

Annual Governance and Accountability Return 2025/26 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £15 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2025/26

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report must** be completed by the authority's internal auditor.
 - **Sections 1 and 2 must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2026**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2026** Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2026
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2025/26

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Return **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities **must** publish the following information on the authority website/webpage:

Before 1 July 2026 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2025/26** approved and signed, page 4
- **Section 2 - Accounting Statements 2025/26** approved and signed, page 5

Not later than 30 September 2026 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2025/26

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments **must** be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2026
- The Annual Governance Statement (Section 1) **must** be approved before the Accounting Statements (Section 2) and evidenced by the agenda or minute references, even where approved on the same day.
- The Responsible Financial Officer (RFO) **must** certify the accounts (Section 2) before they are presented to the authority for approval. The authority **must** in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor **must** be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- Additional costs may be incurred if additional audit work is required.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2025) equals the balance brought forward in the current year (Box 1 of 2026).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2026**

| Completion checklist – 'No' answers mean you may not have met requirements | | Yes | No |
|--|--|-----|----|
| All sections | Have all highlighted boxes have been completed? | | |
| | Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor? | | |
| Internal Audit Report | Have all highlighted boxes been completed by the internal auditor and explanations provided? | | |
| Section 1 | For any statement to which the response is 'no', has an explanation been published? | | |
| Section 2 | Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval? | | |
| | Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting? | | |
| | Has an explanation of significant variations been published where required? | | |
| | Has the bank reconciliation as at 31 March 2026 been reconciled to Box 8? | | |
| | Has an explanation of any difference between Box 7 and Box 8 been provided? | | |
| Sections 1 and 2 | Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested. | | |

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2025/26

Birchwood Town Council

birchwoodtowncouncil.gov.uk

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

KEY: IA = Internal Audit

| Internal control objective | Yes | No* | Not covered** |
|---|---|-------------------------------------|-------------------------------------|
| | A. Appropriate accounting records have been properly kept throughout the financial year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | see IA reports |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| H. Asset and investments registers were complete and accurate and properly maintained. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I. Periodic bank account reconciliations were properly carried out during the year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered") | N/A | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | except for issue 3 in IA reports |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set). | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes). | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | *See 1 below |
| P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

DD/MM 03/12/2025 and 04/06/2026

JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit

JDH Business Services Ltd

Date

06/06/2026

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

Birchwood Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

| | Agreed | | 'Yes' means that this authority: |
|--|--------|-----|---|
| | Yes | No* | |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | ✓ | | prepared its accounting statements in accordance with the Accounts and Audit Regulations. |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | ✓ | | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. |
| 3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | ✓ | | has only done what it has the legal power to do and has complied with Proper Practices in doing so. |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | ✓ | | during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts. |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | | ✓ | considered and documented the financial and other risks it faces and dealt with them properly. |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | ✓ | | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority. |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | ✓ | | responded to matters brought to its attention by internal and external audit. |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | ✓ | | disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant. |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | Yes | No | N/A |
| | | | ✓ |
| 10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review. | | ✓ | has made suitable arrangements for its IT and data management and has complied with proper practices in doing so. |

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

23/06/2026

and recorded as minute reference:

MIN 058/26-27 REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

SIG SAFAIE KASSER

Clerk

SIG SAFAIE KASSER

Section 2 – Accounting Statements 2025/26 for

Birchwood Town Council

| | Year ending | | Notes and guidance |
|---|--------------------|--------------------|---|
| | 31 March 2025 £ | 31 March 2026 £ | |
| 1. Balances brought forward | 378,552 | 388,284 | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year. |
| 2. (+) Precept or Rates and Levies | 383,095 | 381,044 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 13,475 | 8,730 | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received. |
| 4. (-) Staff costs | 292,024 | 307,231 | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments | 18,470 | 17,710 | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | 76,344 | 80,825 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 388,284 | 372,292 | Total balances and reserves at the end of the year. must equal (1+2+3) - (4+5+6). |
| 8. Total value of cash and short term investments | 388,916 | 370,384 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation. |
| 9. Total fixed assets plus long term investments and assets | 620,735 | 620,267 | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March. |
| 10. Total borrowings | 40,000 | 24,000 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

| For Local Councils Only | Yes | No | |
|--|-----|----|---|
| 11 Do the figures in the accounting statements above exclude any trust transactions? | ✓ | | For guidance refer to the Practitioners' Guide sections 2.31 to 2.33. |

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

SIGNATURE RESPONSIBLE FINANCIAL OFFICER
SAFIA KAUSER

Date 08/05/2026

I confirm that these Accounting Statements were approved by this authority on this date:

23/06/2026

as recorded in minute reference:

MIN 058/26-27 CE

Signed by Chair of the meeting where the Accounting Statements were approved

SIGNATURE CHAIR
DANGER

Section 3 – External Auditor’s Report and Certificate 2025/26

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2026 and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2025/26

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2025/26

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2026

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY



Parkers Farm Community Centre
Delenty Drive, Birchwood, Warrington, WA3, 6AN

Telephone: 01925 819440 (Office)
Email: clerk@birchwoodtowncouncil.gov.uk
Website: birchwoodtowncouncil.gov.uk

PKF Littlejohn LLP (Ref: SBA Team)
30 Churchill Place
London E14 5RE
(sba@pkf-l.com)

26th June 2026

Dear External Auditor,

RE: AGAR GOVERNANCE ASSERTIONS 5 AND 10 – ‘NO’ RESPONSES

I write to provide clarification on the Council's 'No' responses to Governance Assertions 5 and 10 on the 2025/2026 AGAR.

Assertion 5 – Risk Management

The Council was unable to confirm that a risk assessment was carried out during the year. The Deputy Clerk/RFO, who oversaw this process, sadly passed away in January 2026. The annual risk assessment is normally reviewed in March, and the last completed review (March 2025) fell outside the 2025/2026 financial year. To address this, the Council will review the annual risk assessment earlier in the financial year and maintain ongoing monitoring of risks.

Assertion 10 – IT and Data Management

Although the internal auditor confirmed that appropriate policies and a Council-owned domain email address are in place, the Governance & Accountability Practitioners' Guide sets wider expectations. These include regular data audits, GDPR training, defined security measures, and a retention/disposal schedule.

The Council currently has in place:

- A Council-owned email address
- A website that meets accessibility requirements (with minor issues identified in March 2026 to be addressed)
- A published accessibility statement
- An adopted Information & Data Protection Policy (reviewed 28 October 2025)
- An IT Policy
- GDRP training for officers and members (last updated October 2025)

However, the Council acknowledges the following gaps within its current arrangements:

- An incomplete data audit schedule due to progress delayed followed the sudden death of the RFO in January 2026

- Security measures not detailed at an operational level (within policy framework)
- A retention and disposal schedule exists, but it is not referenced within the policy

For these reasons, the Council has appropriately recorded 'No' for Assertion 10. Work is now underway to revise the policy, improve data governance, complete and undertake regular data audits and supporting procedures.

We trust this provides sufficient explanation. Please contact us if further information is required.

Yours Sincerely

Safia Kauser

**Ms Safia Kauser
Locum Town Clerk/RFO
Birchwood Town Council**

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Birchwood Town Council

County area (local councils and parish meetings only):

Cheshire

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

| | £ | £ |
|---|-------------------|-------------------|
| Box 7: Balances carried forward | | 372,292.39 |
| Deduct: Debtors (enter these as negative numbers) | | |
| HMRC VAT Recoverable (Q4) | (2,018.25) | |
| | <u>(2,018.25)</u> | |
| Deduct: Payments made in advance | | |
| April-Oct 2026 HR & H&S Support Services | (2,604.00) | |
| | 0.00 | |
| | <u>(2,604.00)</u> | |
| Total deductions | | (4,622.25) |
| Add: | | |
| Creditors (must not include community infrastructure levy (CIL) receipts) | | |
| Firstcom Europe (March Invoice) | 69.18 | |
| British Gas (Gas Charges - Dalenty Farm-March Inv) | 133.53 | |
| British Gas (Electricity Charges - Dalenty Farm-March Inv) | 138.05 | |
| E-on Next - (Electricity Charges - Locking Stumps - March Inv) | 19.53 | |
| Allstar (March Fuel) Inv | 84.89 | |
| Worknest (Feb & March PAYG) Inv | 688.50 | |
| Locum Clerk - March Mileage Expenses | 276.21 | |
| Woknest - Consultant Mileage 18.3.26 | 13.50 | |
| | <u>1,423.39</u> | |
| Add: | | |
| Accruals | | |
| JDH Business Services - Year-end 25/26 internal audit-est | 450.00 | |
| PKF Little John - 25/26 - External Audit Fee | 840.00 | |
| | <u>1,290.00</u> | |
| Add: | | |
| Receipts in advance (must not include deferred grants/loans received) | - | |
| - | - | |
| - | - | |
| | <u>-</u> | |
| Total additions | | 2,713.39 |
| Box 8: Total cash and short term investments | | 370,383.53 |

Birchwood Town Council
ADJUSTMENTS FOR THE YEAR ENDING 31/03/2026

Accruals - Increase Expenditure

| | | <u>Code</u> | |
|---|---------------------------|-------------------------------|------------------|
| 25/26 - JDH Y/E Internal Audit Estimate | JDH Business Services Ltd | Audit Fees (Internal & Extern | 450.00 |
| 25/26 - External Audit Fee | PKF Littlejohn LLP | Audit Fees (Internal & Extern | 840.00 |
| | | | £1,290.00 |

Creditors - Increase Expenditure

| | | <u>Code</u> | |
|--|------------------------|--------------------------------|------------------|
| Gas Charges 25.02.26-30.03.26-Parkers Fa | British Gas Limited | Gas Charges | 133.53 |
| Elec Chrges 27.02-29.03.31- Parkers Farm | British Gas Limited | Electricity - Parkers Farm Est | 138.05 |
| Elec Charges- 01.03-31.03.26 Locking Stu | E-on Next | Electricity MUGA-Locking St | 19.53 |
| March-Telephone Costs Invoice | Firstcom Europe | Telephone & Mobile Charges | 69.18 |
| Feb & March PAYG HR Support | Worknest | HR & H&S Support Services | 688.50 |
| Consultant Mileage 18.03.2026 | Worknest | HR & H&S Support Services | 13.50 |
| March Fuel - 25.03.2026 | Allstar | Fuel for Van & Equipment | 84.89 |
| Locum Clerk-March Mileage Paid in April | Birchwood Town Council | Other Employment Costs | 276.21 |
| | | | £1,423.39 |

Prepayments - Decrease Expenditure

| | | <u>Code</u> | |
|--|----------|---------------------------|------------------|
| April-Oct 2026 (Prepaymnt) SeeNov'25 inv | Worknest | HR & H&S Support Services | 2,604.00 |
| | | | £2,604.00 |

Birchwood Town Council

BALANCE SHEET

31/03/2026

| <i>(Last) Year Ended</i> 31 Mar 2025 | | <i>(Current) Year Ended</i> 31 Mar 2026 |
|---|---|--|
| £ | CURRENT ASSETS | £ |
| | Stocks and stores | |
| | Work in progress | |
| 3,148.83 | Debtors (Net of provision for doubtful debts) | 2,604.00 |
| | Prepayments | |
| 698.83 | Temporary lendings (investments) | |
| | VAT | 2,018.25 |
| | BANK BALANCES | |
| 0.00 | The Co-operative Business Sel | 10,550.49 |
| 0.00 | The Co-operative Bank Charity | 80,455.34 |
| -56,972.48 | Nationwide Business Instant Sa | 279,284.45 |
| 43.50 | Petty Cash | 93.25 |
| 435,441.23 | The Co-operative Bank Commu | 0.00 |
| 10,403.57 | The Co-operative Bank Corpora | 0.00 |
| 388,915.82 | TOTAL BANKS | 370,383.53 |
| 392,763.48 | TOTAL ASSETS | 375,005.78 |
| | CURRENT LIABILITIES | |
| 4,479.51 | Creditors | 1,423.39 |
| 0.00 | Receipts in Advance | 0.00 |
| 0.00 | Accruals | 1,290.00 |
| 0.00 | VAT | 0.00 |
| 4,479.51 | TOTAL LIABILITIES | 2,713.39 |
| <u>388,283.97</u> | NET ASSETS | <u>372,292.39</u> |
| | Represented by: | |
| 242,879.56 | General fund Balance | 105,724.71 |
| | Reserves: | |
| | Capital Reserves | 0.00 |
| 0.00 | Earmarked Reserves | |
| 34,301.50 | Community Development Fund | 41,682.40 |
| 0.00 | Capital Equipment & Renewals | 62,880.29 |
| 11,256.99 | Elections | 11,256.99 |
| 0.00 | Contingency HR & Legal | 30,000.00 |
| 0.00 | Contr Nxt YR Budget-EM Reser | 120,748.00 |
| 69,845.92 | General Equipment | 0.00 |
| 30,000.00 | Contingency Fund | 0.00 |
| 145,404.41 | | 266,567.68 |
| | Adjustments | |
| <u>388,283.97</u> | | <u>372,292.39</u> |

The above statement represents fairly the financial position of the council as at 31 Mar 2026

Signed _____
Responsible Financial Officer

Date _____

Birchwood Town Council
Income & Expenditure Account
01/04/2025 to 31/03/2026

| <i>(Last) Year Ended</i> 31 Mar 2025 | | <i>(Current) Year Ended</i> 31 Mar 2026 |
|---|------------------------------|--|
| | <u>Income</u> | |
| 395,208.66 | 1 - Council Income | 390,252.85 |
| | Administration-Town Council | -479.23 |
| 1,361.53 | Restated | |
| <u>£396,570.19</u> | | <u>£389,773.62</u> |
| | <u>Expense</u> | |
| 92,988.23 | Subs & Professional Services | 15,679.37 |
| 292,023.68 | Employment Costs | 307,783.00 |
| | Parkers Farm Estate | 22,162.42 |
| | Open Spaces Maintenance | 12,458.87 |
| | Administration-Town Council | 39,829.94 |
| | Floral Displays & Planting | 3,317.60 |
| | Grants, Publicity & Events | 4,534.00 |
| 1,826.18 | Restated | |
| <u>£386,838.09</u> | | <u>£405,765.20</u> |
| | <u>General Fund</u> | |
| 226,551.87 | Balance at 01 Apr 2025 | 242,879.56 |
| <u>396,570.19</u> | ADD Total Income | <u>389,773.62</u> |
| 623,122.06 | | 632,653.18 |
| <u>386,838.09</u> | DEDUCT Total Expenditure | <u>405,765.20</u> |
| 236,283.97 | | 226,887.98 |
| -6,595.59 | DEDUCT Reserves Balance | <u>121,163.27</u> |
| <u>£242,879.56</u> | Balance at 31 Mar 2026 | <u>£105,724.71</u> |
| | Reserves: | |
| | Earmarked Reserve Balance | £266567.68 |

Birchwood Town Council
Reserves Balance up to 31st Mar 2026
2025-2026

| <u>Reserve</u> | <u>OpeningBalance</u> | <u>Transfers</u> | <u>Spend</u> | <u>Receipts</u> | <u>CurrentBalance</u> |
|------------------------------|-----------------------|-------------------|-----------------|-----------------|-----------------------|
| Earmarked | | | | | |
| Community Development Fund | 34,301.50 | 10,698.50 | 3,317.60 | | 41,682.40 |
| Capital Equipment & Renewals | 69,845.92 | -2,845.92 | 4,119.71 | | 62,880.29 |
| Elections | 11,256.99 | 743.01 | 743.01 | | 11,256.99 |
| Contingency HR & Legal | 30,000.00 | | | | 30,000.00 |
| Contr Nxt YR Budget-EM Reser | | 120,748.00 | | | 120,748.00 |
| Total Earmarked | 145,404.41 | 129,343.59 | 8,180.32 | | 266,567.68 |
| TOTAL RESERVE | 145,404.41 | 129,343.59 | 8,180.32 | | 266,567.68 |
| GENERAL FUND | | | | | 105,724.71 |
| TOTAL FUNDS | | | | | 372,292.39 |

Birchwood Town Council

TRIAL BALANCE

2025-2026

| Code | Title | Income | Expenditure |
|------|--------------------------------|------------|-------------|
| | Cash in hand | 370,383.53 | |
| | VAT recoverable | 2,018.25 | |
| | Debtors | 0.00 | |
| | Prepayments | 2,604.00 | |
| | Stocks and stores | 0.00 | |
| | Creditors | 1,423.39 | |
| | Receipts in Advance | 0.00 | |
| | Accruals | 1,290.00 | |
| 1 | Precept | 381,044.00 | 0.00 |
| 2 | Bank Interest | 7,264.85 | 0.00 |
| 3 | Vat Refund | 0.00 | 0.00 |
| 4 | Other | 1,544.00 | 0.00 |
| 5 | Water | 0.00 | 1,601.00 |
| 6 | Insurance - Town Council | 0.00 | 5,501.46 |
| 7 | Insurance Ill Health Liability | 0.00 | 3,891.71 |
| 8 | Misc & Refreshment Costs | -479.23 | 20.57 |
| 9 | Flowers, Planters & Basket: | 0.00 | 3,317.60 |
| 10 | Training - Staff & Councillor | 0.00 | 1,425.00 |
| 11 | Grants inc S137 | 0.00 | 4,534.00 |
| 12 | Bank and FD Online charge | 0.00 | 583.60 |
| 13 | Public Works Loan Board (F | 0.00 | 17,710.00 |
| 14 | Maint & Repairs Parkers Fa | 0.00 | 4,242.91 |
| 15 | Staffing Costs | 0.00 | 184,455.84 |
| 16 | Pension Contributions | 0.00 | 62,119.82 |
| 17 | Elections | 0.00 | -1,486.02 |
| 18 | Gas Charges | 0.00 | 1,185.40 |
| 19 | Electricity - Parkers Farm E | 0.00 | 1,613.28 |
| 20 | Cleaning Contract Services | 0.00 | 5,716.79 |
| 21 | Vehicle Tax | 0.00 | 1,631.25 |
| 22 | Audit Fees (Internal & Exter | 0.00 | 4,180.33 |
| 23 | IT Support & Equipment | 0.00 | 4,119.71 |
| 24 | HR & H&S Support Service | 0.00 | 7,044.65 |
| 26 | Postage | 0.00 | 9.25 |
| 27 | Chairmans Allowance | 0.00 | 0.00 |
| 28 | Electricity MUGA-Locking S | 0.00 | 247.26 |
| 29 | HMRC PAYE Contributions | 0.00 | 60,654.92 |
| 30 | Occupational Health Servic | 0.00 | 2,445.00 |
| 31 | Payroll Service | 0.00 | 810.40 |
| 32 | Subs & ICO Fee | 0.00 | 2,018.00 |
| 33 | Data Protection Service | 0.00 | 1,687.00 |
| 34 | Waste Carrier Reg Fee | 0.00 | 125.00 |
| 35 | Fuel for Van & Equipment | 0.00 | 3,473.71 |
| 36 | Van Tracker & Cameras | 0.00 | 575.74 |
| 37 | Vehicles-Maint & Repairs | 0.00 | 4,717.27 |
| 38 | PPE - Workwear-Uniform | 0.00 | 567.38 |
| 39 | Stationary & Toners | 0.00 | 966.10 |
| 40 | Copier-Charges & Lease | 0.00 | 1,233.00 |
| 41 | Finance Software | 0.00 | 1,068.00 |
| 42 | Website inc host/domain fe | 0.00 | 550.00 |
| 43 | Janitorial Supplies & Mat Cl | 0.00 | 748.48 |

| Code | Title | Income | Expenditure |
|--------------------|-----------------------------|-------------------|-------------------|
| 44 | Legionella Testing | 0.00 | 389.00 |
| 45 | Gas Cert & Boiler Service | 0.00 | 95.00 |
| 46 | PAT Testing | 0.00 | 78.20 |
| 47 | Fire Alarm & Extinguishers | 0.00 | 1,018.46 |
| 48 | Emergency Lighting | 0.00 | 279.59 |
| 49 | Burglar Alarm & Keyholding | 0.00 | 758.22 |
| 50 | Telephone & Mobile Charge | 0.00 | 1,436.44 |
| 51 | Bins & Waste Collection | 0.00 | 596.72 |
| 52 | Materials/Supplies for Oper | 0.00 | 1,133.51 |
| 53 | EICR Testing & Remedial V | 0.00 | 1,920.00 |
| 54 | Equipment & Repairs - Ope | 0.00 | 239.00 |
| 55 | Defibrillator costs | 0.00 | 265.00 |
| 56 | Trees Surveys & Maintenan | 0.00 | 1,325.00 |
| 57 | Office Admin & Equipment | 0.00 | 373.23 |
| 58 | Barn Storage Fees | 400.00 | 0.00 |
| 59 | Civic Newsletter | 0.00 | 0.00 |
| 60 | Other Employment Costs | 0.00 | 552.42 |
| 61 | Promotional & Marketing | 0.00 | 0.00 |
| | Opening General Fund | 242,879.56 | |
| | Capital Reserves | 0.00 | |
| | Earmarked Reserves | 266,567.68 | |
| | Reserves Transfers | | 129,343.59 |
| | Reserves Spend | 8,180.32 | |
| | Reserves Receipts | | 0.00 |
| GROSS TOTAL | | 910.114.57 | 910.114.57 |

Birchwood Town Council
ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an INCOME and EXPENDITURE basis.

| Box No. | Description | 31/03/2025 £ | 31/03/2026 £ | Variance £ | Variance % | Explanation Required? | Notes |
|---------|--|-----------------|-----------------|---------------|---------------|--------------------------|--|
| 1 | Balances brought fwd | 378551.87 | 388283.97 | | | | BALANCE B/F AGREES |
| 2 | Annual precept | 383095.00 | 381044.00 | -2051.00 | 1% | No | |
| 3 | Total other receipts | 13475.19 | 8729.62 | -4745.57 | 35% | Yes | In 2024/25 council received £10,213.66 bank interest. This year 2025/2026 the bank interest income has dropped to £7,264.85 (variance of £2,948.81) due to the bank interest rates. In last years accounts there was an adjustment of £1,361.53 where income was restated due to a prior year adjustment (reversed) for the previous year. This year we have had no adjustments for income. In the last year 2024/25 the council received a one-off income of £500 of contribution towards a bench and this year the council has not received any bench contributions. |
| 4 | Staff Costs | 292023.68 | 307230.58 | 15206.90 | 5% | No | |
| 5 | Loan interest/capital repayments | 18470.00 | 17710.00 | -760.00 | 4% | No | |
| 6 | Total other payments | 76344.41 | 80824.62 | 4480.21 | 6% | No | |
| 7 | Balances carried forward | 388283.97 | 372292.39 | -15991.58 | 4% | No | |
| 8 | Total Cash and Short Term Investments | 388915.82 | 370383.53 | -18532.29 | 5% | No | |
| 9 | Total Fixed Assets and Long Term Investments | 620735.32 | 620266.78 | -468.54 | 0% | No | |

Birchwood Town Council
ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an INCOME and EXPENDITURE basis.

| Box No. | Description | 31/03/2025 £ | 31/03/2026 £ | Variance £ | Variance % | Explanation Required? | Notes |
|----------------|--------------------|-------------------------|-------------------------|-----------------------|-----------------------|----------------------------------|---|
| 10 | Total Borrowings | 40000.00 | 24000.00 | -16000.00 | 40% | Yes | The outstanding Loan Balance as at 31.03.2026 was £24,000 confirmed as per PWLB Statement on file |

This report is intended as a guide to the variances you may need to explain. The specific requirements vary between external auditors so please check the requirements shown on the pro forma provided to your council

Please note a breakdown of approved reserves will also be required if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2)

Explanation of variances – pro forma

Name of smaller authority: **Birchwood Town Council**

County area (local councils and parish meetings only):

Insert figures from Section 2 of the AGAR in all **Blue** highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- variances of £100,000 or more require explanation regardless of the % variation year on year;
- **New from 2025/26 onwards:** variances of £500,000 or more in Box 3 require explanation regardless of the % variation year on year for smaller authorities with income and/or expenditure exceeding £6,500,000

| | 2024/25 £ | 2025/26 £ | Variance £ | Variance % | Explanation Required? | Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES | Explanation from smaller authority (must include narrative and supporting figures) |
|--|--------------|--------------|---------------|---------------|--------------------------|--|--|
| 1 Balances Brought Forward | 378,552 | 388,284 | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | 383,095 | 381,044 | -2,051 | 0.54% | NO | | |
| 3 Total Other Receipts | 13,475 | 8,730 | -4,746 | 35.22% | YES | | In 2024/25 council received £10,213.66 bank interest. This year 2025/2026 the bank interest income has dropped to £7,264.85 (variance of £2,948.81) due to the bank interest rates. In last years accounts there was an adjustment of £1,361.53 where income was restated due o a prior year adjustment (reversed) for the previous year. This year we have had no adjustments for income. In the last year 2024/25 the council recieved a one-off income of £500 of contribution towards a bench and this year the council has not recieved any bench contributions |
| 4 Staff Costs | 292,024 | 307,231 | 15,207 | 5.21% | NO | | |
| 5 Loan Interest/Capital Repayment | 18,470 | 17,710 | -760 | 4.11% | NO | | |
| 6 All Other Payments | 76,344 | 80,825 | 4,480 | 5.87% | NO | | |
| 7 Balances Carried Forward | 388,284 | 372,292 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 8 Total Cash and Short Term Investments | 388,916 | 370,384 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 9 Total Fixed Assets plus Other Long Term Investments and Assets | 620,735 | 620,267 | -469 | 0.08% | NO | | |
| 10 Total Borrowings | 40,000 | 24,000 | -16,000 | 40.00% | YES | | The outstanding Loan Balance as at 31.03.2026 was £24,000 confirmed as per PWLB Statement on file |

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)