



HOOK PARISH COUNCIL

**Financial Statements
for the year ended
31st March 2019**

HOOK PARISH COUNCIL

Explanatory Foreword to the unaudited financial statements for the year ended 31st March 2019

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 2019

	<u>Notes</u>	<u>2018</u> £	<u>2019</u> £
<u>Income</u>			
Precept		330,400	363,400
Cemetery and other fees and charges		4,085	8,832
Bank interest		0	537
Section 106 contributions	6[b]	300,000	1,290,973
Loan from the Public Works Loan Board	6[c]	0	0
Other income	7	2,907	6,721
		637,392	1,670,463
 <u>Expenditure</u>			
General administration			
Staff costs and expenses	4	75,897	78,810
Insurance		1,422	1,455
Office rent and hire of halls		13,586	10,900
General professional fees including audit		11,022	17,636
Office and secretarial expenses	3	8,997	9,222
Election costs		0	0
Community facilities			
Cemeteries		8,581	7,325
Parks and open spaces		85,597	88,445
Street lighting and CCTV		3,800	2,149
Christmas lighting		6,382	6,815
Litter and graffiti clearance, cleansing		23,130	23,730
Community Buildings		2,424	7380
Community Centre Refurbishment		0	0
Interest and principal repayments on loan for Community Centre Refurbishment	6[c]	71,072	69,714
Community support	2		
Grants and similar payments		22,627	53,297
Support for Base Youth Club		15,097	16,500
Community Events		3,799	9,970
Neighbourhood Plan		603	7,549
Wellbeing		2,243	376
Capital expenditure	6[a]	90,375	15,641
		446,654	426,914
 <u>Net income for the year</u>		190,738	1,243,549
Transfers to/from reserves	8	-220,357	-1,231,586
General Reserve balance brought forward		117,997	88,377
 <u>General Reserve balance carried forward</u>		88,377	100,340

HOOK PARISH COUNCIL

Balance Sheet as at 31st March 2019

	<u>Notes</u>	2018 £	2019 £
<u>Current assets</u>			
Sundry debtors and accrued income		3,890	0
VAT recoverable		6,669	3,788
Bank balances		568,924	1,858,414
		579,483	1,862,202
<u>Current liabilities</u>			
Creditors and accruals	5	10,041	49,212
<u>Net assets</u>		569,442	1,812,990
Represented by: -			
Earmarked reserves	8	481,065	1,712,650
General fund	8	88,377	100,340
Total reserves		569,442	1,812,990

These financial statements present fairly the financial position of the Council as at 31st March 2019 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 5th June 2019

Mrs D A Atkins
Responsible Financial Officer

Dr J Worlock
Council Chairman

HOOK PARISH COUNCIL

Notes to the financial statements for the year ended 31st March 2019

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

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 £7.86 per head of the electorate in any on projects not specifically authorised by other powers. The total amount available for this purpose in 2018/19 was £49,215. A total of £5,034 was spent by way of grants to local voluntary organisations under these powers.

The Community Centre building is being managed under a lease to the Hook Village Halls Charitable Association (HVHCA) on a peppercorn rental.

Following refurbishment, the operating costs of the expanded Community Centre proved significantly higher than the original building. This is due to a number of factors, including maintenance, security, and a significantly higher electricity cost compared with the original building. It had not been possible in the first 2-3 years to identify the cause of this, or whether it was a metering fault. Once it was ascertained that this was the correct ongoing cost steps were taken to address the issue going forward. Separate meters have been installed in high use areas, hire and rental rates have been increased and the Parish Council reimbursed HVHCA for the uncovered overspend since opening four years ago. This was a once off cost of £48,263

3. Advertising & publicity

The Council incurred expenditure amounting to £803 on advertising, publicity and PR materials (2017/18: £1,575) during the year for printing and distributing the annual report. This sum is included within the office and secretarial costs.

4. Pensions

Council contributes to 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>2018</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Revenue expenditure, PAYE/NI, accrued income and sundry creditors	10,041	49,213

6. Fixed assets and borrowings

[a] Capital expenditure

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

-

	£	
Office furniture & equipment	£1,942	
Parks & community buildings	£9,755	
Projects –	£3,944	
	<table border="1"><tr><td>£15,641</td></tr></table>	£15,641
£15,641		

[b] Capital and grant receipts

The Council received £1,290,973 of S106 contributions towards maintenance of Bassetts Mead SANG in the year.

[c] Borrowings from Public Works Loan Board

The Community Centre project has been financed through borrowing from the Public Works Loan Board; the Council's own earmarked reserves and from Section 106 funding. Hart District Council has approved the collection of up to £0.7 million of Section 106 contributions towards this scheme; pending receipt of the latter, the Council will be using its own reserves as temporary bridging finance and will restore such reserves afterwards.

The Council borrowed £990,000 from the PWLB towards the refurbishment in four loans, repayable over periods from 15-25 years, in equal annual instalments of principal. The balance owed at 31 March 2019 was £811,333.

[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
<ul style="list-style-type: none"> • Bell Meadow Estate • Cemetery & Garden • Hartletts Park • Holt Park & Bassetts Mead • John Morgan Close • King George V playing field • Mitchell's Field • Wellworth Park • Varndell Road 	
Street furniture and facilities	
<ul style="list-style-type: none"> • Two bus shelters, public seats, notice boards Hanging basket poles, flagpole • 51 street light standards • Play equipment, tennis court, seats & benches • Holt Park and Mosaic sculptures • Office equipment & stock in storage 	26,197 51,000 458,000 18,000 29,567 £4,264,589

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 2019.

During 2018-19, in support of the Hook In Bloom, initiative a number of hanging basket poles were purchased and installed as well as a flagpole. The Council also purchased additional office equipment. A correction was made to the number and value of streetlight columns, due to a misprint in the previous period. The council has also acquired some barriers for the Christmas decorations and other items now added to the office equipment & stock value. Variation from previous year £4,650.

7. Non-capital S106 and grant receipts

During the year the council received the following grant monies:

	£
S106 contribution toward maintenance of SANG	1,290,973

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>
Balances brought forward	569,442	88,377	481,064
Net income from Income & Expenditure Account	1,243,549	1,243,549	
Transfers to (-) or from reserves		-1231,586	1,231,586
Balances carried forward	1,812,991	100,340	1,712,650

The amount retained in earmarked reserves at 31st March 2019 represents the following:

	<u>£</u>
Hook Community Centre upgrade – reserves loaned to project	-499,322
Holt Park Open spaces and art maintenance	90,741
Bassetts Mead SANG Maintenance	2,061,100
Transport	11,445
Planning action reserve	1,647
Elections	12,000
Neighbourhood Plan	7,764
Wellbeing activities	2,958
Play Area Replacement	24,317
	1,712,650

9. Contingent liabilities

There were no contingent liabilities on 31st March 2019.