officer

Dr J Worlock
Council Chairman

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Notes to the financial statements for the year ended 31st March 17

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 £7.42 per head of the electorate in any on projects not specifically authorised by other powers. The total amount available for this purpose in 2016/17 was £43,577. A total of £4,842 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.

3. Advertising & publicity

The Council incurred expenditure amounting to £1,178 on advertising, publicity and PR materials (2015/16: £643) during the year for printing and distributing the annual report. This sum is included within the office and secretarial costs.

4. Pensions

During the year, the Council established a staff pension scheme with National Employment Savings Trust (NEST). The Council is making contributions of 3% of gross earnings for staff who have joined the scheme. The cost is included within the figure shown under staff costs and expenses.

5. Creditors

	<u>2017</u>	<u>2016</u>
	£	£
Revenue expenditure, PAYE/NI and sundry creditors	27,740	45,520

6. Fixed assets and borrowings

[a] Capital expenditure

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

	£
Office furniture & equipment	1,988
Community Centre equipment	9,250
Parks & community buildings	40
Projects	1,708
	12,987

[b] Capital and grant receipts

The Council received £300,000 of S106 contributions towards maintenance of Bassetts Mead SANG in the year.

[c] Hook Community Centre

Refurbishment of the Community Centre commenced in December 2013 and was completed in early summer 2015. The Council, as freeholder, met the cost of the work, which totalled £1.710m. This was approximately 10% above the original budget, but this is a normal variance for the construction industry. The additional cost was largely attributable to repeated adjudications instigated by The Construction Partnership (the contractor), for claims amounting to over £500,000. These adjudications resulted in a payment being made to the contractor of £143,000, bringing the total paid, to the contractor during the year, to £164,232. The total cost of the additional professional and legal fees, directly resulting from adjudications and litigation over disputed sums was £277,676, of which, £76,359 was consultancy fees and £123,604 was legal fees, incurred during the financial year ended March 2017.

Total professional/consultancy fees associated with the construction contract itself were £203,498, which represents approximately 12% of the construction costs, which again, is within the industry norm for this type of construction works.

An additional £67,000 was incurred for other completion costs for equipment, fixtures and fittings etc.

[d] Borrowings from Public Works Loan Board

The Community Centre project has been financed through borrowing 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.

The Council has approval to borrow up to £1.3 million from the PWLB towards the refurbishment (see 6[c] above). Loans of £0.5 million (drawn down on 26 September 2013 at 4.16%), and £0.3m (drawn down on 16th January 2015 at 2.78%) were secured. A further £190,000 was drawn down in 2016 (£140,000 at 1.77% and £50,000 at 2.08%) to cover the award following adjudication. The loans are repayable over periods from 15-25 years, and are being repaid in equal annual instalments of principal. The balance owed on the two loans at 31 March 2017 was £844,106.

[e] Fixed assets owned by the Council

	£
Hook Community Centre (Leased to a community association, no rent charged)	3,625,465
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
	£4,201,592

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 2016.

7. Non capital S106 and grant receipts

During the year the council received the following grant monies:

	£
S106 contribution toward maintenance of SANG	300,000
Grants toward wildflower project	4,683

Income totalling £5,207 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	251,145	81,984	169,161
Net income from Income & Expenditure Account	127,560	127,560	
Transfers to (-) or from reserves		-91,547	91,547
Balances carried forward	378,705	117,997	260,708

The amount retained in earmarked reserves at 31st March 2017 represents the following:-

	£
Hook Community Centre upgrade – reserves loaned to project	-499,322
Developer's payment for maintenance at Holt Park, received 2007/08	105,640
Developer payments held received for SANG Maintenance	546,273
Hook Hoppa/Taxi Bus	11,446
KGV Drainage	1,503
Planning action reserve	5,000
Elections	8,000
Allotment Maintenance	1,022
Neighbourhood Plan	5,917
Wellbeing activities	4,783
Replacement of play equipment, Wellworth Park	70,446
	260,708

9. Contingent liabilities

There were no contingent liabilities on 31st March 2017.