

Explanation of significant variances in the accounting statements - Section 1

Local council name: COSTESSEY TOWN COUNCIL

The Practitioners' Guide (paragraphs 2.15 to 2.27) provides guidance on explaining significant variances. (This is not just a matter for the audit, as it is good practice for the Council to be provided with explanations for differences between one year's income/expenditure and the next, and between budgeted and actual income/expenditure in a year, as part of the normal budgetary control arrangements and when setting the precept.)

Please explain any variances of more than 15% between the totals for individual boxes in Section 1. 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 1	2013/14 £	2014/15 £	Variance (+/-) £	Detailed explanation of variance (please include monetary values (to nearest £10))
Box 2 Precept	453, 672	487, 244	7.4%	
Box 3 Other income	543, 767	590, 589	8.61%	
Box 4 Staff costs	-190, 608	-209, 824	10.08%	
Box 5 Loan interest/ capital	-92, 226	-70, 773	-23.26%	ONE PWLB LOAN REPAYED. (3 OUTSTANDING)
Box 6 Other payments	-681, 919	-996, 720	46.16%	REVENUE COSTS AT NEW WEST COSTESSEY HALL; INCREASE IN MAINTENANCE CONTRACTS, TRAVEL COSTS, TELEPHONE + I.T. COSTS, STATIONERY COSTS, YOUTH WORK SUPPORT, UTILITY BILLS INCREASED
Box 7 Balances carried forward	618, 603	419, 119	-32.25%	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. BREAKDOWN OF EMRS ATTACHED (ON BALANCE SHEET)
Box 9 Fixed assets & long term assets	3,430, 997	4,103, 617	19.6%	ACQUISITION OF 2 EXTRA BUS SHELTERS PLUS COMPLETION OF WEST COSTESSEY PLUS NEW FIXTURES + FITTINGS AT NEW HALL PLUS JOHN DEERE LOADER ATTACHMENT
Box 10 Total borrowing	943, 636	909, 508	-3.62%	