



HOOK PARISH COUNCIL

**Financial Statements
for the year ended
31st March 2020**

HOOK PARISH COUNCIL

Explanatory Foreword to the audited financial statements for the year ended 31st March 2020

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 2020

	<u>Notes</u>	<u>2019</u> £	<u>2020</u> £
<u>Income</u>			
Precept		363,400	398,400
Cemetery and other fees and charges		8,832	5,869
Bank interest		537	11,263
Section 106 contributions	6[b]	1,290,973	778,673
Loan from the Public Works Loan Board	6[c]	0	0
Other income	7	6,721	18,970
TOTAL		1,670,463	1,213,175
<u>Expenditure</u>			
General administration			
Staff costs and expenses	4	78,810	85,325
Insurance		1,455	1,624
Office rent and hire of halls		10,900	13,196
General professional fees including audit		17,636	8,528
Office and secretarial expenses	3	9,222	12,014
Election costs		0	6,169
Community facilities			
Cemeteries		7,325	6,823
Parks and open spaces		88,445	83,830
Street lighting and CCTV		2,149	2,899
Christmas lighting		6,815	9,230
Litter and graffiti clearance, cleansing		23,730	20,294
Community Buildings		7380	15,920
Community Centre Refurbishment		0	0
Interest and principal repayments on loan for Community Centre Refurbishment	6[c]	69,714	68,355
Community support	2		
Grants and similar payments		53,297	20,610
Support for Base Youth Club		16,500	18,608
Community Events		9,970	23,066
Neighbourhood Plan		7,549	1,649
Wellbeing		376	702
Capital expenditure	6[a]	15,641	2,476
TOTAL		426,914	401,318
<u>Net income for the year</u>		1,243,549	811,857
Transfers to/from reserves	8	-1,231,586	-737,785
General Reserve balance brought forward		88,377	100,340
<u>General Reserve balance carried forward</u>		100,340	174,412

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Balance Sheet as at 31st March 2020

	<u>Notes</u>	2019 £	2020 £
<u>Current assets</u>			
Sundry debtors and accrued income		0	0
VAT recoverable		3,788	10,455
Bank balances		1,858,414	2,658,219
TOTAL		1,862,202	2,668,674
<u>Current liabilities</u>			
Creditors and accruals	5	49,212	43,827
<u>Net assets</u>		1,812,990	2,624,848
Represented by: -			
Earmarked reserves	8	1,712,650	2,450,435
General fund	8	100,340	174,412
Total reserves		1,812,990	2,624,847

These financial statements present fairly the financial position of the Council as at 31st March 2020 and reflect its Income and Expenditure for the year then ended.

Approved at a meeting of the Parish Council held on 6th August 2020

Mrs S H Dolby
Responsible Financial Officer

Dr J Worlock
Council Chairman

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Notes to the financial statements for the year ended 31st March 2020

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

A total of £11,247 was awarded by way of grants to local voluntary organisations

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

3. Advertising & publicity

The Council incurred expenditure amounting to £2109 on advertising, publicity and PR materials (2018/19: £803) during the year for redesigning, printing and distributing the annual report. This sum is included within the office and secretarial costs. An award of £100 for Community Engagement was put towards this cost.

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>2019</u> £	<u>2020</u> £
Revenue expenditure, PAYE/NI, accrued income and sundry creditors	49,213	65,058

6. Fixed assets and borrowings

[a] Capital expenditure

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

	£
Office furniture & equipment	£0
Parks & community buildings	£15,920
Projects –	£0
	£15,920

[b] Capital and grant receipts

The Council received £778,673 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 2020 was £769,000.

[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): -	10
<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

• Bus shelters, public seats, notice boards hanging basket poles, flagpole, floodlighting	37,394
• 51 street light standards	51,000
• Play equipment, tennis court, seats & benches	438,541
• Holt Park and Mosaic sculptures	18,000
• Office equipment & stock in storage	15,476
• Christmas lights	18,000

£4,278,237

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 2020.

During 2019-20, the Council purchased additional Christmas lights which has increased the value of assets by £10,000

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

During the year the council received the following grant monies:

	£
S106 contribution toward maintenance of SANG	778,673

8. **Reserves and balances**

	<u>Total</u>	<u>General fund</u>	<u>Earmarked reserves</u>
	£	£	£
Balances brought forward	1,812,991	100,340	1,712,650
Net income from Income & Expenditure Account	790,625	790,625	
Transfers to (-) or from reserves		-737,785	737,785
Balances carried forward	2,603,616	153,180	2,450,435

The amount retained in earmarked reserves at 31st March 2020 represents the following:

-

	£
Hook Community Centre upgrade – reserves loaned to project	-499,322
Holt Park Open spaces and art maintenance	87,701
Bassetts Mead SANG Maintenance	2,805,600
Transport	11,446
Planning action reserve	1,180
Elections	7,831
Neighbourhood Plan	3,116
Wellbeing activities	1,042
Play Area Replacement	31,841
	2,450,435

9. Contingent liabilities

There were no contingent liabilities on 31st March 2020.