

Wem Rural Parish Council, Shropshire

Explanation of significant variances in the accounting statements – Section 2 of the Annual Governance and Accountability Return Accounts for the year ended 31 March 2020.

Please provide **full explanations, including numerical values**, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 1	2018/19 £	2019/20 £	Variances (+/-) £	Detailed explanation of variances
Box 1	77,678	81,936		
Box 2 Precept	26,000	26,263	263	-
Box 3 Other income	555	6,535	5,980	National Lottery grant for £5,780 for 3 defibrillators, £49 additional interest, £290 contribution by local donations for planters and reduction of £139 in VAT reclaimed
Box 4 Staff costs	8,798	9,307	509	-
Box 5 Loan interest/capital	NIL	NIL	-	
Box 6 Other payments	13,499	29,245	15,746	Additional £2,032 for communication (newsletter and notice board), £6,190 towards 3 defibrillators, £4,433 increase of fixed assets, £4,300 towards SmartWater kits for residents, increase of VAT £2,250, Architect plans for new car park £590 and contribution to community beacon £519 less reduction in community grants of £4,400.
Box 7	81,936	76,182		
Box 8	81,936	76,182		
Box 9 Fixed assets & long term assets	18,216	22,649	4,433	£695 (new notice board), £48 (presentation boards), £3,555 (traffic calming village gates) and £137 (litter picking equipment) less £2 (nominal valuation of 2 notice boards (replaced /removed)
Box 10 Total borrowing	NIL	NIL	-	
Explanation for 'high' reserves	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:			
		£	£	
	Legal Fees	500.00		
	Website	500.00		
	VAS	2,200.00		
	Community Plan Actions	4,000.00		
	Highways	1,010.00		
	Bus Shelter VAT	516.00		
	Community-Led Housing Grant	41,230.16		

	Edstaston Village Hall Refurb	11,000.00
	Community Account	290.00
	Earmarked Reserves	61,246.16
	Contingency Reserves	<u>14,936.61</u>
		<u>76,182.77</u>

April 2020