## Explanation of variances – pro forma

Name of smaller authority:

County area (local councils and parish meetings only):

**Insert figures from Section 2 of the AGAR in all Blue highlighted boxes**

**Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:**

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

| | 2021/22 £ | 2022/23 £ | Variance £ | Variance % | Explanation Required? | Automatic responses trigger below based on figures input, **DO NOT OVERWRITE THESE BOXES** | **Explanation from smaller authority (must include narrative and supporting figures)** |
|---|---|---|---|---|---|---|---|
| 1 Balances Brought Forward | 153,668 | 131,996 | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | 41,803 | 68,500 | 26,697 | 63.86% | YES | | In 2021-22 the Council had a year-end deficit of £21,671, this was due to both reduced income (notably Cemetery income) and increased costs (notably staffing costs due to increased activities)- see previous AGAR for fuller explanation. It was therefore agreed by the Council that an increased precept would be required to provide a balanced budget for 2022-23 onwards. The budget and associated precept request was properly considered at meetings during December 2021 and January 2022 and a precept demand of £68,500 was confirmed at the meeting on 20 January 2022 extract from minutes below. '22.021 Parish Council Finance 22.021.1 It was resolved to accept the proposed budget for 2022-2023. Total receipts £113,550, total payments £112,986 leaving a small surplus of £564. 22.021.2 It was unanimously resolved that the precept demand to be made to Tendring District Council for 2022-2023 would be £68,500. Proposer Cllr Marshall, Seconded by Cllr Mason.' |
| 3 Total Other Receipts | 44,808 | 33,108 | -11,700 | 26.11% | YES | | See attached worksheet for line by line explanation. In 2021-22 we reclaimed £16,272 in VAT which covered more than a full year and included refunds from some large projects. In 2022-3 the VAT refund claimed covered the period January-March 2022 only and was £2462 a difference of £13,800. There was also a drop in grant income of £3580 and income for contracts with Essex County Council c£1400- a total drop in these areas of -£18,792. There were increases compared with the previous year of £7093 (made up of £3500 for floral display sponsorship and £2750 in donations towards professional fees, plus £c500 for contribution to the Village Hall Caretaker salary (paid by Ardleigh Village Hall). £100 in bank interest, £240 in cemetery fees) |
| 4 Staff Costs | 42,202 | 37,373 | -4,829 | 11.44% | NO | | |
| 5 Loan Interest/Capital Repayment | 0 | 0 | 0 | 0.00% | NO | | |
| 6 All Other Payments | 66,081 | 60,609 | -5,472 | 8.28% | NO | | |
| 7 Balances Carried Forward | 131,996 | 135,622 | | | NO | VARIANCE EXPLANATION NOT REQUIRED | |
| 8 Total Cash and Short Term Investments | 131,996 | 133,161 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 9 Total Fixed Assets plus Other Long Term Investments and | 187,497 | 187,497 | 0 | 0.00% | NO | | |
| 10 Total Borrowings | 0 | 0 | 0 | 0.00% | NO | | |

**Rounding errors of up to £2 are tolerable**

**Variances of £200 or less are tolerable**

Total other receipts itemised

| | 21-22 | 22-23 | difference | |
|---|---|---|---|---|
| VAT refund | 16,272.38 | 2,462.09 | -13,810 | |
| Grants | 4,707.00 | 1,127.00 | -3,580 | |
| ECC verge cutting/ devolution pilot g | 5,995.06 | 4,593.32 | -1,402 | **-18,792** |
| Recreation Ground Contribution | 2,000.00 | 2,000.00 | 0 | |
| Bank Interest | 59.50 | 159.12 | 100 | |
| Burial and memorial fees | 7,210.00 | 7,450.00 | 240 | |
| VH salary contribution | 8,064.11 | 8,567.29 | 503 | |
| Legal Fund donations | 0.00 | 2,750.00 | 2,750 | |
| Floral display and other-Sponsorship | 500.00 | 4,000.00 | 3,500 | **7,093** |
| **Total other receipts** | **44,808.05** | **33,108.82** | **-11,699** | |
| difference | | | | **-11,699** |

## Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

| | £ | £ | £ |
|---|---|---|---|
| **Earmarked reserves:** | | | |
| **Earmarked reserves**: | | | |
| Cemetery extension | 71,000.00 | | |
| Staff sickness/cover | 1,700.00 | | |
| Village Hall | 2,700.00 | | |
| | | 75400 | |
| **General reserve** | 60223.07 | | |
| | | 60223 | |
| **Total reserves (must agree to Box 7)** | | | **135623** |

# Bank reconciliation – pro forma

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to E headed "Year ending 31 March 20xx" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a re basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority: Ardleigh Parish Council

County area (local councils and parish meetings only): Essex

**Financial year ending 31 March 20xx**

Prepared by (Name and Role): Rachel Fletcher, Clerk and RFO

Date: 11/05/2023

| | £ | £ |
|---|---|---|
| **Balance per bank statements as at 31/3/32:** | | |
| Barclays Current a/c 3423 | 40,229.93 | |
| Barclays Business Saver (Deposit) a/c 3474 | 24,351.82 | |
| Barclays General Reserve (Cemetery Extension) 76 | 71,041.32 | |
| [add more accounts if necessary] | | |
| | | 135,623.07 |
| Petty cash float (if applicable) | | - |
| Less: any unpresented cheques as at 31/3/23 **(enter these as negative numbers)** | | |
| none | | |
| [add more lines if necessary] | | |
| | | - |
| Add: any un-banked cash as at 31/3/23 | | |
| none | | |
| | | - |
| **Net balances as at 31/3/xx (Box 8)** | | **135,623.07** |