

Attachment 1.2

Explanation of significant variances in the accounting statements – AGAR Section 2

Parish Council name: **CHALTON 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.

Please see separate excel attachment as an alternative. It is at the discretion of clerks which template you choose to complete, but you must complete one of these templates as part of your return to us.

Section 2	2023/24 £	2024/25 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £100))
Box 2 <i>Precept</i>	16804	17325	521 3.1	
Box 3 <i>Other income</i>	6053	35420	29365 485.2%	Box 3 – Other Receipts 2023/24: £6,053 2024/25: £35,420 - Variance: +£29,367 (≈ 485% increase) Explanation of Variance In 2023/24, the Parish Council's receipts were lower at £6,053. These were made up of: £2,475.63 – Harmony Energy grant for school items (including 16 hrs Clerk admin) £1,200.00 – Chalton Village Association grant towards village hall grass maintenance £390.05 – Barclays saving account interest £1,987.46 – VAT refunds Total: £6,053 In 2024/25, receipts increased significantly to £35,420, due to the following additional income streams: £658.80 – Interest received on the Saver Account £2,000.00 – Grant from Chalton Village Hall Association towards grass maintenance

				£20,000.00 – Community Benefit Payment from Pivoted Power (construction of Battery Energy Storage System), allocated for playground improvements £12,513.50 – Community Benefit Payment from Harmony Tag Energy (Chapel Farm BESS project), supporting: - Installation of the <i>Chalton in the Chilterns</i> notice board - Graphics and printing - Contribution to Village Hall restoration works £247.70 – VAT refund from HMRC Total additional receipts explained: £29,367, which reconciles to the variance between 2023/24 and 2024/25.
Box 4 <i>Staff costs</i>	6140	6885	741 12.1%	N/A
Box 5 <i>Loan interest/ capital</i>	0	0		N/A
Box 6 <i>Other payments</i>	14498	56643	42145 290.7%	Box 6 – Explanation of Other Payments (2024/25) During the year, Chalton Parish Council made the following significant payments: Parish Playground Improvements £12,441.15 (excl. VAT) – Installation of new playground surface £22,660.60 (excl. VAT) – Purchase and installation of two new playground equipment items Community Project – Notice Boards £2,274.08 excl VAT – Purchase of new notice boards for the <i>Chalton in the Chilterns</i> community project Chalton PC awarding Grant to Lower School £500 – This year the PC gave Grant Aid to Chalton Lower School for assistance with their library. Hall Hire £360.00 – Introduction of regular hall hire costs for Parish Council meetings IT and Equipment £358.30 – Replacement HP laptop purchased for the Clerk £69.99 – New mobile phone purchased under Clerk's expenses in March 2025

				Website Hosting, Telephone Line Rental & Domain Registration • £493.09 Invoice Reference 31 Oct 2024 CPC-004 – The Parish Council incurred higher costs this year due to a backlog of unpaid invoices: ○ Phone line rental invoices had not been submitted since December 2021 ○ Cloud Next website hosting invoice had not been submitted since November 2022 ○ In addition, the Parish Council opted for a 2-year deal for domain registration with Cloud Next, which increased this year's total payment. Staff Costs • The Clerk's salary increased from £492.61 to £514.45 per month due to the NALC pay scale adjustment, backdated for eight months. • Additional hours were worked by the clerk contributing to an overtime payment in March of £727.26. These payments account for the variance in "Other Payments" reported in Box 6 compared to the previous year.
Box 7 <i>Balances carried forward</i>	34769	23986		If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. You do not need to explain the year-on-year variance for this box.
Box 9 <i>Fixed assets & long-term assets</i>	68736	106,683	37,947 55.2%	Box 9 – Total Fixed Assets 2023/24: £68,736 2024/25: £106,683 Variance: +£37,947 (≈ +55.2%) Explanation of Variance The increase in fixed assets from £68,736 to £106,683 is due to the following capital additions made in the 2024/25 financial year: 1. Playground Improvements – Total: £35,102.00 ○ Installation of a new Spin-a-Bounce play item ○ Replacement of existing slide play equipment

				○ Installation of new safety surface under the swings, see-saw, and new slide equipment 2. Community Project – Notice Boards – Total: £2,845.00 ○ Two new notice boards installed as part of the Chalton in the Chilterns Community Project, providing public information to Public Rights of Way (PROW) users These additions account for the total asset value increase of £37,947.
Box 10 <i>Total borrowing</i>	0	0	0	N/A