



Hurstpierpoint & Sayers Common Parish Council
Email: office@hurstpierpoint-pc.gov.uk
Website: www.hurstpierpoint-pc.gov.uk
Telephone: 01273 833264

Village Centre
Trinity Road
Hurstpierpoint
West Sussex BN6 9UY

Briefing Note

Final Year End Adjustments 31 March 2024

1. Introduction

The Council agreed the provisional year end adjustments on 21 March 2024 (Minute C23/24.146.2.4). These adjustments are required by accounting rules to show an accurate position for the end of the financial year. Following the close-down of the end of year accounts, the adjustments have now been finalised, subject to the internal audit on 1 May 2024.

2. Year-end adjustments

Year end adjustments show as negative balances on the accounts at the start of the following financial year and are gradually cleared as the payments are made and/or received. They may show as negative figures in reports for the early months of the new financial year until all the previous year's adjustments are settled.

The Parish Council primarily pays its suppliers and contractors in one of two ways – either through regular monthly/quarterly invoicing for ongoing services (creditors) or through one-off payments authorised by the issue of a works or purchase order (accruals).

Accruals - Approved works and purchase orders where the work has not taken place and/or been invoiced for at the financial year-end are recorded as accruals. These amounts increase the expenditure for the new financial year. The outstanding work from 2023/24 are as follows:

Code	Centre	Amount £ - Net of VAT	Description
5220	101	£250.00	Mulberry & Co – Internal Audit - 1 May 2024
5220	101	£850.00	Moore External Audit – Summer 2024
5011	201	£40.00	SSE Electricity – Chapel March 2024
5011	204	£380.00	SSE Electricity – Street Lights March 2024
5011	211	£2000.00	SSE Electricity – Court Bushes March 2024

Creditors – Outstanding amounts owed to regular suppliers are recorded as creditors at the year-end. These amounts increase the expenditure for the new financial year and are as set out below:

Code	Cost Centre	Amount (excl VAT)	Description
5440	211	£590.00	Nick's Carpentry – Court Bushes Kitchen Floor 29/03/24
5360	101	£134.97	BT Phone and Broadband March 2024
5410	201	£327.40	Barcombe Landscapes March 2024 Cemetery:
5410	202	£209.10	South Avenue Rec:
5470	212	7.70	Ernest Doe – Strimmer Rider Plate Purchased 8/2/24
5020	211	35.95	Horsham DC Waste Collection at CB March 2024
5440	211	57.00	Coastline Fire Protection - Extinguisher Repair 7/2/24

Debtors – Any outstanding amounts due to the Council which remain unpaid at the year-end are recorded as debtors. These amounts increase the income for the new financial year. There are none for 2023/2024.

Receipts in Advance - Any amounts paid to the Parish Council in advance for the next financial year are recorded as receipts in advance. These amounts reduce the income for the next financial year as the money has already been received. These are generally when hirers pay for use of Court Bushes in April-June 2024 as follows:

Code	Centre	Amount £	Description
3140	211	85.05	Invoice MWA003
3140	211	148.80	Invoice MCY002
3140	211	52.50	Invoice CB2024009
		286.35	

3. Bank Interest Allocations to Earmarked Reserves

As per the Savings and Investment Policy, adjustments have also been made to the Earmarked Reserves following agreement at the 14 March 2024 Finance, Governance and Estates Committee meeting (Minute F23/24.140), for interest from all bank accounts to be allocated proportionally to Earmarked Reserves. The total bank interest received in 2023/24 was £15,028.

4. Transfers to Earmarked Reserves

In addition to the year-end adjustments listed above, four EMR transfers were provisional agreed for the financial year end at the 21 March 2024 Council meeting (Minute C23/24.146.2.4).

However, following the year end accounts closedown, only £10,335 was available to include in the transfers (to ensure the Net Revenue Expenditure figure remained at our agreed minimum of £77,790). The following transfers were made:

Transfers from Cost Centres to EMRs

The Professional Support Earmarked Reserve (345) was increased by £1,093.

The Court Bushes Sinking Fund Earmarked Reserve (380) was increased by £7,000.

The Christmas Lights Earmarked Reserve (395) was increased by £2,242.

Earmarked Reserves at 31 March 2024 following bank interest and year end transfers:

Code	Description	New Balance £
311	Maintenance Van and Equipment	2824
320	Cemetery	24109
335	South Avenue	27544
345	Professional Support	7137
350	Hurst Meadows S106	307966
355	Hurst Meadows Access	5780
360	Millennium Gardens	7624
380	Court Bushes Sinking Fund	36043
390	Youth Facilities	5186
391	Health and Wellbeing Project	1038
395	Christmas Lights	3175

5. General Reserve

The Council adopted a Reserves Policy which agreed the following objective in terms of the General Reserve:

Hurstpierpoint and Sayers Common Parish Council aim to maintain the general reserve at a minimum of 3 months net revenue expenditure (NRE) and review this level at least annually as part of the budget setting process.

**NRE is defined as the precept less any loan repayments and/or amounts included for capital projects and transfers to earmarked reserves.*

For 2024/25, the calculation to find the NRE equates to:

Precept	£318,161
Less: loan repayments	£0
Less: Budgeted capital projects	£0
Less: Budgeted EMR transfers	£7,000 (Court Bushes Sinking Fund)

Equals NRE £311,161 Three months of this figure equates to £77,790.

Subject to any further changes required at the Internal Audit on 1 May 2024, at 31 March 2024 the Parish Council will have a general reserve (Code 310) of £77,790.

The Parish Council may choose to adjust any of the existing EMR's further to either reduce the General Reserve or increase the General Reserve to support the planned projects in 2024/2025.

RECOMMENDATION: In order to complete the year end accounts for 1 April 2023 to 31 March 2024, the Committee is asked to NOTE:

- i. the final adjustments made at the year end for accruals, creditors and receipts in advance;
- ii. the bank interest allocations made to Earmarked Reserves as per the Savings and Investment Policy (as agreed at the 14 March 2024 Finance, Governance and Estates Committee (Minute F23/24.140); and
- iii. the final transfers made to the earmarked reserves.