

Explanation of significant variances in the accounting statements - Section 2

Parish Council name: WHESSOE PARISH COUNCIL.

Please explain any variances of more than 15% between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. We also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below, or complete a separate schedule if more space is required.

Section 2	2018/19 £	2019/20 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 Precept	5,427	5,427	0	
Box 3 Other income	5,041	53,300	48,260	See separate schedule
Box 4 Staff costs	1,104	3,406	2,300	From July 2019 the Council employed a clerk on the basis of 10 hours per week. The variance is 9 months salary.
Box 5 Loan interest/ capital	0	0	0	
Box 6 Other payments	10,366	63,503	53,140	See separate schedule
Box 7 Balances carried forward	16,156	7,974	8,180	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. See separate schedule
Box 9 Fixed assets & long term assets	127,000	127,000	0	Explain all movements in this category and not just those above 15%
Box 10 Total borrowing	0	0	0	

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Separate Schedule for Boxes 3 (other Income), 6 (other payments) and 7 (Balances carried forward)

In November 2018 Whessoe Parish Council discovered significant water damage to the floor in the Parish Hall they own and maintain. The work needed required removal of the floor, kitchen, disabled toilet, and various other building works to make the hall watertight. Initially the Council planned to carry out the work using surplus funds from previous years but applied for grants from various sources.

The Council was successful with grants from Sport England (£22k), Lottery (£10k) and the Banks Group (£1.5k). These grants, together with surplus funds from previous years and money raised from increased use of the hall, were sufficient to completely refurbish the hall and provide improved disabled access and improved facilities such as new unisex toilets, a disabled toilet with baby changing facilities, a new sound system and kitchen.

The Council followed its Financial Regulations, inviting tenders for the main works and keeping detailed records of all receipts and payments. This was made available to the internal auditor on her last visit.

The variances are wholly due to the receipt of grants, use of surplus funds and increase in hall usage and cost of the building works.