

Section 5

c) Explanations of significant variances on the Accounting Statements

We require explanations for significant variances (increases or decreases) of more than 15% between 2015 and 2016 in Boxes 2, 3, 4, 5, 6 and 9. Variances of less than 15% or less than £250 need not be explained.

Your explanations must be quantified, i.e. state how much of the variance is covered by each specific explanation. Your explanations must ensure that the variances for each Box are explained and quantified to within 15%.

Guidance is available at paragraph 6 on the back of the 2016 Annual Return and in the *Practitioners' Guide* – available on line at the NALC website.

You can set out your explanations of variances in any way you wish, but they should be clear and complete and easy to follow.

Our suggested method of how to identify variances that require explanation, and suggested layout for providing explanations are set out below and on page 12.

Identifying which variances require explanation

Positive and negative variances must be explained

| Box on Section 2 | 2015 £ | 2016 £ | Variance Increase (+) or decrease (-) (2016 less 2015) £ | % (Variance divided by 2015 figure multiplied by 100) | Explanation required? Less than £250? - NO Less than 15% - NO More than 15% - YES |
|--|-----------|-----------|--|--|--|
| Box 2 Precept or Rates or Levies | 6848 | 6980 | + 132 | 2% | NO |
| Box 3 Total other receipts | 474 | 212 | - 262 | 55% | YES |
| Box 4 Staff costs | 2305 | 2753 | + 448 | 19% | YES |
| Box 5 Loan interest/ capital repayments | NIL | NIL | NIL | NIL | NO |
| Box 6 All other payments | 5997 | 4748 | - 1249 | 20% | YES |
| Box 9 Total fixed assets plus long term investments and assets | 24833 | 26903 | 2070 | 8% | No |