



**STATEMENT OF ACCOUNTS  
FOR 1999/2000**

<b>CONTENTS</b>	<b>Page No.'s</b>
<b>Explanatory Foreword .....</b>	<b>1 - 5</b>
<b>Statement of Responsibilities .....</b>	<b>6</b>
<b>Statement of Accounting Policies .....</b>	<b>7 - 9</b>
<b>Consolidated Revenue Account .....</b>	<b>10 - 13</b>
<b>Housing Revenue Account .....</b>	<b>14</b>
<b>Direct Services Organisations .....</b>	<b>15</b>
<b>Collection Fund .....</b>	<b>16 - 17</b>
<b>Consolidated Balance Sheet .....</b>	<b>18 - 22</b>
<b>Statements of Movement in Capital and Revenue Reserves .....</b>	<b>23 - 25</b>
<b>Cash Flow Statement .....</b>	<b>26 - 27</b>
<b>Capital Expenditure .....</b>	<b>28 - 30</b>
<b>Report of the Auditors .....</b>	<b>31</b>

## **EXPLANATORY FOREWORD**

### **1. Introduction**

This foreword provides a brief explanation of the Council's accounts for 1999/00 which are set out on pages 10 to 30 of this document and supported by the Statement of Responsibilities (page 6) and the Statement of Accounting Policies (pages 7 to 9).

### **2. Consolidated Revenue Account**

This account covers operating income and expenditure on General Fund services, and the Direct Service Organisations. It shows how the net cost of all the Council's revenue activities has been financed from government grants and income from local taxpayers.

This account, together with accompanying notes, is set out on pages 10 to 13.

Further details of the cost of services provided by the Council and the income collected to pay for the services are shown graphically on pages 4 and 5.

### **3. Housing Revenue Account**

The Council applied to the appropriate Government Department to close the HRA. Permission was granted on the 17th March 1999 and the Council closed the HRA on 31st March 1999. The balance on the HRA at that time was £1,046k and this was transferred into the General Fund balance on the 31st March 1999.

Further details of the residual transactions in the HRA can be found on page 14.

### **4. Direct Service Organisations**

This statement, which summarises the financial results for the contracts operated by Hart Direct Services can be found on page 15.

### **5. Collection Fund**

This account records all council tax and business rate income collected on behalf of the District Council, local town and parish councils, Hampshire County Council, Hampshire Police Authority, and Central Government. Details can be found on pages 16 and 17.

### **6. Consolidated Balance Sheet**

This statement sets out the overall financial position of the Council as at 31st March 2000 and incorporates the value of all assets and liabilities at the year end.

This statement is set out on page 18 and is supported by notes on pages 19 to 22 and the Statements of Movements in Capital and Revenue Reserves on pages 23 - 25.

### **7. Cash Flow Statement**

All revenue and capital activities are included in this statement which shows cash flows between the Council and third parties. Details can be found on pages 26 and 27.

### **8. Capital Expenditure**

The Council has an approved capital programme with projected spending of £23m over the six year period 1998/99 to 2003/04. Included in the programme are a variety of projects and schemes, such as the construction and improvement of leisure facilities, grants to parish councils and voluntary organisations, social housing schemes, home improvement grants, recycling initiatives, drainage schemes and economic development projects.

Details of spending on capital projects in 1999/00 can be found on pages 28 to 30.

## 9. Accounting Policies

The accounting policies which support the accounts are set out on pages 7 to 9. There have been no material changes to accounting policies in 1999/2000.

## 10. Financial Performance

There are five main areas to report on -

**General Fund** - the operating costs and income on General Fund services are set out in the Consolidated Revenue Account on page 10 and a graphical presentation is shown on pages 4 and 5. The General Fund summary shows a surplus for the year of £365k compared to the surplus of £23k forecast in the budget (1999/00 probable estimate). The underspend of £342k referred to above is the result of a large number of variances between revised budget and outturn, the most significant of which are highlighted below.

- (a) Council Tax/Housing Benefits - lower level of benefits (£914k), offset by reduction in Central Government subsidy (£674k) and fraud prevention penalties (£150k). Net effect (£90k).
- (b) Additional income from investment of surplus funds (£88k).
- (c) Homelessness - additional income from rents (£50k).
- (d) Environmental Health - savings from salary vacancies (£28k).
- (e) Provision made for bad and doubtful debts not required (£47k).
- (f) Transfer from Budget Carry Forward Reserve (£30k)

**Housing Revenue Account** - the residual transactions on this account are set out on page 14. The HRA was closed on the 31st March 1999. The balance on the HRA at that time was £1,046k and this amount was transferred into the General Fund.

**Direct Service Organisations** - Hart Direct Services, which undertakes the contracts for refuse, cleansing and sewerage and drainage functions, made an overall deficit of £14k in 1999/00. A transfer of £154k was made from the DSO reserves to the General Fund at the year end, leaving a balance in the DSO reserves as at the 31st March 2000 of £69k.

**Council Tax collection** - the collection rate of council tax in 1999/00 was 98.7% against 98% for the previous year. The continued improvement in the collection rate contributed to the Fund achieving a net surplus of £25k for the year.

**Capital expenditure** - details of how much the Council spent on capital projects and how it was financed are set out on pages 28 to 30. The capital programme (excluding DSO capital expenditure) originally included provision for spending £2.6m during the year. However, during the summer of 1998 the Council reviewed its capital programme in order to ensure that the level of capital spending in the medium term was capable of being matched by resources. As a result, new cash limits were set which resulted in the provision made in the capital programme for 1999/2000 being increased to £4.2m. Actual spending in the year was £3.6 million.

## **11. Funding of future capital expenditure**

The Council had funds and reserves of £9.5m at the 31st March 2000 to finance capital expenditure, made up mainly of useable capital receipts (£7.0m) and surplus provision for credit liabilities (£2.1m) created following the redemption of external debt. Further details of these reserves can be found in the Statement of Movements in Capital Reserves on pages 23 - 24.

Future capital resources will be generated from right to buy proceeds from the sale of ex-council houses by Hart Housing Association, housing association grant from social housing schemes, developers' contributions, miscellaneous capital receipts from the sale of assets and grants and contributions from the government and central agencies. In the short term, borrowing approvals and revenue contributions are unlikely.

Projected future capital resources, together with the capital resources that the Council has in its possession at the 31st March 2000, will enable the Council to finance its current approved capital programme.

## **12. Planned future developments in service delivery**

The Council's approved six year capital programme has many planned developments for the future. Significant projects include the following -

Social housing schemes	Grants to voluntary organisations
Frogmore Daycare Centre	Environmental enhancement schemes
Hart Leisure Centre-car parking/roof renovation	Economic development
Cycleways	Adoption of Private Sewers
Renovation Grants	

With regard to revenue plans, the Council's main priorities are to maintain existing standards of service. Future plans will be restricted by the Government's Standard Spending Assessment for the District and pressure to keep council tax levels down. Developments that exist are in areas such as leisure (e.g. countryside recreation, arts, promotion of the Harlington Centre), town centre security, recycling and environmental issues and planning guidance and control (e.g. Local Plan).

## **13. Borrowing**

The Council achieved debt free status when it repaid all its outstanding external debt in 1994/95.

## **14. Disclosure of Year 2000 costs**

A full risk analysis of all the Council's activities was carried out during the year on a cost centre basis and a contingency plan prepared to the satisfaction of the Government Office of the South East and the Audit Commission. The estimated cost of carrying out this exercise and making the Council's systems Year 2000 ready was £12,000.

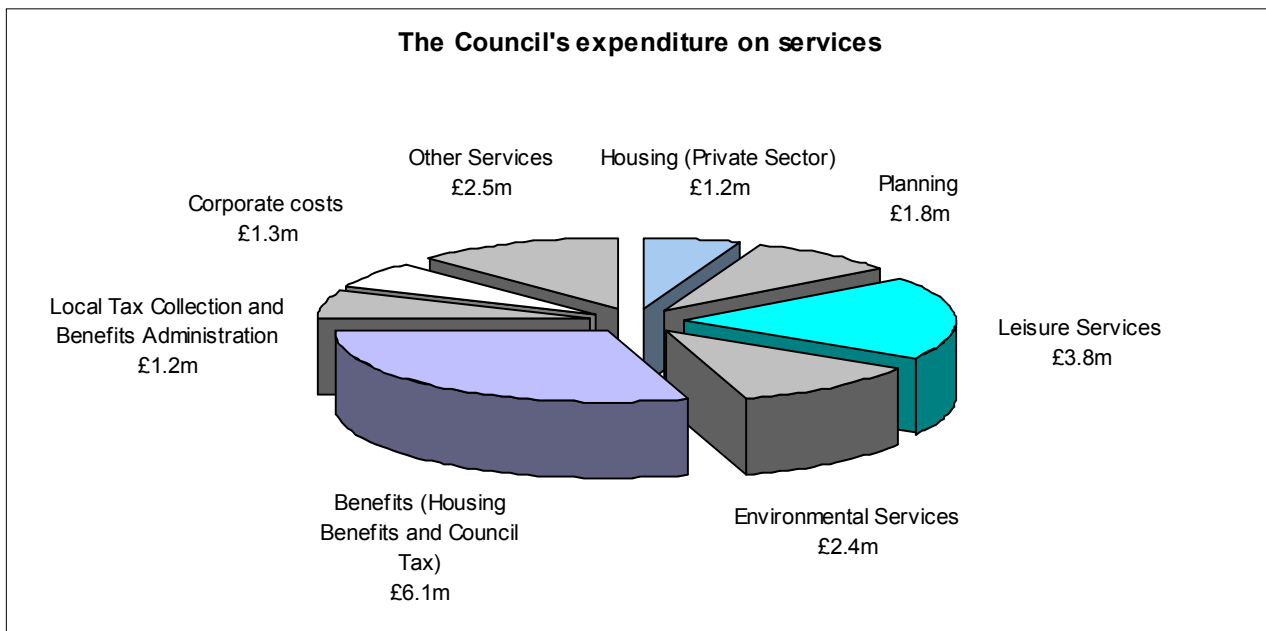
## **15. Issues related to the Euro**

The Council is continuing to monitor the possible introduction of the common European currency which may have an impact on commercial arrangements and financial systems. No costs, other than a minimal amount of staff time, have been incurred to date.

## 16. The Council's Expenditure on Services

In 1999/2000 the Council spent £17.6m providing services to the residents and business organisations living or operating within the District. A brief explanation of the main services provided together with a more detailed analysis of expenditure (and income) can be found in the Consolidated Revenue Account on pages 10 to 14. A broad analysis of the £17.6m is shown below -

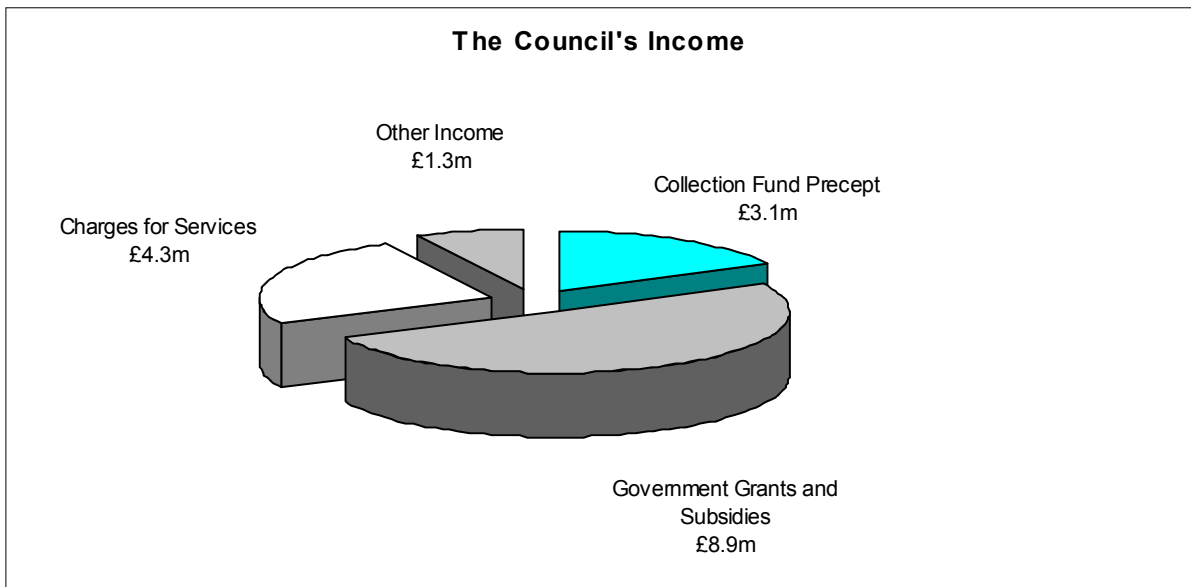
	£m
Housing (Private sector)	1.2
Planning	1.8
Leisure services	3.8
Environmental services	2.4
Benefits (housing benefits and council tax)	6.1
Local tax collection and benefits administration	1.2
Corporate costs	1.3
Other services	2.5
	<hr/> 20.3
Less accounting for capital	2.7
	<hr/> 17.6



## 17. The Council's Income

The money to pay for these services came from the following sources -

	£m
Collection Fund precept	3.1
Government grants and subsidies	8.9
Charges for services	4.3
Other income (including transfers and contributions from other funds and reserves)	1.3
	<hr/>
	17.6
	<hr/>



## 18. Further Information

Further information about the accounts can be obtained from the Head of Finance, Civic Offices, Harlington Way, Fleet, Hants.

David Skelton  
Head of Finance  
17<sup>th</sup> November 2000

## **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **The Authority's Responsibilities**

The Authority is required :

- \* to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance,
- \* to manage its affairs to secure economic, efficient and effective use of resources and the safeguarding of its assets.

### **The Head of Finance's Responsibilities**

The Head of Finance is responsible for the preparation of the Authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain, is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2000.

In preparing this statement of accounts, the Head of Finance has :

- \* selected suitable accounting policies and then applied them consistently,
- \* made judgements and estimates that were reasonable and prudent,
- \* complied with the Code of Practice on Local Authority Accounting

The Head of Finance has also :

- \* kept proper accounting records which were up to date,
- \* taken reasonable steps for the prevention and detection of fraud and other irregularities.

David Skelton  
Head of Finance  
Date : 17 November 2000

## STATEMENT OF ACCOUNTING POLICIES

### 1. General

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the guidance notes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the application of those Statements of Standard Accounting Practice (SSAPs) and Financial Reporting Standards (FRSs) relevant to local authorities. Any significant non compliance is disclosed below.

### 2. Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised provided that the fixed asset yields benefits to the authority and the services it provides for a period of more than one year. This excludes expenditure on routine repairs and maintenance which is charged direct to service revenue accounts.

Fixed assets are valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors. Fixed assets are classified into the groupings required by the Code of Practice. Assets are valued on the following bases:

Land, operational properties and other operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value.

Non-operational assets, including assets that are surplus to requirements, are included in the balance sheet at the lower of net current replacement cost and net realisable value.

Infrastructure assets have been valued, using as a base, the amount of debt brought forward on the 1st April 1994 that related to those assets.

Community assets are included in the balance sheet at a nominal value of £1 per asset to allow an entry to be made in the register of assets and to enhance control.

The surplus that arose on the initial revaluation of fixed assets was credited to the Fixed Asset Restatement Reserve. Subsequent revaluations are planned on a rolling basis to ensure all assets are revalued within a five year period, although material changes to asset valuations will be adjusted as they occur.

### 3. Depreciation

The policy for depreciating fixed assets is as follows -

Buildings - Hart Leisure and Frogmore Leisure Centres, the Harlington Centre and the Council Offices in Fleet are not depreciated on the grounds that the Council's repair and maintenance policy will result in the useful lives of these properties being extended sufficiently for any depreciation not to be material. All other buildings are depreciated on a straight line basis over their estimated lifespan.

Other Assets - where depreciation is charged, it is calculated using a straight line method, with equal instalments of depreciation being charged to revenue for each year of the assets lives. Although depreciation is charged on the estimated life of the specific individual assets concerned, approximation of average depreciation periods are as follows -

Vehicles : 3 years

IT equipment : 3 years

Furniture : 15 years

CCTV : 7 years

Newly acquired assets are depreciated from the 1st April of the following financial year.

#### **4. Charges to Revenue for Fixed Assets**

General fund service revenue accounts, central support services and statutory trading accounts and DSOs are charged with capital charges for the fixed assets used in the provision of services.

The total charge covers the annual provision for depreciation plus a capital financing charge determined by applying a specified notional rate of interest to net asset values. The aggregate charge is determined on the basis of capital employed in each service.

Provision for depreciation is charged to the Asset Management Revenue Account which is credited with the capital charges charged to services. The surplus on the account is transferred to the Consolidated Revenue Account at the year end to ensure that capital charges have a neutral impact on the amounts required from local taxation.

#### **5. Deferred Charges**

Deferred charges are payments of a capital nature where no fixed assets are created that directly benefit the Authority, but which may be properly capitalised. An example is the awarding of grants to private house-holders where properties lack basic amenities. In line with the advice of CIPFA's Capital Accounting Working Group, most deferred charges are written out to revenue accounts in the year the expenditure is incurred.

#### **6. Leasing**

The Council acquires the use of a variety of vehicles, plant and equipment by means of operating leases. These assets do not appear in the Balance Sheet as the Council does not own them. The revenue accounts are charged with the annual rentals as and when they become due.

The Council has not acquired assets by means of finance leases for some years. Those assets that the Council still has in its possession are now in secondary leasing periods. As a result their residual value is minimal, so their valuation has been excluded from fixed assets.

#### **7. Government grants and contributions**

Government grants and other contributions are accounted for on an accruals basis (see paragraph 10 below) and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

#### **8. Capital Receipts**

Income from the disposal of fixed assets is accounted for on an accruals basis (see paragraph 10 below). In accordance with Government regulations, capital receipts from the disposal of land, buildings and vehicles are apportioned between usable capital receipts and those which are set aside for the repayment of debt forming part of the capital financing reserve. As a debt free authority, the only receipts which the Council has to set aside is the grant received from the Housing Corporation to fund advances to housing associations.

All capital receipts, whether usable or set aside, are invested until such time as they are needed to finance new capital expenditure.

#### **9. Stocks and Stores**

Stocks are valued in the accounts on the lower of historic cost and net realisable value.

## **10. Debtors and Creditors**

All the accounts (revenue and capital) of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice and SSAP2. This means that sums due to or from the Council during the financial year are included whether or not the cash has actually been received or paid in the year.

There are some exceptions to this principle -

- (a) weekly paid and four weekly paid employees are charged relative to the tax year in which payment is made.
- (b) quarterly payments for electricity, gas and telephone accounts are charged at the date of meter reading rather than being apportioned between financial years.
- (c) income for pre-booked courses at leisure centres tends to be credited to the year of receipt, rather than the year in which the course took place.

The above exceptions are consistently applied each year and therefore do not have a material effect on the year's revenue accounts.

## **11. Support Services and Corporate Costs**

Support services were fully allocated to services in 1999/2000. Corporate and democratic core costs were not allocated to services in 1999/2000 in accordance with the guidance of CIPFA.

## **12. Reserves**

The Council maintains reserves to meet general rather than specific future expenditure. The reserves the Council maintains are analysed in detail in the Statements of Movements in Capital and Revenue Reserves which can be found on pages 23 - 25.

## **13. Investments**

Investments are shown in the balance sheet at cost with the exception of investments held by fund managers which are shown at cost plus accrued income. The investment values included in the Consolidated Balance Sheet are shown on page 18.

## **14. Investment Interest**

Investment income is calculated on the following basis - for funds managed directly by the Council, income is the interest accrued to the Authority in that year; for funds managed by fund managers, income is the interest accrued in that year plus the difference between cost and market value of investments held at 31st March 2000.

## **15. Pensions**

To provide for their future pensions and benefits, employees pay a percentage of their pay into the County Council's Superannuation Fund (salaried staff 6% and manual workers 5%).

In addition, the Council made contributions equivalent to 195% of the employee contributions into the Fund in 1999/2000.

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

These costs have been determined on the basis of contribution rates that are set to meet less than 100% of the liabilities of the Superannuation Fund. As a result the Council does not comply with the accounting requirements of SSAP 24 (Accounting for Pension Costs) and the liabilities included in the balance sheet are understated in respect of pension costs. The Fund's actuary has advised that the additional pension costs that it would have been necessary to provide for in the year to comply with SSAP 24 are £507,700, representing 14% of pensionable pay.

## CONSOLIDATED REVENUE ACCOUNT

1998/99 Net Expenditure £000		1999/00 Gross Expenditure £000	1999/00 Income £000	1999/00 Net Expenditure £000
1,256	Housing Services	1,152	(327)	825
1,143	Planning Services	1,819	(690)	1,129
2,036	Leisure Services	3,793	(1,726)	2,067
1,875	Environmental Services	2,426	(441)	1,985
827	Infrastructure	1,213	(615)	598
610	Community Services	702	(168)	534
317	Benefits (rent allowances & council tax)	6,140	(5,920)	220
822	Tax Collection & Benefits Administration	1,186	(261)	925
1,273	Corporate & Democratic Core Costs	1,312	(49)	1,263
250	Other Expenditure/Income	600	(488)	112
10,408	<b>Net Cost of General Fund Services</b>	20,343	(10,685)	9,658
(710)	Housing Revenue Account	0	0	0
9,698	<b>Net Cost of Services</b>	20,343	(10,685)	9,658
(160)	Net (surplus)/deficit on statutory DSOs			14
804	Parish Precepts			839
(1,417)	Transfer from Asset Management Revenue A/c			(1,426)
(141)	Interest and Investment Income			(725)
20	Increase/(Decrease) in Provision for Bad Debts			3
0	Provision for G.Rate Refund			(30)
0	Business Rates rebates			(87)
8,804	<b>Net Operating Expenditure</b>			8,246
	<b>APPROPRIATIONS</b>			
	Contributions (from)/to Reserves			
(107)	- Open Spaces Maintenance			(125)
60	- DSO Reserves			(168)
45	Contribution to Capital Financing Reserve			45
30	Contribution to/(from) Carry Forward Reserve			(30)
(710)	Transfer of Surplus Minimum Revenue Provision			(453)
(1,062)	Deferred Charges written off			(864)
7,060	<b>Amount met from Government Grants and Local Taxpayers</b>			6,651
(3,755)	Collection Fund Precept			(3,980)
30	Contribution to Collection Fund (Community Charge)			3
(4)	Contribution from Collection Fund (Council Tax)			(81)
(147)	Revenue Support Grant			0
(2,752)	Distribution from Non Domestic Rate Pool			(2,958)
432	<b>(Surplus)\deficit for the Year</b>			(365)
(1,916)	<b>General Fund Balance at 1st April</b>			(1,820)
(336)	<b>Transfers to General Fund Reserve</b>			0
432	<b>(Surplus)\Deficit for the Year</b>			(365)
(1,820)	<b>General Fund Balance at 31st March</b>			(2,185)

## NOTES TO CONSOLIDATED REVENUE ACCOUNT

### 1. Description of Services

#### **Housing Services**

The Council delivers a strategic housing service which incorporates the provision of housing advice, homelessness and housing register service, the funding of new affordable housing by housing associations, liaison with other statutory and voluntary agencies and the promotion of the Council's overall housing objectives.

The maintenance and adaptation of private sector housing through the provision of home improvement and disabled facilities grants, is also included within this heading.

#### **Planning Services**

This heading comprises development control, building control, enforcement action, local plan implementation and tree advice.

#### **Leisure Services**

The Council provides a mixture of leisure facilities for the community, e.g. Leisure Centres, Community Centres, parks, commons, recreation grounds, playing fields, tourism and playschemes.

#### **Environmental Services**

This heading comprises statutory environmental health functions, refuse collection, street cleaning, public conveniences, recycling, cemeteries, dog wardens and pest control.

#### **Infrastructure**

The Council provides car parks, a land drainage service, environmental improvement schemes, town centre security (CCTV) and has agency responsibilities for highways with the County Council.

#### **Community Services**

The Council participates in the County wide concessionary travel scheme and operates a meals service and a lifelines system for the elderly. The Council encourages local voluntary organisations to provide services for the community by giving grants towards the cost of their projects and towards running expenses.

#### **Benefits**

The Council is responsible for administering council tax benefits, rent allowances and private sector rent rebates. Expenditure on council tax benefits and rent allowances is charged to the General Fund. The majority of benefit expenditure is reimbursed by central government.

#### **Cost of Council Tax Collection & Benefits Administration**

The cost to the Council of administering the benefits system and collecting and accounting for local taxes (i.e. residual community charge, council tax and business rates) is shown under this heading.

#### **Corporate Costs**

Corporate costs comprise expenditure as defined by CIPFA such as the cost of Council and policy making meetings, Members' and Chairmen's expenses, elections, Chief Executive and support, estimating and accounting for precepts, council tax, revenue support grant and standard spending assessments, preparing and publishing the Statements of Accounts, corporate budgets and Annual Reports.

## 2. Asset Management Revenue Account

This account is central to the implementation of the capital accounting requirements of the Accounting Code of Practice.

The Consolidated Revenue Account gross expenditure includes capital charges which reflect the effective cost to the Council of acquiring, retaining and using its present assets in the delivery of services. This normally exceeds the real cost to the authority of depreciation on those assets. As the Council has paid off its external debt it does not have any external interest cost for its assets. The Asset Management Revenue Account surplus represents the difference between the full economic cost and the real cost of depreciation of assets.

The surplus on the account is transferred to the Consolidated Revenue Account so that the inclusion of capital charges in gross expenditure does not impact on the financing requirement from local taxation.

The Asset Management Revenue Account is maintained separately within the Council's accounting system and the transactions in the account for 1999/2000 have been shown below in summarised form -

	£'000
Capital charges included in cost of services	
- General Fund	(1,834)
Release of deferred grant	<u>(45)</u>
	(1,879)
Provision for depreciation	453
Surplus transferred to Consolidated Revenue Account	<u>(1,426)</u>

## 3. Minimum Revenue Provision

Minimum revenue provision (MRP) payments are annual amounts required by Department of the Environment regulations to be set aside from revenue as provision for the repayment of external debt. As this Council is debt free it does not need to make MRP payments.

## 4. Agency Services

The Council has agency responsibilities for some highway matters with Hampshire County Council. Expenditure in 1999/2000 was £49,000 which is reimbursed by the County Council.

## 5. Section 137 Expenditure

Section 137 of the Local Government Act 1972 as amended by Section 36 of the Local Government and Housing Act 1989 enables the Council to spend up to £1.90 per head of resident population (£165,000 in 1999/2000) for the benefit of people in the area on activities or projects not specifically authorised by other powers. The amount actually spent on grants and loans to other organisations within Hart was £151,000. This was mainly the payment of grants to voluntary organisations serving the community in Hart.

## 6. Operating Leases

There are outstanding commitments of £648,000 in respect of operating leases on six refuse vehicles and a mechanical sweeper. Annual instalments totalling £156,000 per year are payable between 2000/1 and 2003/4, with a final payment of £25,000 in 2004/5.

## 7. Local Authority (Goods and Services) Act 1970

The Authority is required to disclose the income and expenditure arising from arrangements entered into under Section 1 of the above Act. This Authority did not enter into any such arrangements during 1999/2000.

## 8. Publicity

The Council spent £171,000 on advertising and publicity in 1999/2000. This is included within the service expenditure shown on page 10 and was spent in the following ways:

	£000
Recruitment advertising	82
Other advertising & promotions	89
	<hr/>
	171
	<hr/>

## 9. Pensions

In 1999/2000 the Council paid an employer's contribution of £427,600 into Hampshire County Council's Pension Fund, representing 11.5% of pensionable pay.

The contribution rate is determined by the Fund's Actuary based on valuations every three years. The last valuation was at 31 March 1998 and the actuary recommended an employers' rate of 195% of employees' contributions, payable until the results of the next valuation at 31 March 2001 are implemented on 1 April 2002. Additional contributions are payable to cover the cost of any early retirements except those due to ill-health.

The Fund's actuary has advised that the amount that would have had to be provided for under SSAP 24 (Accounting for Pension Costs) in 1999/00 is £507,700 representing 14% of pensionable pay. In addition the Council pays for all the added years benefits which have been awarded, and the related increases. In 1999/00 these were £115,400 representing 3.2% of pensionable pay.

Further information can be found in the actuary's valuation report and the County Council's Pension Fund Annual Report, which are available from the County Treasurer, The Castle, Winchester, Hants, S023 8UB.

## 10. Remuneration

The Council is required to disclose the number of employees whose remuneration in 1999/2000 fell in each bracket of a scale in multiples of £10,000, starting with £40,000:

	<u>Number</u>
£40,000 - £50,000	5
£50,000 - £60,000	1
£60,000 - £70,000	0
£70,000 - £80,000	1

## 11. Members Allowances

The Council is required to disclose the total value of members' allowances paid in 1999/2000.

Special responsibility allowances	£ 4,347
Attendance allowances	£ 30,080
Chairmans' allowance	£ 1,603
Vice-Chairman's allowance	£ 600
	<hr/>
	£ 36,630

## 12. Related Party Transactions

The purpose of this note is to ensure that the financial statements contain the disclosures necessary to draw attention to the possibility that the financial position and results may have been affected by the existence of related parties and by material transactions with them. The disclosure is intended to let users of the accounts judge the extent of any effect. No material related party transactions involving officers or Members occurred in 1999/2000.

## HOUSING REVENUE ACCOUNT

1998/99 £000		1999/00 £000
	<b>Income</b>	
0	Dwellings Rents (gross)	0
36	Subsidy	0
	Interest	
51	- Mortgages	0
651	- Cash Balances	0
8	Other Income	0
<hr/> 746	<b>Total Income</b>	<hr/> 0
	<b>Expenditure</b>	
36	Supervision and Management	0
0	Capital Financing Costs	0
<hr/> 36	<b>Total Expenditure</b>	<hr/> 0
<hr/> (710)	<b>Surplus for the Year</b>	<hr/> 0
(336)	<b>HRA Balance at 1st April</b>	0
(710)	<b>Surplus for the Year</b>	0
1,046	<b>Transfer to the General Fund</b>	0
<hr/> 0	<b>HRA Balance at 31st March</b>	<hr/> 0

### Note

The Council applied to the appropriate Government Department to close the HRA. Permission was granted on the 17th March 1999 and the Council closed the HRA on the 31st March 1999. The balance on the HRA at that time was £1,046,000 and this was transferred into the General Fund balance on the 31st March 1999.

## DSO REVENUE ACCOUNTS

<b>Expenditure</b>	<u>Refuse Collection</u> £000	<u>Cleansing</u> £000	<u>Sewer &amp; Drainage</u> £000	<u>Total</u> £000
Employees				
- Management	60	31	13	104
- Operatives	278	214	90	582
- Agency Staff	38	29	0	67
Supplies & Services	31	13	37	81
Transport and Plant				0
- vehicle operating leases	214	12	0	226
- operating costs	351	79	9	439
Rent and Use of Depot	29	12	6	47
Support Services	36	14	12	62
Capital Financing Charges	10	4	3	17
	1,047	408	170	1,625
<b>Income</b>				
Charges to Clients	1,052	338	221	1,611
<b>Surplus/(Deficit) for the Year</b>	5	(70)	51	(14)

### DSO Reserve Account

	£000
Balance b/fwd 1st April 1999	237
Overall Surplus/(Deficit) for the year	(14)
Transfer to General Fund	(154)
Balance c/fwd 31st March 2000	69

### Notes

- (1) The Local Government, Planning and Land Act 1980 and the Local Government Act 1988 require local authorities to make a positive rate of return on capital employed by its DSO's. This is calculated on a current cost accounting basis.
- (2) CIPFA guidelines on capital accounting introduced in 1994/95 incorporate the various elements of the rate of return calculation directly into the DSO revenue accounts. An operating surplus for the year indicates achievement of a satisfactory rate of return.
- (3) The Sewerage and Drainage DSO achieved the financial objective stated in (1) above by making an operating surplus.
- (5) The Refuse Collection DSO and the Cleansing DSO, which operate under a combined contract, made a surplus of £5,000 and a loss of £70,000 respectively (£65,000 loss combined).
- (6) The DSO annual report, which contains further information about the DSOs, can be obtained from the Head of Finance at the Civic Offices, Fleet.

**COLLECTION FUND**

<b>1998/99</b> £000		<b>1999/00</b> £000
	<b><u>Income</u></b>	
23,891	Income from council tax	25,846
1,043	Council tax benefits	1,096
14,925	Income collectable from business ratepayers (note 2)	16,374
(2)	Community charge surplus/(deficit) for the year	1
39,857		43,317
	<b><u>Expenditure</u></b>	
	Precepts and demands	
18,902	- Hampshire County Council	20,965
1,700	- Hampshire Police Authority	1,854
3,755	- Hart District Council, Parishes and Town Councils	3,980
	Business rate	
14,714	- payment to national pool	15,996
97	- interest on refunds	100
85	- costs of collection	90
29	- movement on provision for bad and doubtful debts	(50)
	- bad debts written off	238
	Council Tax bad and doubtful debts	
0	- provisions	(10)
114	- write offs	129
39,396		43,292
(461)	<b>Surplus for the year</b>	(25)
	<b>Fund Movements</b>	
(460)	Balance b/fwd 1st April	(938)
	Community Charge	
(30)	- previous years deficits	(3)
	Distribution of previous years surplus	
(22)	- Hampshire County Council	396
1	- Hampshire Police Authority	36
16	- Southampton City Council	0
14	- Portsmouth City Council	0
4	- Hart District Council	81
(477)	Balance remaining after distribution of previous years surplus	(428)
(461)	Surplus for the year	(25)
(938)	Balance carried forward 31st March (note 4)	(453)

## NOTES TO COLLECTION FUND

### 1. The Collection Fund

This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to non - domestic rates and the council tax and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with other accounts of the billing authority.

### 2. Non - Domestic Rates

NNDR is organised on a national basis. The Government specifies a national non - domestic multiplier for the year (0.489 in 1999/00) and local business rates are then calculated by reference to the multiplier and their rateable value. For businesses with a rateable value of less than £10,000, the multiplier was 0.480. The Council is responsible for collecting rates due from its business ratepayers, but pays the collected revenue into the NNDR pool administered by the Government. The funds are then redistributed back to local authorities on the basis of a fixed amount per head of population. The NNDR income at the year end after reliefs and provisions was based on a total rateable value of £38,454,661 as at 31st March 2000.

### 3. Council Tax Base

The residential properties in the District have been classified into 8 valuation bands. The number of chargeable dwellings in each valuation band are converted into an equivalent number of band D dwellings by multiplying by specified proportions. The illustration below demonstrates how the council tax base for 1999/00 was calculated -

	No. of Net <u>Dwellings</u>	Specified <u>Proportion</u>	Equivalent <u>Band D</u>
Band A	487.75	6/9	325.17
Band B	1,239.50	7/9	964.06
Band C	6,683.50	8/9	5,940.89
Band D	6,975.00	9/9	6,975.00
Band E	6,249.25	11/9	7,637.97
Band F	5,472.00	13/9	7,904.00
Band G	2,868.75	15/9	4,781.25
Band H	191.25	18/9	382.50
			34,910.83
Collection rate			98.50
Tax base (equivalent Band D)			34,387.18

### 4. Surplus for the Year and Collection Fund Balance

The Collection Fund made a net surplus of £25,000 in 1999/00 (council tax surplus of £24,000 ; residual community charge surplus of £1,000). The balance on the fund at the year end was £453,000, of which approximately 85% will be distributed in due course to the major precepting authorities, i.e. Hampshire County Council and Hampshire Police Authority.

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH**

1999 £000			£000	2000 £000
	Fixed Assets			
	Operational			
1,031	- Council Dwellings			158
18,270	- Other Land and Buildings			19,738
1,244	- Vehicles, Plant, Furniture and Equipment			1,282
0	- Infrastructure Assets			0
119	- Community Assets			135
848	Non Operational			610
21,512		Notes 1 - 5		21,923
46	Deferred Charges	Note 6		61
9,132	Long Term Investments	Note 7		11,057
658	Long Term Debtors	Note 8		591
31,348	<b>Total Long Term Assets</b>			33,632
	Current Assets			
52	- Stocks and Work in Progress		71	
4,144	- Debtors	Note 9	3,769	
1,061	- Investments	Note 10	1,964	
2	- Cash in Hand		1	5,805
36,607	<b>Total Assets</b>			39,437
	Current Liabilities			
(2,952)	- Creditors	Note 11	(4,151)	
(226)	- Cash Overdrawn		(625)	(4,776)
33,429	<b>Total Assets less Current Liabilities</b>			34,661
(397)	Deferred Government Grants	Note 12		(347)
(606)	Deferred Capital Receipts	Note 13		(524)
32,426	<b>Total Assets less liabilities</b>			33,790
1,154	Fixed Asset Restatement Reserve	Note 14		828
18,858	Capital Financing Reserve	Note 14		19,644
2,191	Surplus Provision for Credit Liabilities	Note 14		2,120
5,510	Usable Capital Receipts Reserve	Note 14		6,957
438	Earmarked Capital Reserves	Note 14		488
4,275	Revenue Fund Balances and Reserves	Note 14		3,753
32,426	<b>Total Equity</b>			33,790

David Skelton  
Head of Finance  
17<sup>th</sup> November 2000

## NOTES TO CONSOLIDATED BALANCE SHEET

### 1. Fixed Assets

The construction, improvement and purchase of assets are regarded as capital transactions, the expenditure and financing of which are recorded separately in the balance sheet.

The movements in fixed assets during the year were as follows -

	<u>Council Dwellings</u>	<u>Other Land &amp; Buildings</u>	<u>Vehicles Plant &amp; Equip.</u>	<u>Comm unity Assets</u>	<u>Non Oper ational</u>	<u>Total</u>
	£000	£000	£000	£000	£000	£000
Net book value as at 31.3.99	1,031	18,270	1,244	119	848	21,512
Revaluation and restatements	0	(15)	15	0	0	0
Value as at 1.4.99	1,031	18,255	1,259	119	848	21,512
Additions and enhancements	0	158	376	21	316	871
Disposals	(851)	0	(23)	0	(542)	(1,416)
Revaluations	0	1,409	0	0	0	1,409
Gross value as at 31.3.2000	180	19,822	1,612	140	622	22,376
Depreciation for the year	(22)	(84)	(329)	(6)	(12)	(453)
Net book value as at 31.3.2000	158	19,738	1,283	134	610	21,923

### 2. Fixed Asset Valuation

The freehold and leasehold properties, which comprise the Authority's property portfolio, were first valued in 1994/95 by an external independent valuer - Lambert, Smith and Hampton - on the undermentioned bases in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

The Council has a five year rolling programme of revaluations to ensure that the values of all its fixed assets are maintained up to date. Most assets have been revalued since 1994. In 1999/00 the following assets were revalued - Civic Offices, The Workshop at Old Pumphouse Lane, Frogmore Leisure Centre and the Car Parks at the following sites - Civic Offices, Hartley Wintney, Blackwater, Gurkha Sqare, Victoria Road, Church Road, Hook and Odiham.

Plant and machinery is included in the valuation of the buildings.

Properties regarded by the Authority as operational were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost.

Properties regarded by the Authority as non-operational have been valued on the basis of open market value.

### 3. Finance Leases

All the assets that the Council has acquired through finance leases in the past are now in secondary leasing periods. As a result their residual value is minimal, so valuations of these assets have been excluded from the fixed assets figure in the Consolidated Balance Sheet. The capital value of items acquired through finance leases in previous years, which the Council still has in its possession, was £22,904. Rental payments for these leases in 1999/00 amounted to £113. There were no outstanding obligations as at 31st March 2000.

#### 4. Capital Commitments

At 31st March 2000, the Council had major contractual commitments on the following -  
£000

Social Housing schemes	437
------------------------	-----

#### 5. Information on Assets Held

Fixed assets owned by the Council -	No.at <u>31.3.99</u>	No.at <u>31.3.2000</u>
Council Dwellings	3	2
Operational Buildings		
Civic Offices	1	1
Harlington Centre	1	1
Community	1	1
Centres		
Leisure Centres	2	2
Outdoor Sports Facilities	6	6
Car Parks	12	12
Public Conveniences	5	5
Depots	1	1
Cemeteries	1	1
Operational Equipment		
Vehicles	15	15
Infrastructure Assets		
Amenity Footpaths	32	32
Street Nameplates	3,185	3,213
Community Assets		
Common Land and Open Spaces (hectares)	313	313
Fleet Pond (hectares)	54	54
Childrens Play Areas	16	17
Non - Operational Assets		
Yateley CAB Building	1	1

#### 6. Deferred Charges

A definition of deferred charges appears on page 8. The movements in deferred charges during the year were as follows -

	£000	£000
Balance as at 1st April 1999		46
Expenditure in the year - improvement grants	370	
- other	<u>509</u>	879
Amounts written off to Consolidated Revenue Account		(864)
Balance as at 31st March 2000		<u>61</u>

## 7. Long Term Investments

This amount represents the sum invested with appointed fund managers. The amount shown at 31st March 2000 represents the cost price plus accrued income.

## 8. Long Term Debtors

The Council had the following long term debtors -	31.3.99	31.3.00
	£000	£000
Mortgages (mainly from the sale of council houses)	638	554
Car Loans (repayable over more than 1 year)	20	37
	<u>658</u>	<u>591</u>

## 9. Current Assets (Debtors)

Debtors are analysed below -	31.3.99	31.3.00
	£000	£000
Community Charge Arrears	2	1
NNDR Arrears	1,892	1,206
Council Tax Arrears	1,301	1,295
Government Departments	330	190
Hampshire County Council	85	81
Rents from Council owned properties	163	178
Car Loans (repayable in less than 1 year)	12	23
Sundry Debtors	997	1,372
Payments in Advance	336	301
	<u>5,118</u>	<u>4,647</u>
Less provision for bad and doubtful debts		
- Community Charge	2	1
- NNDR	285	235
- Council Tax	300	290
- General Rates	30	0
- Sundry Debtors	58	20
- Housing Benefit overpayments	151	174
- Rents from temporary accommodation	148	158
	<u>974</u>	<u>878</u>
Net Debtors	<u>4,144</u>	<u>3,769</u>

## 10. Current Assets (Investments)

The Council invests surplus funds temporarily. The amounts invested at the 31st March 1999 and 2000 are shown below -

	31.3.99	31.3.00
	£000	£000
Banks	61	464
Building Societies	0	1,000
Other Local Authorities	1,000	500
	<u>1,061</u>	<u>1,964</u>

### 11. Current Liabilities (Creditors)

Creditors are analysed below -	31.3.99	31.3.00
	£000	£000
NNDR Payments in Advance	643	440
Council Tax Payments in Advance	382	345
Government Departments	595	2,151
Sundry Creditors	1,332	1,215
	<u>2,952</u>	<u>4,151</u>

### 12. Government Grants - Deferred

Grants received by the Council towards the cost of fixed assets are shown in this account and released to the relevant account over the useful life of the asset to partly offset the depreciation related to the asset. An analysis of the 1999/2000 transactions is shown below -

	£000
Balance as at 1st April 1999	397
Release of Sports Council grant re Southwood pavilion	(11)
Release of CCTV grant to offset depreciation	(39)
Balance as at 31st March 2000	<u>347</u>

### 13. Deferred Capital Receipts

Deferred capital receipts are amounts derived from the sale of assets which will be received in instalments over agreed periods of time. They arise mainly from mortgages on the sale of council houses prior to the transfer of housing stock to Hart Housing Association.

### 14. Balances and Reserves

Details of all balances and reserves are analysed in the Statements of Movement in Capital and Revenue Reserves on pages 23-25.

### 15. Analysis of Net Assets Employed

The Council is required under the Code of Practice to disclose the net assets employed by the General Fund, Housing Revenue Account and the Direct Service Organisations. An analysis of net assets employed is shown below -

	31.3.99	31.3.00
	£000	£000
General Fund	32,369	33,705
Housing Revenue Account	0	0
Direct Service Organisations	57	85
	<u>32,426</u>	<u>33,790</u>

Net assets employed represent the aggregate of reserves attributable to the Council and equal the taxpayers equity shown in the Balance Sheet.

## STATEMENT OF MOVEMENTS IN CAPITAL RESERVES

	---- ACCOUNTING ----		----- USABLE-----		
	Fixed Asset Restatement Reserve £000	Capital Financing Reserve £000	Surplus Provision for Credit Liabilities £000	Usable Receipts Reserve £000	Earmarked Capital Reserves £000
Balances as at 1st April 1999	1,154	18,858	2,191	5,510	438
Net surplus/deficit for the year		359			
Value of assets disposed of	(1,711)				
Unrealised gains\losses on revaluation of fixed assets	1,385				
Set aside of Housing Corporation Grant			1,570		
Proceeds of disposals of fixed assets.				2,924	
Other capital receipts				93	153
Interest					29
Financing of capital expenditure		427	(1,641)	(1,570)	(132)
Balances as at 31st march 2000	828	19,644	2,120	6,957	488

### Notes

#### 1. Fixed Asset Restatement Reserve

Prior to 1994/95, a local authority's assets were recorded in the balance sheet only to the extent that debt was outstanding against them. The Accounting Code of Practice requires all fixed assets to be stated at current cost.

The opening balance on the Fixed Asset Restatement Reserve was created when assets were restated in the 1994/95 Balance Sheet at current value. After this initial revaluation, the Reserve is credited annually with any increase in the value of fixed assets when they are revalued and debited with any reductions in value. When assets are disposed of, the Reserve is reduced by the net book value of those assets. The Reserve, therefore, reflects the true value of assets at the end of the financial year as compared to the beginning of the year. The Reserve is purely of an accounting nature and does not represent real cash resources that are available to fund future capital expenditure.

#### 2. Capital Financing Reserve

The Capital Financing Reserve is an accounting reserve integral to the system of capital accounting. Again, as an accounting reserve it does not represent resources available to fund future expenditure. The Reserve records the following -

- (1) the amounts required by statute to be set aside from capital receipts for the repayment of debt.
- (2) the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external debt.
- (3) the financing of capital expenditure from revenue and from capital receipts.
- (4) the amounts required to write down deferred charges.

### 3. Surplus Provision for Credit Liabilities

All local authorities are required to provide for the repayment of external debt (termed in legislation as providing for credit liabilities). This provision normally forms part of the Capital Financing Reserve described in 2 above. There are regulations which state the contributions that have to be made into the provision (e.g. contributions from revenue and setting aside proportions of capital receipts from the sale of assets). The legislation dictates that the provision cannot be spent on any purpose other than debt repayment, until such time as the local authority concerned repays all its debt and becomes debt free.

The Council transferred its housing stock to Hart Housing Association in March 1994 and in consideration received a capital receipt of £23m (gross). The Council had to set aside a specified proportion (approx, 75%) of this sum for debt repayment and as a result the total amount of provision that had been made greatly exceeded the actual debt outstanding. It was, therefore, in the Council's interest to repay its debt, because the surplus left after repayment would be available to help finance the capital programme.

The Council decided to repay all of its remaining external debt in 1994/95 and thereby achieved debt free status. Following this, there was just over £7m surplus provision.

Even though the Council is now debt free, regulations still require the Council to set aside certain receipts into this Reserve, namely 100% of the payment of Social Housing Grant by the Housing Corporation.

£1.6m was used from this Reserve in 1999/2000 to finance capital expenditure and the balance on the Reserve at the 31st March 2000 was £2.1m.

### 4. Usable Capital Receipts Reserve

This Reserve comprises proceeds from the sale of assets, repayments of loans and mortgages and the Council's share of Right to Buy proceeds from houses sold by Hart Housing Association. Because the Council is debt free, all capital receipts are placed in this Reserve (apart from Housing Association Grant - see 3 above).

The Reserve can be used to finance capital expenditure of any nature. The Council used this Reserve to finance £1.6m of social housing schemes in 1999/2000 and obtained 100% reimbursement from the Housing Corporation in the form of Housing Association Grant.

The balance on the Reserve at the 31st March 2000 was £7.0m.

### 5. Earmarked Capital Reserves

As at the 31st March 2000, the Council also had the following reserve which is earmarked for specific capital schemes and purposes -

	£000
Developers Contributions	488
	<hr/>
	488

Developers contributions are received under Section 106 agreements for specific projects to enhance development sites (e.g community buildings, childrens playgrounds).

## STATEMENT OF MOVEMENTS IN REVENUE RESERVES

	General Fund £000	Housing Revenue Account £000	Open Spaces Maint. £000	Collection Fund £000	DSO's £000	Other £000	Total £000
Balances as at 1st April 1999	1,820	0	1,233	938	237	47	4,275
Net Surplus/(Deficit) in the year	365			25	-14		376
Interest			68				68
Developers' contributions			-146				-146
Transfers/redistributions			-125	-510	-154	-31	-820
Balances as at 31st March 2000	<u>2,185</u>	<u>0</u>	<u>1,030</u>	<u>453</u>	<u>69</u>	<u>16</u>	<u>3,753</u>

### Notes

#### 1. General Fund Working Balance

This Reserve is the cumulative surplus of General Fund revenue income over revenue expenditure which has not been set aside in a specific reserve. The Reserve is used to support future years revenue expenditure and to protect the Council against unexpected events. Further details of the General Fund Revenue Account can be found on page 10.

#### 2. Housing Revenue Account Working Balance

The HRA was closed on 31st March 1999 and the balance at that time was transferred to the General Fund.

#### 3. Open Spaces Maintenance Fund

This Fund is used to finance the cost of maintaining open spaces on or around development sites. The Fund is credited with financial contributions from developers and interest thereon and an annual contribution is made to the General Fund to offset grounds maintenance expenditure.

#### 4. Collection Fund

Further details as to why the Council maintains this Fund can be found on pages 16 - 17. The balance on the Fund as at 31st March 2000 was £453,000. Approximately 85% of this (£385,000) was due to Hampshire County Council and Hampshire Police Authority, leaving £68,000 available for this Council to reduce council tax bills in the future.

#### 5. Direct Service Organisations Working Balance

This Reserve is an accumulation of surpluses built up in previous years by the Council's Direct Service Organisations. The Reserve is used to support future years expenditure and to protect the DSO's against unforeseen events. Further details can be found on page 15.

## CASH FLOW STATEMENT

1998/99 £'000		1999/2000 £'000
	<b>Revenue Activities</b>	
	Cash Outflows	
5,859	- Cash paid to and on behalf of employees	5,988
6,039	- Other operating cash payments	5,742
6,067	- Housing & Council Tax Benefits paid out	6,116
14,110	- NNDR payments to the National Pool	14,535
21,437	- Precepts paid	24,089
53,512		56,470
	Cash Inflows	
(147)	- Revenue Support Grant	0
(5,720)	- DSS grants for benefits	(5,869)
(36)	- Other government grants	(40)
(2,752)	- NNDR receipts from the National Pool	(2,958)
(191)	- Rents	(162)
(23,791)	- Council Tax receipts	(25,771)
(14,644)	- Non domestic rate receipts	(16,850)
(3,371)	- Cash received for goods and services	(3,922)
(1,763)	- Other operating cash receipts	(2,044)
(52,415)		(57,616)
1,097	<b>Revenue Activities Net Cash Flow</b>	(1,146)
	<b>Returns on Investments &amp; Servicing of Finance</b>	
	Cash Outflows	
97	- Interest paid	100
	Cash Inflows	
(1,041)	- Interest received	(852)
	<b>Capital Activities</b>	
	Cash Outflows	
1,926	- Purchase of fixed assets	1,215
631	- Purchase of long term investments	4,306
3,026	- Other capital cash payments	2,778
	Cash Inflows	
(2,087)	- Sale of fixed assets	(2,053)
(2,471)	- Capital Grants Received	(1,892)
(109)	- Sale of long term investments	(2,381)
(141)	- Other capital cash receipts	(579)
928	<b>Net cash (inflow)/outflow before financing</b>	(504)
	<b>Management of Liquid Resources</b>	
(139)	Increase/(Decrease) in Short Term Deposits	903
789	<b>Decrease in cash</b>	399

**NOTES TO THE CASH FLOW STATEMENT**

<b>1998/99</b>		<b>1999/2000</b>	
£'000	<b>1. Reconciliation of revenue cash flow</b>	£'000	£'000
432	<b>Surplus/(Deficit) on Consolidated Revenue Account</b>		(365)
(461)	Collection Fund Surplus	(25)	
0	Collection Fund Distribution re Prior Years	432	
843	Interest included in income	725	
(97)	Interest included in expenditure	(100)	
(18)	Capital Charges (net)	(13)	
23	Increase in Stock	19	
67	Increase/(Decrease) in Debtors	(1,037)	
352	(Increase)/Decrease in Current Liabilities	(1,453)	
(60)	Transfer (to)/from DSO Reserve	168	
(108)	Developers Contributions	146	
124	Contributions from Other Provisions and Reserves	<u>357</u>	
			(781)
<u>1,097</u>	<b>Revenue Activities Net Cash Flow</b>		<u>(1,146)</u>

<b>1/4/99</b>		<b>31/3/00</b>		<b>Movement</b>
£'000	<b>2. Cash and Net Funds</b>	£'000	£'000	£'000
2	- Cash In Hand and At Bank	2		0
(226)	- Cash Overdrawn	(625)		(399)
1,061	- Liquid Resources	1,964		903
<u>837</u>	<b>Net Funds</b>	<u>1,341</u>		504
9,132	- Long Term Investments	11,057		1,925
<u>9,969</u>	<b>Net Funds and Long Term Investments</b>	<u>12,398</u>		<u>2,429</u>

<b>1/4/99</b>		<b>31/3/00</b>		<b>Movement</b>
£'000	<b>3. Liquid Resources</b>	£'000	£'000	£'000
1,061	Short Term Deposits	1,964		903
<u>1,061</u>		<u>1,964</u>		<u>903</u>

<b>1998/99</b>		<b>1999/2000</b>	
£'000	<b>4. Analysis of Other Government Grants</b>	£'000	£'000
36	Housing Defects Grant	40	
<u>36</u>		<u>40</u>	

## CAPITAL EXPENDITURE for the year ended 31st March 2000

### 1. Expenditure in the year

The spending on capital projects and schemes in 1999/2000 is shown in the statement below-

<b>Fixed Assets</b>	<b>£000</b>
Environmental Health and Housing Committee	
- Recycling	17
- Air Pollution Monitoring	6
- Community alarms	9
- Frogmore Daycare/Scope Centre	198
- Social Housing	295
Leisure Services Committee	
- Hart Leisure Centre improvements	45
- Skateboarding	21
- Velmead Community Centre	51
Planning and Infrastructure	
- Car Parks	80
Policy and Resources	
- Vehicles & equipment	58
- Economic Development	118
- Civic Office Alterations	61
- IT systems	187
- Access for the Disabled	5
- Access to Roads	2
- Frogmore CCTV	36
<b>Total Fixed Assets</b>	<hr/> <b>1,189</b> <hr/>

### Deferred Charges

Environmental Health and Housing Committee	
- Social housing schemes (SHG)	1,570
- Home Improvement Grants	370
- Adoption of private sewers	12
- Private Sector Housing Surveys	21
- FTS Investigations	5

Leisure Services Committee

- Basingstoke Canal improvements	8
- Management Plans & open spaces	23
- Frogmore/Darby Green Social Hall	102
- Yateley C.C. Pavilion	47
- Heckfield Memorial Village hall	12
- Crookham PC Play Area	5
- Westfields Junior School	6
- Long Sutton Village Hall Extension	6
- Hartley Wintney Victoria Hall Management Comm	25
- Hartley Wintney PC Refurbishment	50
- Schemes Blackwater/Hawley	40
- Crondall Entertainers	14

Planning and Infrastructure

- Environmental Improvements	84
- Cycleways	10

Policy and Resources

- Support Services	35
- Access for disabled	5

Total Deferred Charges 2,450

GRAND TOTAL OF ALL CAPITAL EXPENDITURE 3,639

## 2. Financing

The Council finances this expenditure from its capital resources as follows:

	£000
Usable capital receipts	1,570
Application of Provision for Credit Liabilities	1,641
Car Park Reserve	32
Grants and contributions	396
	<u>3,639</u>

### 3. Accounting Treatment

In line with CIPFA guidance, capital expenditure on fixed assets has been added to the value of fixed assets where that expenditure represents the acquisition of an asset or the enhancement of the value of assets. When assets have been revalued, giving 31/3/00 values, the change in value indicated by the valuation and not the expenditure on that asset is added to the asset value.

Expenditure on deferred charges (i.e. payments of a capital nature where no fixed assets are created which provide benefits directly to the authority) is not included in the Balance Sheet as an asset, but is written off to revenue accounts in line with guidance in the Code of Practice.

### 4. Reconciliation to Balance Sheet

	£000
Additions and enhancements as per balance sheet note 1 on page 19	871
Plus expenditure on fixed assets acquired for housing associations	295
Plus deferred charges (see above)	2,450
Other capital expenditure not resulting in enhancement of asset value	23
Total capital expenditure in 1999/2000	<u>3,639</u>

## **AUDITORS REPORT TO HART DISTRICT COUNCIL**

We have audited the Statement of Accounts on pages 10 to 30 which has been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 7 to 9.

### **Respective Responsibilities of Head of Finance and Auditors**

As described on page 6, the Head of Finance is responsible for the preparation of the Statement of Accounts. Our responsibilities as independent auditors are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

We report to you our opinion as to whether the Statement of Accounts presents fairly the financial position and results of operations of the Council.

### **Basis of opinion**

We carried out our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statement of Accounts. It also included an assessment of the significant estimates and judgements made by the Authority in the preparation of the Statement of Accounts and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statement of Accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Statement of Accounts.

### **Opinion**

In our opinion the Statement of Accounts presents fairly the financial position of Hart District Council at 31st March 2000 and its income and expenditure for the year then ended.

### **Certificate**

We certify that we have completed the audit of accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

HLB Kidsons  
Spectrum House,  
20 - 26, Cursitor Street,  
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Date: 23<sup>rd</sup> November 2000

