

PORLOCK PARISH COUNCIL

REPORT – RESPONSIBLE FINANCIAL OFFICER (RFO) REPORT TO EXTERNAL AUDITOR FINANCIAL YEAR: 2025/26



Date: 12 May 2026

Author: Clerk & RFO

Purpose of Report

This report has been prepared to provide explanations for significant variances in the Accounting Statements (Section 2 of the AGAR) for the year ended 31 March 2026, in accordance with audit requirements and supports the submitted .

Summary of Key Variances

1. Precept (Box 2)

- 2024/25: £93,940
- 2025/26: £117,031
- Variance: +£23,091

The increase in precept was approved to meet rising operational pressures, primarily driven by staff cost increases (£21,588). These include:

- Recruitment of an additional administrative role
- Increase of 4 hours per week in existing staff support
- Additional staffing resources to manage the Old School Centre refurbishment project

2. Other Receipts (Box 3)

- 2024/25: £37,155
- 2025/26: £68,717
- Variance: +£31,562

The increase reflects additional external income, including:

- £23,050 in grants for refurbishment of the Visitor Centre into a library extension and community hub
- £3,468 for flood equipment
- Smaller grants and increased income from donation points

3. Staff Costs (Box 4)

- 2024/25: £59,444
- 2025/26: £83,057
- Variance: +£23,613

The rise in staffing expenditure is attributable to:

- Recruitment of an additional administrative post
- Increase of 4 hours per week for existing staff
- Additional hours to support the refurbishment project
- Increased National Insurance and pension contributions

4. All Other Payments (Box 6)

- 2024/25: £91,068
- 2025/26: £121,736
- Variance: +£30,668

This increase is primarily due to:

- £23,050 expenditure on refurbishment works at the Old School Centre
- £7,385 investment in treasury stock (gilts)

5. Fixed Assets (Box 9)

- 2024/25: £230,236
- 2025/26: £253,899
- Variance: +£23,663

The increase reflects:

- A comprehensive review and update of the asset register
- Capitalisation of £23,050 refurbishment works
- Addition of £7,385 in treasury stock gilts

Balances and Reserves

- Balances brought forward: £176,179 → £156,763
- Balances carried forward: £137,718

The reduction in reserves reflects planned investment in capital works and increased operational costs, offset in part by grant income received during the year.

Conclusion

The variances identified are consistent with the Council's strategic priorities during 2025/26, particularly:

- Investment in community infrastructure (Old School Centre refurbishment)
- Increased staffing capacity to support service delivery
- Successful securing of grant funding to offset capital expenditure

All changes are supported by appropriate budget approvals and financial controls.

RFO Declaration

I confirm that:

- The figures presented are consistent with the Accounting Statements
- Variances have been fully explained in line with audit requirements
- Supporting documentation is available for audit inspection