

Introduction

1. This report sets out the Council's accounts for 2025-26. It compares the final outturn figures with the original budget for the year and the forecast produced as part of the budget process.
2. The proposed financial submission to the Council's external auditors is also attached for approval.

Background

3. The Council's financial year runs from 1 April to 31 March. It is required to keep its accounts for that period in accordance with legal requirements, to report them for approval by the Council within three months of the year end, and to submit an annual return to its external auditors to a similar timescale.
4. The Council is also required to employ the services of an internal auditor, who examines the accounts, reviews the Council's internal control, completes the internal audit section of the annual return, and may produce a report identifying any areas of concern to Members. This internal audit has been performed by Sandie Morris, who will be reporting independently to the Council, as required.
5. Subject to certain limited requirements, councils which turn-over less than £6.5 million per annum are not expected to comply with the accounting standards required of larger local authorities and have more freedom to determine their own form of accounts, subject to some national requirements on proper practices.

Accounts 2025-26

6. The Council's net revenue spending for 2025-26 was £395,912. This can be seen in detail in the Income and Expenditure Account set out at Appendix 1. The resulting effect on the Council's balance sheet can be seen at Appendix 2.
7. This net spending of £395,912 compares with £400,301 in the previous year, an approved budget of £609,579 and a forecast made at the time the 2026-27 budget was prepared of £566,649. This is set out in more detail in Appendix 3.
8. Explanations of the major variations between the original budget and the forecast were included in a series of budget reports to this Committee and its Sub-Committees during

December 2025 and January 2026. Details of the major variations from the forecast that was made at the time the 2026-27 budget was prepared are set out later in the report.

9. In a number of cases identified below, spending was originally anticipated and provided for in 2025-26, but that expenditure has been delayed until the current year. In such cases I have recommended that the budgets be rolled forward to the new financial year to meet the costs when they are incurred. A figure of £59,065 has been contributed to the Rollover Reserve to allow this transfer between years to happen. The details of the makeup of this reserve are set out in the explanation of variances below.

Explanation of Variances from Forecast

10. Appendix 3 shows that the Council's net expenditure for 2025-26 was £170,737 less than forecast at the time the budget was prepared in January. Of this, £162,987 relates to budgets carried forward into the current financial year either via rollovers of a contribution to earmarked reserves, leaving a true variance of £7,750 underspent.
11. Details of significant variances from forecast and proposals for rollover are set out below:
12. **Frank Jordan Centre (net £1,540 overspent)** – This was mainly due to a large one-off water bill, partially offset by additional income.
13. **Stone Station (net £15,239 underspent)** – This is largely due to the final phase of the Council planned work on roof repairs not taking place, and planned painting not taking place due to delays in making suitable arrangements with Network Rail. A sum of £17,000 to complete this work has been rolled forward into 2026-27. In addition, unexpected boiler repairs added £1,687 to costs in the year.
14. **Bus Shelters and Street Furniture (£2,706 underspent)** – Some recurring maintenance tasks and repairs were not undertaken in the year, including painting benches and washing bus shelters. A sum of £1,300 for bus shelters has been rolled forward to 2026-27.
15. **Building Maintenance (£18,000 underspent)** – This unspent provision has been rolled forward into 2026-27.
16. **Grounds Maintenance (£1,158 underspent)** – Annual bridge painting not undertaken in 2025-26.
17. **Crown Meadow Improvements (£4,000 underspent)** – This was due to the new pathway project, replanting of borders and replacement of the lock gate were not undertaken in 2025-26. £4,160 has been rolled forward into the 2026-27 budget to cover the cost of these items.
18. **Allotments (£2,828 underspent)** – This largely relates to an unused allotment clearance contingency provision (£500) and an underspending against the provision for asbestos removal (£1,825). This latter amount of £1,825 has been rolled forward into 2026-27.

19. **Accommodation (£5,243 underspent)** – The underspending is due to the Borough Council not having yet prepared a lease for the Town Council’s use of additional office space. The Town Council is currently paying at the previous rate until the lease is signed.
20. **Insurances (£1,627 underspent)** – This largely relates to a credit received due to the revaluation of the Frank Jordan Centre, Stone Station and the Heritage Centre.
21. **Administration (£16,780 underspent)** – Expenditure against this budget is irregular between years due mainly to IT lifecycles. In this case, the Council’s four-year IT refresh was delayed from 2025-26 into 2026-27, and the provision for spending on the costs of setting up the additional accommodation has been delayed due to the delay in the lease being prepared by Stafford Borough. The underspend has been rolled forward into 2026-27.
22. **Stone Heritage Centre Capital (£73,922 underspent)** – There has been no capital spending on this project in 2025-26, with all spending being met from the running costs budget. This sum has been transferred into an earmarked reserve, rather than being rolled forward. Spending from this reserve will need the specific approval of the General Purposes Committee.
23. **Town Centre Improvements (£30,000 underspent)** – There has also been no spending on this project in 2025-26. This sum has also been transferred into an earmarked reserve, rather than being rolled forward. Spending from this reserve will again need the specific approval of the General Purposes Committee.

Audit Submission

24. The completed financial statement to be submitted to the Council’s external auditors is attached at Appendix 4 and the summary year-end bank reconciliation which will accompany it is at Appendix 5. It should be noted that the net expenditure shown in the audit return is £532 different than set out in other parts of this report. This is because the Mayor’s Charity Fund is required to be included within the accounts for external reporting purposes, but it is excluded from internal income and expenditure reports for the sake of clarity.

Recommendations

25. The Council are recommended to:
 - a. Approve the Council’s Accounts for 2025-26 as set out in this document, including:
 - i. the use of the rollover reserve to allow the transfer of budgets between financial years and the proposed use of those budgets in 2026-27, and,
 - ii. The transfers to earmarked reserves.
 - b. Note the variances between the forecast outturn for 2025-26 and the actual outturn, and the reasons identified for the major variances.
 - c. Approve the financial statement for submission to the Council’s external auditors.

Stone Town Council

Income and Expenditure Account 2025-26

2024-25			2026-27	
£	£		£	£
Income				
55,973		Frank Jordan Centre	41,710	
6,279		Stone Station	10,036	
14,089		Town Market	15,580	
4,379		Allotments	4,813	
6,665		Tourism & Town Promotion	6,831	
117		Administration	88	
1,292		Civic Dinner & Hospitality	1,314	
-		Miscellaneous	-	
6,640		Interest	5,379	
	95,433	Total Income		85,750
Expenditure				
22,737		Frank Jordan Centre	26,751	
33,933		Stone Station	24,397	
7,754		Stone Heretage Centre	13,645	
11,950		Town Market	11,256	
3,497		Bus Shelters & Street Furniture	3,314	
940		Street Lighting	844	
864		Dog & Litter Bins	890	
100		Joules Clock	-	
660		Town Electricity Supply	561	
20,455		Grounds Maintenance	22,882	
7,959		Crown Meadow Improvements	930	
1,756		Allotments	2,675	
-		Environmental Initiatives	2,185	
20,153		Christmas Lights	20,978	
35,255		Tourism & Town Promotion	32,580	
2,389		Grants to Outside Bodies	5,600	
228,007		Salaries & Employment Costs	252,899	
8,087		Accommodation	4,757	
9,289		Insurances	7,373	
29,303		Administration	33,404	
2,063		Audit & Legal Fees	1,701	
-		Town Council Elections	-	
2,941		Allowances - Mayor & Deputy Mayor	3,262	
601		Regalia & Presentations	30	
3,579		Civic Dinner & Hospitality	3,973	
2,893		Remembrance Sunday & War Memorials	4,260	
492		Miscellaneous	516	
-		Neighbourhood Plan	-	
38,078		Stone Heritage Centre (Setup)	-	
	495,734	Total Expenditure		481,663
	400,301	Total Net Expenditure		395,912
Financing				
393,645		Precept	409,788	
23,739		Council Tax Support Grant	26,210	
11,461		Concurrent Functions Allowance	11,461	
37,206		Transfer from (to) Earmarked Reserves	-49,305	
	466,051	Total Financing		398,154
	65,749	Net Surplus for Year		2,242

Stone Town Council

Balance Sheet as at 31 March 2026

<u>2024-25</u>			<u>2025-26</u>	
£	£		£	£
		Current Assets		
4,897		Debtors	1,803	
3,177		Payments in Advance	2,699	
2,175		VAT Recoverable	3,498	
424,133		Cash at Bank and In Hand	469,649	
	434,381	Total Current Assets		477,650
		Current Liabilities		
32,080		Creditors	21,085	
2,639		Receipts in Advance	4,789	
8,049		Payroll Taxation	9,147	
	42,767	Total Current Liabilities		35,021
	<u>391,614</u>	Total Net Assets		<u>442,629</u>
		Represented by		
267,740		General Fund Balances	269,982	
121,262		Earmarked Reserves	170,567	
2,612		Mayor's Charity Fund	2,080	
	<u>391,614</u>	Total Reserves and Balances		<u>442,629</u>

Stone Town Council

Comparison of Actual 2025-26 with Budget and Forecast

Actual 2024-25 £		Actual Compared With Approved Budget		Actual Compared With Forecast Outturn		Report Paragraph
		Actual 2025-26 £	Variance 2025-26 £	Forecast 2025-26 £	Variance 2025-26 £	
-33,236	Frank Jordan Centre	-14,960	+8,690	-16,500	+1,540	12
27,654	Stone Station	14,361	-20,764	29,600	-15,239	13
7,754	Stone Heritage Centre	13,645	-31,605	13,650	-5	
-2,139	Town Market	-4,324	-2,304	-3,940	-384	
3,497	Bus Shelters & Street Furniture	3,314	-2,526	6,020	-2,706	14
940	Street Lighting	844	-156	1,000	-156	
864	Dog & Litter Bins	890	-10	890	-0	
100	Joules Clock	-	-	-	-	
660	Town Electricity Supply	561	-89	650	-89	
-	Building Maintenance	-	-18,000	18,000	-18,000	15
20,455	Grounds Maintenance	22,882	-2,683	24,040	-1,158	16
7,959	Crown Meadow Improvements	930	-3,190	4,930	-4,000	17
-2,623	Allotments	-2,138	-2,088	690	-2,828	18
-	Environmental Initiatives	2,185	+185	2,000	+185	
20,153	Christmas Lights	20,978	-282	20,000	+978	
28,590	Tourism & Town Promotion	25,749	-4,251	26,490	-741	
2,389	Grants to Outside Bodies	5,600	-11	5,611	-11	
228,007	Salaries & Employment Costs	252,899	-901	252,900	-1	
8,087	Accommodation	4,757	-10,253	10,000	-5,243	19
9,289	Insurances	7,373	-3,387	9,000	-1,627	20
29,186	Administration	33,316	-16,780	50,096	-16,780	21
2,063	Audit & Legal Fees	1,701	+251	1,800	-99	
-	Town Council Elections	-	-	-	-	
2,941	Allowances - Mayor & Deputy Mayor	3,262	-178	3,500	-238	
601	Regalia & Presentations	30	-170	300	-270	
2,287	Civic Dinner & Hospitality	2,659	+59	3,000	-341	
2,893	Remembrance Sunday & War Memorials	4,260	+760	3,500	+760	
492	Miscellaneous	516	-284	800	-284	
-6,640	Interest	-5,379	+221	-5,300	-79	
-	Neighbourhood Plan	-	-	0	-	
38,078	Stone Heritage Centre (Capital)	73,922	-73,922	73,922	-73,922	22
-	Town Centre Improvements	-	-30,000	30,000	-30,000	23
-	Inflation Contingency	-	-	-	-	
400,301		395,912	-213,667	566,649	-170,737	

Section 2 – Accounting Statements 2025/26 for

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	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	362,039	391,614	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	393,645	409,788	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	131,664	123,422	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	228,007	252,899	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	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	267,727	229,296	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	391,614	442,629	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	424,113	469,649	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	315,865	320,783	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	0	0	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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 REQUIRED

Date

18/05/2026

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Stone Town Council

Summary Bank Reconciliation as at 31st March 2026

BANK RECONCILIATION

Balance per bank statements as at 31 March 2026

	£	£
Current Account	1,500.00	
Business Reserve	468,148.84	
	468,148.84	469,648.84

Less: unpresented cheques at 31 March 2026

None		0.00
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Add: unbanked cash at 31 March 2026

None		0.00
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Net balances as at 31 March 2026 **469,648.84**

CASH BOOK

Opening Balance 1 April 2025 **424,132.97**

Add: Receipts in the year	563,664.98	
Less: Payments in the year	518,149.11	
	45,515.87	45,515.87

Closing balance per cash book as at 31 March 2026 **469,648.84**