



AUDITED

**Financial Statements
for the year ended
31 March 2025**

Executive Director: Resources
Simon Dix

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STATEMENT OF RESPONSIBILITIES

The Council's Responsibilities

The Council is required to:

- a. Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this council, that officer is the Executive Director: Resources.
- b. Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- c. Approve the financial statements.

The Executive Director: Resources' Responsibilities

The Executive Director: Resources is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing these financial statements, the Executive Director: Resources has:

- a. Selected suitable accounting policies and then applied them consistently.
- b. Made judgements and estimates that were reasonable and prudent.
- c. Complied with the local authority Code.

The Executive Director: Resources has also:

- a. Kept proper accounting records which were up to date.
- b. Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements on pages 2 to 84 are the relevant financial statements for the audit certificate and present a true and fair view of the financial position of the Council at the reporting date and its income and expenditure for the year ended 31st March 2025.



S J Dix

Executive Director of Resources

Date:

Signature of the presiding member at the meeting that approves the accounts (Chair of Audit & Governance Committee)

Councillor David Gray

Date:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/2024 - Restated			2024/2025			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
420	0	420		407	0	407
470	-38	432		581	-36	545
594	-3	591		582	-2	580
119	0	119		58	0	58
15,893	-6,325	9,568		15,914	-5,533	10,381
3,577	-2,378	1,199		3,267	-4,049	-782
367	-394	-27		428	-38	390
204	0	204		213	0	213
17,998	-14,974	3,024		17,592	-15,626	1,966
1,202	-106	1,096		1,234	-43	1,191
1,503	16	1,519		1,911	-10	1,901
2,798	-2,438	360		3,210	-2,757	453
45,145	-26,640	18,505		45,397	-28,094	17,303
2,809	-3,743	-934		2,779	-7,829	-5,050
951	-5,123	-4,172		1,532	-5,791	-4,259
0	-17,842	-17,842		0	-19,262	-19,262
3,760	-26,708	-22,948		4,311	-32,882	-28,571
48,905	-53,348	-4,443		49,708	-60,976	-11,268
		-204				-150
		-6				124
		10,267				-1,181
		10,057				-1,207
		5,614				-12,475

The Comprehensive Income and Expenditure Statement has been restated for a restructure which took effect February 2025, this is a presentational change only and has not effected the overall total.

Balance Sheet			
31/03/2024		Notes	31/03/2025
£'000			£'000
	Property, Plant & Equipment		
24,954	Other Land & Buildings	15	24,980
1,945	Vehicles, Plant, Furniture & Equipment	15	4,600
171	Infrastructure Assets	15	162
0	Assets Under Construction	15	91
183	Community Assets	15	183
27,253			30,016
59,776	Investment Property	16	60,386
218	Heritage Assets		218
77	Intangible Assets		51
87,324			90,671
8,371	Long Term Investments	17	8,371
1,083	Long Term Debtors	17	2,001
96,778	Total Long Term Assets		101,043
	Current Assets		
2,025	Short Term Investments	17	0
11,388	Short Term Debtors	18	16,296
6,714	Cash & Cash Equivalents	19	9,984
20,127	Current Assets		26,280
	Current Liabilities		
722	Short Term Borrowing	17	731
15,942	Short term Creditors	20	16,554
4,142	Provisions	21	3,109
20,806	Current Liabilities		20,394
96,099	Total Assets Less Current Liabilities		106,929
	Long-Term Liabilities		
40	Provisions	21	40
19,267	Long Term Borrowing	17	18,733
12,519	Net Pensions Liability	23.3	10,759
304	Other Long Term Liabilities		955
32,130	Long-Term Liabilities		30,487
63,969	Net Assets		76,442
1,000	General Fund Reserve		1,000
28,639	Earmarked Reserves	11	27,919
1,240	Capital Receipts Reserve	MIRS	1,276
170	Capital Grants Unapplied	MIRS	10
12,888	Community Infrastructure Reserve (CIL)	MIRS	20,472
43,937	Usable Reserves		50,677
9,272	Revaluation Reserve	23.1	9,323
25,561	Capital Adjustment Account	23.2	29,279
-12,519	Pensions Reserve	23.3	-10,759
1,371	Collection Fund Adjustment Account	23.4	1,486
-46	Financial Instruments Revaluation Reserve	23.6	-171
-2,531	Short-term Accumulating Compensated Absences Account	23.7	-2,442
-1,076	Pooled Investments Adjustment Account	23.5	-951
20,032	Unusable Reserves		25,765
63,969	Total Reserves		76,442

These financial statements were authorised for issue by the Executive Director: Resources on 31/05/2025.
Simon Dix



MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied & CIL £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Movement in reserves during 2024/2025							
Balance at 1 April 2024 brought forward	<u>1,000</u>	<u>28,639</u>	<u>1,240</u>	<u>13,058</u>	<u>43,937</u>	<u>20,032</u>	<u>63,969</u>
Total Comprehensive Income & Expenditure	11,268	0	0	0	11,268	1,207	12,475
Adjustments between accounting basis & funding basis under regulations (Note 10)	-11,987	0	36	7,424	-4,527	4,527	0
Increase/Decrease (movement) in Year	<u>-720</u>	<u>0</u>	<u>36</u>	<u>7,424</u>	<u>6,741</u>	<u>5,734</u>	<u>12,475</u>
Transfers to/from Earmarked Reserves (Note 11)	720	-720	0	0	0	0	0
Balance at 31 March 2025 carried forward	<u>1,000</u>	<u>27,919</u>	<u>1,276</u>	<u>20,482</u>	<u>50,678</u>	<u>25,766</u>	<u>76,444</u>

MOVEMENT IN RESERVES STATEMENT (continued)

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied & CIL £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Movement in reserves during 2023/2024							
Balance at 1 April 2023 brought forward	<u>1,000</u>	<u>27,961</u>	<u>1,577</u>	<u>9,899</u>	<u>40,437</u>	<u>29,146</u>	<u>69,583</u>
Total Comprehensive Income & Expenditure	4,443	0	0	0	4,443	-10,057	-5,614
Adjustments between accounting basis & funding basis under regulations (Note 10)	-3,765	0	-337	3,159	-943	943	0
Increase/Decrease (movement) in Year	<u>678</u>	<u>0</u>	<u>-337</u>	<u>3,159</u>	<u>3,500</u>	<u>-9,114</u>	<u>-5,614</u>
Transfers to/from Earmarked Reserves (Note 11)	-678	678	0	0	0	0	0
Balance at 31 March 2024 carried forward	<u>1,000</u>	<u>28,639</u>	<u>1,240</u>	<u>13,058</u>	<u>43,937</u>	<u>20,032</u>	<u>63,969</u>

CASH FLOW STATEMENT

2023/2024		Note	2024/2025
£'000			£'000
4,443	Net (surplus) or deficit on the provision of services		11,268
-1,297	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24	1,255
31,654	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		26,553
34,800	Net cash flows from Operating Activities		39,076
-15,748	Investing Activities	25	-33,434
-12,904	Financing Activities	26	-2,372
6,148	Net increase or decrease in cash and cash equivalents		3,270
566	Cash and cash equivalents at the beginning of the reporting period		6,714
6,714	Cash and cash equivalents at the end of the reporting period	19	9,984

1. Accounting Policies

1.1 General Principles

The financial statements summarise the Council's transactions for the 2024/2025 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare annual financial statements by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/2025 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the Finance Act 2003.

The accounting convention adopted in the financial statements is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Council prepares its financial statements on the basis that it remains a going concern; that assumes that the functions of the Council will continue in operational existence.

1.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that can be 'called' within 30 days or less, and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year (where material). The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme administered by Gloucestershire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Gloucestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, (see relevant note for further details)
- The assets of the Gloucestershire County Council pension fund attributable to the Council are included in the Balance Sheet at their bid value as required by IAS 19.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. However, the Council has a policy not to allow this.

1.5 Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the financial statements are adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the financial statements.

1.6 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on the business model for holding them and the characteristics of their cashflows. The three main classes of financial assets are measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The business model of the authority is to hold investments to collect contractual cash flows for treasury management purposes only. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of interest and principal and interest (i.e. where it isn't a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value.

They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial Assets which are in pooled funds which we can instruct to sell shares at any time are recognised on the balance sheet based on the authority's intention to hold the asset. Where the authority intends to hold the asset for several years then it will be classified as a long term asset

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The authority applies the statutory override available on these fair value gains and losses to move them from the CIES to reserves via the Movement in Reserves Statement. The gains and losses are therefore not recognised as a cost to taxpayers, until the financial asset is derecognised.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis
- Equity shares with no quoted market prices – independent appraisal of company valuations.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

The Council has made an irrevocable election to designate our equity investments to fair value through other comprehensive income (Note 17) because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

Any gains or losses are taken to the Financial Instruments Revaluation Reserve and changes in fair value are posted to Other Comprehensive Income and Expenditure.

1.7 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

The policy of this council is to recognise all grants straight away in the Comprehensive Income and Expenditure Account unless there are conditions attached to the grant that require repayment and the Council believes this is more than likely to occur based on previous experience.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, 5% of these charges may be used to fund revenue administrative costs of CIL.

1.8 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.9 Interests in Companies and Other Entities

The Council does not have any material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and would require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

1.10 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Comprehensive Income and Expenditure Account and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.11 Leases

The Council as Lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.12 Non-Current Assets Held for Sale and Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

To be classed as 'held for sale' the following criteria must be met:

- The asset is available for immediate sale in the present condition subject to terms that are usual and customary for such assets;
- The sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for a sale at a price that is reasonable in relation to the current value;
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.13 Overheads and Support Services

The costs of overheads and support services are not shown within the service segments in the Comprehensive Income and Expenditure Account as we do not report this in our management reports throughout the year.

1.14 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. If the current year amount is material (even if the comparator is not) then a prior period adjustment will be carried out if it aids understanding for the reader.

1.15 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides are for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition at its current location for its intended use, including the purchase price and any dismantling and removal costs.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

Current Value (Existing Use)	<ul style="list-style-type: none">• Where there is no market-based evidence of fair value because of the specialist nature of an asset, it is an estimate of the amount that would be paid for the asset in its existing use;• Includes assets held such as car parks, properties and offices.
Depreciated Replacement Cost	<ul style="list-style-type: none">• Represents the current cost of replacing an asset with its modern equivalent less deductions for physical deterioration and all relevant forms of obsolescence• Includes assets held such as cemetery and theatre.
Market Value	<ul style="list-style-type: none">• Items which are not held primarily for delivery of council services and which are valued at the price that would be received to sell an asset in on the open market;• No assets valued as MV in PPE, it is used for our investment properties.
Depreciated historic cost	<ul style="list-style-type: none">• Represents the cost of bringing the asset into operational use less an adjustment for depreciation. Used where a reliable estimate of its current fair value cannot be made;• Infrastructure, community assets and assets under construction.

Where the Council recognises non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued regularly to ensure that their carrying amount is not materially different from their current value at the year-end. The Council has a policy to revalue all its assets at year end to ensure their current value is reflected in the financial statements. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

The Council operates a de minimis for capital purposes of £10,000 (including groups of assets) except where a specific government grant has been received or it is an enhancement of an existing asset.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on a straight line basis over the following time periods:

- Dwellings and other buildings - the useful economic life (UEL) of the property as estimated by the valuer;
- Vehicles, plant, furniture and equipment - 3 to 25 years, which is deemed a reasonable estimation of the UEL of these types of assets;
- Infrastructure - over the UEL of the individual assets as estimated by the valuer or Project Officer.
- These assets have an estimated UEL of between 30 - 60 years
- Specialist equipment - depreciated over the useful economic life (UEL) of the asset as estimated by a suitably qualified person.
- solar panels are being depreciated over 25 years

Revaluation gains are also depreciated. An amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost, being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

The Council has taken the view that 'significant' means:

- The cost of the component is more than 25% of the cost of the asset as a whole; and
- The cost of the component is more than £500,000.

However, if depreciating the single asset as opposed to the separate components will not result in a material misstatement of either depreciation charges or the carrying amount of the asset then componentisation will not be required.

1.16 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (England and Wales). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation. They are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the financial statements.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the financial statements where it is probable that there will be an inflow of economic benefits or service potential.

1.18 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets such as, financial instruments, retirement and employee benefits and do not represent usable resources for the Council.

1.19 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

1.20 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.21 Heritage Assets

Heritage assets are held by the Council for the objective of contributing to knowledge and culture. The museum exhibits and historical sites are to provide historical understanding and appreciation of the local area and the civic regalia is held for historical and cultural appreciation of the Borough.

Where Heritage Assets have been recognised in the Balance Sheet, the measurement basis (including the treatment of revaluation gains and losses) is in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets and are accounted for as follows.

The Council does not, normally, purchase heritage assets.

Where heritage assets have been donated they are initially carried at cost. Where there is not readily identifiable evidence of cost, the Council will ask an expert (in that field) to provide an estimate of the value of those assets. Where a reliable estimate of value cannot be made (due to unique nature of heritage assets) the Council's policy is to not to disclose a value in the Balance Sheet but to disclose a note in the financial statements to explain the assets held.

Subsequently to initial disclosure, the Council uses insurance valuations of the assets as an estimation of the carrying value of these assets. Our insurance schedule is updated annually and the officer responsible for the assets held assesses whether this valuation is adequate.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

The Council does not, normally, dispose of heritage assets but if the event occurred the proceeds would be accounted for in line with the general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

1.22 Council tax and Non-Domestic rates (NDR)

Billing authorities like Tewkesbury Borough council act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be more or less than predicted.

The Council tax and NDR income included in the comprehensive income and expenditure statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's general fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the general fund is taken to the collection fund adjustment account and included as a reconciling item in the movement in reserves statement.

The balance sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

2. Accounting Standards Issued, Not Adopted

The 2024/25 Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the code. The Code also requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

The standards introduced by the 2025/26 Code which may impact the 2025/26 financial statements are:

1 IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.

The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

2 IFRS 17 Insurance Contracts issued in May 2017.

IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8.

It is not expected that these new standards will have a material effect on the accounts.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Consideration of Group Accounts

The Council joined a Local Authority owned company, Ubico Ltd, on the 1 April 2015. This company provides a range of environmental services for the Council. The company is owned by 8 local government authorities. Each council has one share interest in Ubico Ltd.

We are required to consider whether the Council has an interest in this company and whether the Council should produce group accounts.

Our conclusion is that Ubico Ltd represents a separate vehicle. However, when considering joint arrangements, under IFRS12, our assessment is that on the test of whether there is joint control per section 9.1.2.10 of the code. As decisions are made on a majority basis and do not require unanimous consent so there is no joint control.

We have then considered whether under IAS28, that we have significant influence, per 9.1.2.22 of the Code. As there are 8 equal shareholders our interest in Ubico is below the 20% threshold which is an indication of holding significant influence. Other factors which we have considered include representation on the board, participation in policy making, material transactions and management influence. Our judgement is that there is no persuasive evidence that the Council has a significant level of control over the strategic direction and operation of Ubico Ltd. Therefore, group accounts do not need to be produced.

The Council has accounted for the cost incurred in operating a service contract with Ubico Ltd and also the interest the Council has as a shareholder, however the Council's statements do not reflect any interest in assets and liabilities that we have in the company. Ubico Ltd's statement of accounts are available from Companies House.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The financial statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year (due to assumptions/judgements) are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions								
Investment Properties	Fair value measurements are used to estimate the market price of investment properties. The current economic climate makes it uncertain that the yield values used in the measurement won't change and materially impact the overall value of the property .	If the yields changed by 0.5% across the entire investment property portfolio this would result in a change of £3.1m to value of Investment Properties on the Balance Sheet.								
Restriction of Pension Asset	<p>The actuary valued the pension asset under IAS19 to be £18.9m (made up of £19.77m asset for the funded pension obligations and a £869k liability for the unfunded obligations). Under IFRIC14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, a pension asset can only be recognised if it results in a future economic benefit through refunds or a reduction in employer's contributions.</p> <p>Local authority Local Government Pension Scheme (LGPS) plans are statutorily prescribed with a specified routine process for the determination of employer contributions. No element of the surplus belongs to pension fund members, we can't obtain refunds of any surplus within the plan nor can we wind up the plan (and therefore obtain refunds). Based on this we have decided, under IAS19, the amount of pension asset we can recognise is restricted to nil (due to the asset ceiling calculation) adjusted for the agreed positive past service contributions we have agreed to pay which results in an additional liability of £29.66m.</p> <p>The present value of future cashflows uses the discount rate of 5.8% and salary increase assumption of 3.25% per annum. These are estimates provided by the actuary and any variation in these could result in substantially different figures. Using this data the actuary has calculated the following annuity figures:</p> <table border="1" data-bbox="455 1646 1315 1879"> <thead> <tr> <th data-bbox="455 1646 585 1832">Period</th> <th data-bbox="585 1646 755 1832">Perpetuity</th> <th data-bbox="755 1646 1010 1832">Remaining funding 'time horizon' for % of pay secondary rates</th> <th data-bbox="1010 1646 1315 1832">Remaining funding 'time horizon' for £ monetary amount secondary rates*</th> </tr> </thead> <tbody> <tr> <td data-bbox="455 1832 585 1879">Annuity</td> <td data-bbox="585 1832 755 1879">40.5</td> <td data-bbox="755 1832 1010 1879">12.6</td> <td data-bbox="1010 1832 1315 1879">10.1</td> </tr> </tbody> </table> <p>Using the data provided the present value of future service costs is less than the present value of future service contributions by £21.8m however due to the reasons above this can't be realised and the economic benefit is capped at nil. IFRIC14 also stated that the minimum funding requirement should be split out between future service and past service elements. Agreed past service contributions need to be recognised where they would give rise to a future surplus and not be available once paid (as a refund).</p> <p>The present value of the agreed past service contributions has been calculated to be £29.656m so added to the net asset of £19.766m would mean a new net liability figure of £9.89m once these contributions have been paid.</p>	Period	Perpetuity	Remaining funding 'time horizon' for % of pay secondary rates	Remaining funding 'time horizon' for £ monetary amount secondary rates*	Annuity	40.5	12.6	10.1	<p>Due to the material nature of these figures any changes in assumptions could result in a substantially different pension liability. If the asset ceiling was higher then a lower pension liability would be shown in the accounts.</p> <p>Local authority Local Government Pension Scheme (LGPS) plans are statutorily prescribed with a specified routine process for the determination of employer contributions. No element of the surplus belongs to pension fund members, we can't obtain refunds of any surplus within the plan nor can we wind up the plan (and therefore obtain refunds). Based on this we have decided, under IAS19, the amount of pension asset we can recognise is the lower of the surplus in the defined benefit plan and the ceiling.</p>
Period	Perpetuity	Remaining funding 'time horizon' for % of pay secondary rates	Remaining funding 'time horizon' for £ monetary amount secondary rates*							
Annuity	40.5	12.6	10.1							

Pensions Liability	<p>The assumptions under the Accounting Standard are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries/deferred pension revaluation/pension increases in payment), can have a significant effect on the value of the obligations reported.</p> <p>There is also uncertainty around life expectancy, and the value of current and future pension benefits will depend on how long pensions are assumed to be in payment. The disclosures have been prepared using the longevity assumptions stated in Note 34</p>	<p>The effects on the scheme liabilities of changes in individual assumptions can be measured and the sensitivities regarding the principal assumptions are set out below:</p> <p>The main demographic assumption is around the life expectancy of members. The actuary estimates that a one year increase in life expectancy would increase the Employer's Defined Benefit Obligation by around 3-5%.</p>	
	Change in assumptions at year ended 31 March 2025	Approx. increase to	Approx. monetary
	0.1% decrease in Real Discount Rate	2%	1,110
	1 year increase in member life expectancy	4%	2,546
	0.1% increase in the Salary Increase Rate	0%	60
0.1% increase in the Pension Increase Rate (CPI)	2%	1,081	

5. EXPENDITURE AND FUNDING ANALYSIS

2023/24 - restated						2024/25		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (Note 10)	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (Note 10)	Net Expenditure in the CIES		
£'000	£'000	£'000		£'000	£'000	£'000		
411	9	420	Chief Executive Unit	418	-10	408		
413	19	432	People, Culture and Performance	564	-19	545		
542	49	591	Transformation	615	-35	580		
113	6	119	Executive Director of Place	53	5	58		
6,729	2,839	9,568	Communities	8,262	2,119	10,381		
1,109	90	1,199	Planning	-762	-20	-782		
-19	-8	-27	Garden Communities	372	18	390		
205	-1	204	Executive Director of Resources	215	-2	213		
1,863	1,161	3,024	Corporate Resources	2,384	-418	1,966		
2,316	-1,220	1,096	Finance	1,187	4	1,191		
1,400	119	1,519	IT, Digital and Cyber	1,763	138	1,901		
285	75	360	One Legal	493	-40	453		
15,367	3,138	18,505	Net cost of services	15,564	1,740	17,304		
2,599	-3,533	-934	Other Operating Expenditure	2,780	-7,830	-5,050		
-2,771	-1,401	-4,172	Financing and Investment Income and Expenditure	-142	-4,117	-4,259		
-15,872	-1,970	-17,842	Taxation and Non-Specific Grant Income and Expenditure	-17,482	-1,780	-19,262		
-16,044	-6,904	-22,948		-14,844	-13,727	-28,571		
-678	-3,765	-4,443	(Surplus)/Deficit on Provision of Services	720	-11,987	-11,267		
28,961			Opening General Fund Balance	29,639				
678			Less surplus or (deficit) on General Fund Balance in year	-720				
29,639			Closing General Fund Balance at 31 March	28,919				
1,000			Closing Balance made up of					
28,639			General Fund Balance	1,000				
29,639			Earmarked Reserves (note 11)	27,919				
				28,919				

6. Expenditure and Funding Analysis detail

Adjustments from General Fund to arrive at the CIES amounts 2024/2025	Adjustment for Capital Purposes £'000	Net Change to the Pensions Adjustment £'000	Other Statutory Adjustments £'000	Other Non Statutory Adjustments £'000	Total Adjustments £'000
Chief Executive Unit	0	19	0	-29	-10
People, Culture and Performance Transformation	1	-2	0	-18	-19
Executive Director of Place Communities	0	-4	0	-31	-35
Planning	0	0	0	5	5
Garden Communities	2,158	-12	0	-27	2,119
Executive Director of Resources	8	-15	0	-13	-20
Corporate Resources	0	0	0	18	18
Finance	0	-1	0	-1	-2
IT, Digital and Cyber	716	-1,170	0	36	-418
One Legal	7	0	0	-3	4
Total Cost of Continuing Operations	3,034	-1,204	0	-90	1,740
Other Operating Expenditure	-7,830	0	0	0	-7,830
Financing and Investment Income and Expenditure	-4,009	625	0	-733	-4,117
Taxation and Non-Specific Grant Income and Expenditure	-1,664	0	-116	0	-1,780
Difference between General Fund surplus or deficit and CIES surplus on the provision of services	-10,469	-579	-116	-823	-11,987

6. Expenditure and Funding Analysis detail (continued)

Adjustments from General Fund to arrive at the CIES amounts 2023/2024 (restated)	Adjustment for Capital Purposes £'000	Net Change to the Pensions Adjustment £'000	Other Statutory Adjustments £'000	Other Non Statutory Adjustments £'000	Total Adjustments £'000
Chief Executive Unit	0	6	0	3	9
People, Culture and Performance Transformation	1	3	0	15	19
Executive Director of Place Communities	0	13	0	36	49
Planning	0	1	0	6	7
Garden Towns	2,724	30	0	85	2,839
Executive Director of Resources	11	19	0	60	90
Corporate Resources	0	3	0	-12	-9
Finance	0	2	0	-3	-1
Digital IT and Cyber	947	103	0	111	1,161
One Legal	7	-1,239	0	12	-1,220
Total Cost of Continuing Operations	3,783	-1,027	0	382	3,138
Other Operating Expenditure	-3,533	0	0	0	-3,533
Financing and Investment Income and Expenditure	-1,707	83	0	223	-1,401
Taxation and Non-Specific Grant Income and Expenditure	-2,633	0	664	0	-1,969
Difference between General Fund surplus or deficit and CIES surplus on the provision of services	-4,090	-944	664	605	-3,765

7. Material Items of Income and Expense

It is a requirement to disclose material sources of income for each service area. A review of the income received has identified the following:-

	2023/2024	2024/2025
	£'000	£'000
Revenues from external customers		
Rents, Lettings, Wayleaves, Easements	-3,768	-3,685
Planning - Planning Fees	-1,066	-1,345
One Legal - recharges for services to other local authorities	-1,814	-1,996
Communities - Garden Waste Income	-1,115	-1,230

Material income from Grants and Contributions is disclosed in Note 30.

There are no items of material income and expense that are not identified elsewhere in the accounts. For the purpose of this note the Council considers material items to be those greater than £900k.

8. Expenditure & Income Analysed By Nature

	2023/2024	2024/2025
	£'000	£'000
Expenditure		
Employee Benefits	11,541	12,280
Other Services	30,130	30,943
Depreciation, Amortisation, Impairment and Revenue Financing	4,037	3,034
Interest Payments	416	672
Precepts and Levies	2,600	2,779
Loss on Disposal/Impairment of Assets	180	0
Total Expenditure	48,904	49,708
Income		
Fees, Charges & Other Service Income	-16,747	-22,395
Interest & Investment Income	-5,124	-5,057
Capital Revaluation Gains	0	-734
Council Tax, Non-Domestic Rates	-11,934	-14,054
Government Grants & Contributions	-19,542	-18,737
Total Income	-53,347	-60,977
(Surplus)/Deficit	-4,443	-11,269

9. Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Executive Director: Resources 31/05/2025. Events taking place after this date are not reflected in the financial statements or notes.

10. Adjustments Between Accounting Basis and Funding Basis Under Regulations

2023/2024 Usable Reserves				2024/2025 Usable Reserves		
General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied including CIL Reserve £'000		General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied including CIL Reserve £'000
£'000	£'000	£'000		£'000	£'000	£'000
Adjustments to revenue reserves						
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure statement are different from revenue for the year calculated in accordance with statutory requirements</i>						
944	0	0	Pension costs (transferred to (or from) the Pensions Reserve)	579	0	0
-62	0	0	Pooled investment funds (transferred to the pooled investment funds adjustment account)	125	0	0
-664	0	0	Council tax and NDR (transfers to or from Collection Fund Adjustment Account)	116	0	0
-382	0	0	Holiday pay (transferred to the Accumulated Absences Reserve)	89	0	0
-4,123	0	0	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the capital adjustment account)	-2,378	0	0
-4,287	0	0	Total Adjustments to revenue resources	-1,469	0	0
Adjustments between revenue and capital resources						
181	-181	0	Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	261	-261	0
2,634	0	-2,634	Transfer of capital grants and contributions to capital grants unapplied	1,602	0	-1,602
949	0	0	Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	1,044	0	0
3,530	0	-3,530	Transfers in respect of community infrastructure levy (CIL) receipts	7,584	0	-7,584
758	0	0	Capital Expenditure financed from revenue balances (transfers to the Capital Adjustment Account)	2,965	0	0
8,052	-181	-6,164	Total adjustments between revenue and capital resources	13,456	-261	-9,186
Adjustments to capital resources						
0	518	0	Use of the Capital Receipts Reserve to finance capital expenditure	0	225	0
0	0	3,005	Receipt and Application of capital grants to finance capital expenditure	0	0	1,762
0	518	3005	Total adjustments to capital resources	0	225	1,762
3,765	337	-3,159	Total adjustments	11,987	-36	-7,424

11. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/2025.

	Balance 31/03/2023	Movement 2023/2024	Balance 31/03/2024	Movement 2024/2025	Balance 31/03/2025
	£'000	£'000	£'000	£'000	£'000
Asset Management Reserve*	1,596	219	1,815	19	1,834
Borough Growth Reserve	579	-179	400	-400	0
Borough Regeneration Reserve	21	-21	0	0	0
Business Rates Earmarked Reserve	125	125	250	-250	0
Business Support Reserve	88	-37	51	-42	9
Business Transformation Reserve**	1,540	-233	1,307	-395	912
Climate Change Reserve	110	82	192	26	218
Community Support Reserve***	1,008	-115	893	-132	761
Council Tax Reserve	98	0	98	0	98
Development Management Reserve	399	159	558	782	1,340
Development Policy Reserve****	1,738	682	2,420	1,129	3,549
Elections Reserve	229	-167	62	-62	0
Flood Support and Protection Reserve	10	7	17	-2	15
Garden Town Reserve	371	-84	287	-48	239
Horsford Reserve	66	10	76	8	84
Housing & Homeless Reserve	557	59	616	-25	591
Information Technology Reserve	165	-17	148	102	250
Investment Reserve	600	250	850	-850	0
Mayors Charity Reserve	4	2	6	1	7
MTFS Equalisation Reserve*****	2,968	-42	2,926	-420	2,506
Open Space & watercourse Reserve *****	929	345	1,274	409	1,683
Organisational Development Reserve	711	353	1,064	-667	397
Planning Obligation Reserve *****	10,227	-871	9,356	-859	8,497
Risk Management Reserve	610	-163	447	2,663	3,110
Waste & Recycling Development Reserve *****	3,212	563	3,775	-1,956	1,819
Totals	27,961	927	28,888	-969	27,919

Material Reserves

* The Asset Management Reserve is monies set aside to fund projects in relation to the Council's property. Currently, the reserves are being used to support the Council office refurbishment and to support and maintain the commercial properties purchased.

**Business transformation reserve are funds set aside to improve efficiencies and automation at an operational level.

***Community support reserves are funds directly linked to projects that facilitate local businesses and community groups.

****Development policy reserve is funding to support infrastructure for new developments.

*****The MTFS Equalisation Reserve is monies which have been set aside to protect budgets against the impact of future reductions in grants and funding from central government as well as other pressures on revenue budgets.

***** Commuted Sums held in a reserve specifically for the maintenance of open spaces and watercourses.

***** The Planning Obligations Reserve represents those sums received from developers which have to be used for the purposes specified in the section 106 agreements and again cannot be used for any other purpose.

***** The Waste & Recycling Development Reserve is monies set aside to fund new fleet.

Hierarchy of Reserves

The following table shows the nature of the reserves held by hierarchy of commitments held.

	Balance
	31/03/2025
	£'000
External/Ringfenced	5,546
Agreed Projects	5,745
Planned Expenditure	5,633
Uncommitted Reserve	2,406
Planning Obligations Reserve	8,497
Trust and Charity reserves	92
	<u>27,919</u>

12. Other Operating Income & Expenditure

2023/2024 £'000		2024/2025 £'000
-3,530	Community Infrastructure Levy Capital Receipts	-7,584
2,600	Parish Council Precepts	2,779
180	Gains/Losses on Disposal Of Non-Current Assets	-41
-3	Impairment of Asset	0
-181	Other Income - Right to Buy Sales	-204
<u><u>-934</u></u>		<u><u>-5,050</u></u>

13. Financing & Investment Income & Expenditure

2023/2024 £'000		2024/2025 £'000
416	Interest payable and similar charges	672
-1,092	Interest receivable and similar income	-1,113
83	Net interest on the net defined benefit liability	624
162	Income and expenditure in relation to changes in investment properties fair value	-610
-3,355	Income and expenditure in relation to investment properties	-3,261
-386	Gains/losses and dividends for financial instruments classified as fair value through profit and loss	-571
<u><u>-4,172</u></u>		<u><u>-4,259</u></u>

14. Taxation and Non Specific Grant Income and Expenditure

2023/2024 £'000		2024/2025 £'000
-7,854	Council Tax Income	-8,287
-2,925	Non-domestic rates income and expenditure	-4,677
-158	Revenue Support Grant	-169
-3,116	Other Non-Ring fenced Government Grants	-3,375
-1,155	Expanded Retail Relief - Non-domestic rates	-1,090
-2,634	Capital Grants and Contributions	-1,664
<u><u>-17,842</u></u>		<u><u>-19,262</u></u>

15. Property, Plant and Equipment

Movements in 2024/25

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets Under Construction £'000	Total Plant, Property & Equipment £'000
Cost or Valuation						
At 1 April 2024	25,015	8,419	326	183	1	33,944
Additions	454	3,359	0	0	90	3,903
Donations	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-118	0	0	0	0	-118
Revaluation increases/(decreases) to Surplus/Deficit on Provision of Services	-363	0	0	0	0	-363
Derecognition/Disposals/Impairment	0	-1,477	0	0	0	-1,477
At 31 March 2025	24,988	10,301	326	183	91	35,889
Accumulated Depreciation and Impairment						
At 1 April 2024	0	-6,474	-155	0	0	-6,629
Depreciation charge	-354	-688	-9	0	0	-1,051
Depreciation written out to Revaluation Reserve	269	0	0	0	0	269
Depreciation written out to the Surplus/Deficit on the Provision of Services	77	0	0	0	0	77
Derecognition/Disposals/Impairment	0	1,461	0	0	0	1,461
At 31 March 2025	-8	-5,701	-164	0	0	-5,873
Net Book Value						
At 31 March 2025	24,980	4,600	162	183	91	30,016
At 31 March 2024	24,953	1,945	171	183	1	27,315

15. Property, Plant and Equipment (continued)

Movements in 2023/24

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets Under Construction £'000	Total Plant, Property & Equipment £'000
Cost or Valuation						
At 1 April 2023	24,590	7,937	326	183	30	33,066
Additions	1,226	593	0	0	-32	1,787
Transfers	0	0	0			0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-170	0	0	0	0	-170
Revaluation increases/(decreases) to Surplus/Deficit on Provision of Services	-516	0	0	0	0	-516
Derecognition-disposals	-177	-111	0	0	3	-285
At 31 March 2024	24,953	8,419	326	183	1	33,882
Accumulated Depreciation and Impairment						
At 1 April 2023	0	-6,217	-146	0	0	-6,363
Depreciation charge	-373	-365	-9	0	0	-747
Depreciation written out to Revaluation Reserve	373	0	0	0	0	373
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	108	0	0	0	108
At 31 March 2024	0	-6,474	-155	0	0	-6,629
Net Book Value						
At 31 March 2024	24,953	1,945	171	183	1	27,253
At 31 March 2023	24,590	1,720	180	183	30	26,703

15. Property, Plant and Equipment (continued)

Depreciation

The following Useful Economic Lives (UEL) and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, Plant, Furniture & Equipment – 3 - 25 years
- Photovoltaic Solar Panels – 25 years
- Infrastructure – as estimated by the valuer or Project Officer
- Specialist equipment - as estimated by the valuer or Project Officer

Capital Commitments

As at 31 March 2025, the council has not entered into any material capital contracts to undertake works on assets that are owned.

Effects of Changes in Estimates

In the 2024/25 financial year, the Council reviewed the UEL of its equipment, leading to the following changes:

- Waste bins and caddies: UEL extended from 10 years to 20 years.
- Computer monitors and docking stations: UEL extended from 5 years to 10 years.

This review resulted in a reduction of accumulated depreciation by £149k.

Revaluations

The council appointed Wilks Head and Eve LLP as our external valuers for a 5 year period until 2028. There is also an option to extend the contract by 3 further years. The contract specifies that all Property, Plant and Equipment required to be measured at current value, is revalued annually as at the 31 March. Valuations of land and buildings have been carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Valuation of Vehicles, Plant and Equipment are on a depreciated historic cost basis as a proxy for current value on the basis that they have short useful lives and/or low values.

Assets are assessed at each year-end as to whether there is any indication of impairment. The Council has provided the valuers with information regarding the known condition of the assets as at the 31 March 2025, to inform the valuation process.

Community Assets and Infrastructure Assets are all valued at historic cost. All other Plant, Property and Equipment have been valued in accordance with the following schedule.

	Other Land & Buildings	Vehicles, Plant & Equipment	Community and Infrastructure	Assets under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	4,600	345	0	4,945
Carried at cost incurred to date	0	0	0	92	92
Valued at current value	24,979	0	0	0	24,979
Total Cost or Valuation	24,979	4,600	345	92	30,016

16. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2023/2024 £'000		2024/2025 £'000
-3,584	Rental income from investment property	-3,498
229	Direct operating expenses arising from investment property	235
<u>-3,355</u>	Net (gain)/loss	<u>-3,263</u>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. the Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2023/2024 £'000		2024/2025 £'000
59,938	Balance 1 April	59,776
	Additions:	
0	Purchases	0
	Disposals:	
-162	Net gains/losses from fair value adjustments	610
<u>59,776</u>	Balance 31 March	<u>60,386</u>

Fair Value Hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at the year end are as follows:

	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (Level 3)	Fair Value as at the 31 March
	£'000	£'000	£'000	£'000
Land	0	2,502	0	2,502
Commercial Units	0	57,536	0	57,536
Other	0	0	348	348
Total as at 31 March 2025	<u>0</u>	<u>60,038</u>	<u>348</u>	<u>60,386</u>

There were no transfers between Levels 1 and 2 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

Land, industrial and retail assets have been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the locality. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

Golf club and sports club land assets have been based on a comparable approach either by estimated market rental values as the majority of these assets are let at sub-market or subsidised passing rents. We have had to draw on a number of our own assumptions and utilised third party resources in order to value these assets. These assets are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions)

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Value Hierarchy

The value of assets categorised within Level 3 as at the 31 March 2025 is £348k (value as at 31 March 2024 was £339k). There has been no change in the assets identified in this category.

Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

	Valuation technique used to measure fair value	Unobservable Inputs	Range	Sensitivity
Golf Club	Comparative based on limited rental evidence	Rental Value	£30 - £50 psm	Changes in rental growth, yields, occupancy will result in a lower or higher fair value
		Yields	10% - 14%	
Sports Club Land	Comparative based on limited rental evidence	Rental Value	£1,000 - £2,000 per pitch	Changes in rental growth, yields, occupancy will result in a lower or higher fair value
		Yields	8% - 12%	

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out by the Council's external valuer in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

17. Financial Instruments

Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

Financial Liabilities

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

All of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long term loans from the PWLB lending facility
- short term loans from other local authorities
- trade payables and goods and services received

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

	Long Term				Short Term			
	Borrowing		Creditors		Borrowing		Creditors	
	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s
Financial liabilities at amortised cost:								
- Principal sum borrowed	18,733	19,267	0	0	533	533	0	0
- Trade Creditors	0	0	84	84	0	0	1,595	1,402
- Accrued interest	0	0	0	0	198	189	0	0
Total financial liabilities	18,733	19,267	84	84	731	722	1,595	1,402
Liabilities not defined as financial instruments*	0	0	11,670	12,779	0	0	18,068	18,682
TOTAL	18,733	19,267	11,754	12,863	731	722	19,663	20,084

* Liabilities not defined as financial instruments relates to non-exchange transactions or receipts in advance.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications:

1) Amortised Cost

This is where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow. They comprise of:

- 2) Fair value through other comprehensive income comprising shares in Real Estate Investment Trusts (REITs) held as strategic investments.
- 3) Fair Value through Profit and Loss comprising money market funds, property funds and multi-asset funds managed by external fund managers.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Long Term				Short Term				Cash and Cash Equivalents	
	Investments		Debtors		Investments		Debtors		31/03/2025 £000s	31/03/2024 £000s
	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s	31/03/2025 £000s	31/03/2024 £000s		
Financial assets at amortised cost:										
- Principal	0	0	0	0	0	2,000	0	0	0	0
- Accrued interest	0	0	0	0	0	25	0	0	0	0
Equity investments at fair value through other comprehensive income	329	454	0	0	0	0	0	0	0	0
At fair value through profit and loss	8,042	7,917	0	0	0	0	0	0	0	0
Trade Debtors	0	0	160	205	0	0	3,151	2,070	0	0
Cash & Cash Equivalents	0	0	0	0	0	0	0	0	9,984	6,714
Total financial assets	8,371	8,371	160	205	0	2,025	3,151	2,070	9,984	6,714
Assets not defined as financial instruments*	0	0	1,841	877	0	0	13,146	9,318	0	0
TOTAL	8,371	8,371	2,001	1,082	0	2,025	16,297	11,388	9,984	6,714

* Assets not defined as financial instruments relates to non-exchange transactions or payments in advance.

Equity Instruments Elected to Fair Value Through Other Comprehensive Income

The Council has elected to account for shares in the Fundamentum REIT at fair value through other comprehensive income because they are long term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance. This REIT is a provider of supported housing to registered providers and the Council has an interest in this policy area.

These shares had a fair value of £328,571 at 31st March 2025 (£453,750 at 31st March 2024) and paid dividends of £14,286 during the 2024/25 financial year (£13,571 during the 2023/24 financial year).

Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities		Financial Assets		2024/25 Total	2023/24 Total
	Amortised Cost	Amortised Cost	Elected to Fair Value through Other Comprehensive Income	Fair Value through Profit & Loss		
	£000s	£000s	£000s	£000s		
Interest expense	656	0	0	0	656	416
Losses from change in fair value	0	0	0	0	0	62
Interest payable and similar charges	656	0	0	0	656	478
Interest income	0	-1,105	0	0	-1,105	-1,087
Dividend income	0	0	-447	0	-447	-448
Interest and investment income	0	-1,105	-447	0	-1,552	-1,535
Net impact on Surplus/(Deficit) on Provision of Services	656	-1,105	-447	0	-896	-1,057
Impact on Other Comprehensive Income	0	0	125	0	125	-6
Net gain/(loss) for the year	656	-1,105	-322	0	-771	-1,063

Financial Instruments - Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. A calculation has been made of what their fair values would be by estimating the net present value of the remaining contractual cash flows at 31 March, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount

Fair values are shown in the table below, split by their level in the fair value hierarchy:

	Fair Value Level	31/03/2025		31/03/2024	
		Balance Sheet Value	Fair Value	Balance Sheet Value	Fair Value
		£000s	£000s	£000s	£000s
Financial liabilities held at amortised cost: loans from the PWLB lending facility	2	18,733	11,585	19,267	13,236
Liabilities for which fair value is not disclosed *		2,411		2,208	
TOTAL FINANCIAL LIABILITIES		21,144		21,475	
Recorded on Balance Sheet as:					
- Short term creditors		1,595		1,402	
- Short term borrowing		731		722	
- Long term creditors		84		84	
- Long term borrowing		18,733		19,267	
TOTAL FINANCIAL LIABILITIES		21,144		21,475	

* The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of the loans from the PWLB lending facility are lower than their amortised cost because the market interest rate on similar loans is now higher than the interest paid on these loans.

Financial Assets - Fair Values

	Fair Value Level	31/03/2025		31/03/2024	
		Balance Sheet Value	Fair Value	Balance Sheet Value	Fair Value
		£000s	£000s	£000s	£000s
Financial assets held at fair value:					
- Money market funds	1	9,750		6,550	
- Property funds and non-traded REITs	2	3,895		3,952	
- Diversified income funds	1	4,476		4,419	
TOTAL		18,121	18,121	14,921	14,921
Assets for which fair value is not disclosed*		3,545		4,464	
TOTAL FINANCIAL ASSETS		21,666		19,385	
Recorded on Balance Sheet as					
- Cash and cash equivalents		9,984		6,714	
- Short term debtors		3,151		2,070	
- Short term investments		0		2,025	
- Long term debtors		160		205	
- Long term investments		8,371		8,371	
TOTAL FINANCIAL ASSETS		21,666		19,385	

* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

The fair value of the long term investment in a housing association is lower than its amortised cost because the market interest rate on similar investments is now higher than the interest paid on this investment.

18. Short Term Debtors

The balances outstanding at 31 March are summarised as follows:

	2023/2024 £'000	2024/2025 £'000
Local Tax Collection - Government bodies	1,077	1,305
Local Tax Collection - Ratepayer Arrears	1,517	1,331
Trade Debtors	1,813	2,350
Other Debtors	5,844	9,673
Prepayments & accrued income	2,621	2,828
Gross Debts	12,872	17,487
less Bad Debt Impairments	-1,483	-1,191
Total Net Debtors	11,389	16,296

19. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents at 31 March is made up of the following elements:

	2023/2024 £'000	2024/2025 £'000
Cash held by the Council	329	245
Bank current accounts	-192	-55
Short-term deposits	6,577	9,794
Total Cash and Cash Equivalents	6,714	9,984

20. Short Term Creditors

The balances outstanding at 31 March are summarised as follows:

	2023/2024 £'000	2024/2025 £'000
Local Tax Collection - Precepting/billing authorities	7,117	6,083
Local Tax Collection - Ratepayer Accounts	421	530
Other Taxation	219	231
Trade Creditors	1,461	1,599
Other creditors	6,724	8,111
Total	15,942	16,554

21. Provisions

21.1 Short Term Provisions

	Outstanding Legal Cases	Business Rate Appeals Provision	Other Provisions	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2024	574	3,496	73	4,143
Additional provisions made	275	-2,317	2	-2,040
Amounts used	-138	1,390	-47	1,205
Unused amounts reversed	-199	0	0	-199
Balance at 31 March 2025	512	2,569	28	3,109

21.2 Long Term Provisions

	Outstanding Legal Cases	Business Rate Appeals Provision	Other Provisions	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2024	0	0	40	40
Additional provisions made	0	0	0	0
Balance at 31 March 2025	0	0	40	40

Description of main provisions

Outstanding Legal Cases

There are a number of planning appeals which are subject to appeal and which are yet to be determined, these provisions amount to £154k.

Prosecution of Morrisons has resulted in a challenge to the decision which remains outstanding, total provision to date stands at £50k.

We have a number of other cases/matters which remain unresolved and a provision has been made in the sum of £275k.

Other Provisions

There is a provision relating to the administration of Municipal Mutual Insurance which went into administration in 1992. Following the ruling of the supreme court in relation to mesothelioma claims the MMI scheme administrators have made an initial clawback of 15% (£23,958) and a subsequent clawback of a further 10% as there will not be a solvent run off of the company. Since there may be further clawback in the future £39,925 has been set aside as a long term provision to cover this possibility. This will be kept under review as further information becomes available.

There is a provision of £47k which is to cover anticipated legal costs as part of the Councils statutory responsibility to investigate a Health & Safety at work accident within Tewkesbury Borough business premises.

22. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, The Expenditure and Funding Analysis (note 5), the Adjustments between the Accounting Basis and Funding Basis (note 10) and Movement in Earmarked Reserves (note 11).

23. Unusable Reserves

23.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment, Heritage Assets and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/2024 £'000 restated		2024/2025 £'000
9,186	Balance at 1 April	9,272
183	Upward revaluation of assets & reversal of previous impairment losses	576
0	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-425
-97	Difference between fair value depreciation and historical cost depreciation	-100
<hr/> 9,272 <hr/>	Balance at 31 March	<hr/> 9,323 <hr/>

23.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Capital Adjustment Account		
2023/2024 £'000		2024/2025 £'000
24,336	Balance at 1 April	25,561
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</i>		
-745	Charges for depreciation and impairment of non-current assets	-1,051
0	Revaluation losses on Property, Plant and Equipment	-225
-28	Amortisation of intangible assets	-25
-2,493	Revenue expenditure funded from capital under statute	-1,671
118	Adjusting amounts written out of the Revaluation Reserve	100
-180	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-15
<i>Capital financing applied in the year:</i>		
518	Use of the Capital Receipts Reserve to finance new capital expenditure	225
3,005	Application of grants to capital financing from the Capital Grants Unapplied Account	1,762
949	Statutory provision for the financing of capital investment charged against the General Fund	1,044
758	Capital expenditure charged against the General Fund	2,966
-677	Movements in the market value of Investment and donated properties debited or credited to the Comprehensive Income and Expenditure Statement	609
25,561	Balance at 31 March	29,280

23.3 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/2024 £'000		2024/2025 £'000
-3,196	Balance at 1 April	-12,519
-11,221	Remeasurements of the net defined benefit liability/(asset)	1,136
-1,999	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-2,234
3,897	Employer's pensions contributions and direct payments to pensioners payable in the year	2,858
<u><u>-12,519</u></u>	Balance at 31 March	<u><u>-10,759</u></u>

23.4 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/2024 £'000		2024/2025 £'000
2,035	Balance at 1 April	1,371
-664	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements.	115
<u><u>1,371</u></u>	Balance at 31 March	<u><u>1,486</u></u>

23.5 Pooled Investment Funds Adjustment Account

The pooled investments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to pooled investments and for bearing losses or benefiting from gains per statutory provisions.

2023/2024 £'000		2024/2025 £'000
-1,014	Balance at 1 April	-1,076
0	Fair value gain on financial instruments	125
-62	Fair value losses on financial instruments	0
<u>-1,076</u>	Balance at 31 March	<u>-951</u>

23.6 Financial Instruments Revaluation Reserve

The financial instruments revaluation reserve contains the gains made by the authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- i) revalued downwards or impaired and the gains are lost
- ii) disposed of and the gains are realised.

2023/2024 £'000		2024/2025 £'000
-52	Balance at 1 April	-46
6	Fair value losses on financial instruments	-125
0	Fair value gains on financial instruments	0
<u>-46</u>	Balance at 31 March	<u>-171</u>

23.7 Short Term Compensated Absences Account

The Short Term Compensated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. Since the beginning of the COVID-19 pandemic, annual leave and flexi-leave increased significantly due to a surge in workload pressures. Therefore, the existing calculation needed to be reviewed and amended accordingly. This resulted in the short term absences account becoming material.

2023/2024 £'000		2024/2025 £'000
-2,150	Balance at 1 April	-2,531
-484	Annual Leave Accrual	69
103	Flexi Leave Accrual	21
<u>-2,531</u>	Balance at 31 March	<u>-2,441</u>

24. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/2024 £'000	Specific Inflows	2024/2025 £'000
1,198	Interest received	1,121
-426	Interest paid	-664
438	Dividends received	447
<u>1,210</u>		<u>904</u>

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/2024 £'000		2024/2025 £'000
748	Depreciation	1,051
513	Impairment & downward valuations	225
28	Amortisation	25
-336	Change in creditors	1,805
-2,405	Change in debtors	480
-944	Movement in pension liability	-579
180	Carrying Amount of non-current assets sold	15
919	Other non-cash items charged to the net surplus or deficit on the provision of services	-1,767
<u>-1,297</u>		<u>1,255</u>

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2023/2024 £'000		2024/2025 £'000
38,000	Proceeds from short term and long term investments	36,000
-163	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-261
-6,183	Any other items which cash effects are investing or financing cash flows	-9,186
<u>31,654</u>	Net cash flows from operating activities	<u>26,553</u>

25. Cash Flow Statement – Investing Activities

2023/2024 £'000		2024/2025 £'000
-2,292	Purchase of property, plant and equipment, investment property and intangible assets	-3,351
-20,000	Purchase of short-term and long-term investments	-34,000
1,684	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	261
0	Proceeds from short-term and long-term investments	0
4,860	Other Receipts from Investing activities	3,656
<u><u>-15,748</u></u>	Net cash flows from investing activities	<u><u>-33,434</u></u>

26. Cash Flow Statement – Financing Activities

2023/2024 £'000		2024/2025 £'000
0	Cash receipts of short and long-term borrowing	7,500
	Cash payments for the reduction of outstanding liabilities relating to leases	-38
-10,533	Repayments of short and long-term borrowing	-8,033
-2,371	Other payments for financing activities	-1,801
<u><u>-12,904</u></u>	Net cash flows from financing activities	<u><u>-2,372</u></u>

27. Members' Allowances

The allowances paid under The Local Authorities (Members' Allowances) Amendment Regulations were as follows:

	2023/24 £'000	2024/25 £'000
Allowances	354	355
Mileage & Subsistence	4	1
Total Reimbursement	358	356

The above figures include a basic allowance for each member of £7,650.

28. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

Post Title	Note	Year	Salary, Fees and Allowances	Expense Allowances	Compensation for loss of Office	Pension Contributions	Total Remuneration
			£'000	£'000	£'000	£'000	£'000
Chief Executive		2023/2024	118	1	0	25	144
		2024/2025	131	1	0	26	158
Section 151 Officer (Chief Finance Officer)		2023/2024	97	0	0	19	116
		2024/2025	102	0	0	20	122
Director of One Legal		2023/2024	108	0	0	22	130
		2024/2025	110	0	0	22	132
Director of Corporate Resources		2023/2024	83	0	0	16	99
		2024/2025	87	0	0	17	104
Executive Director of Place		2023/2024	51	0	0	10	61
	1	2024/2025	43	0	0	4	47
Associate Director - Transformation	2	2023/2024	53	1	0	12	66
Director -Transformation	2	2023/2024	11	0	0	3	14
		2024/2025	81	1	0	16	98
Monitoring Officer		2023/2024	39	0	0	8	47
	3	2024/2025	58	0	0	11	69
Director - Communities		2023/2024	83	0	0	16	99
	4	2024/2025	87	0	0	17	104
Associate Director - Garden Communities		2023/2024	84	0	0	17	101
	4	2024/2025	84	0	0	16	100
Associate Director - Planning		2023/2024	56	0	0	11	67
	4	2024/2025	84	0	0	16	100
Elections Advisor - Nigel Adams		2023/2024	65	0	0	0	65
	5	2024/2025	168	0	0	0	168
		2023/2024	848	2	0	159	1,009
Total		2024/2025	1,035	2	0	165	1,202

Notes

1. Post holder left the organisation on 14th June 2024 and the post has since been vacant
2. Posts created during restructure of establishment from 1 April 2023. A subsequent structure change deleted the Associate Director: Transformation on 31 January 2024 and the Director of Digital and Organisational Change was created on 1 February 2024.
3. Monitoring Officer previously held by Borough Solicitor, who left in June 2023. Hence, lower costs for the statutory post in 2023/24.
4. Post holders now report to the Chief Executive following the departure of the Executive Director of Place in-year. They are now disclosed on this basis along with prior year comparatives.
5. The contractor started in July 2023

The council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts

Remuneration Band	Number of Employees	
	2023/2024	2024/2025
	Total	Total
£50,000 - £54,999	8	10
£55,000 - £59,999	5	4
£60,000 - £64,999	4	4
£65,000 - £69,999	4	2
£70,000 - £74,999	3	0
£75,000 - £79,999	0	3
£80,000 - £84,999	4	0
£85,000 - £89,999	0	2
£90,000 - £94,999	0	1
£95,000 - £99,999	0	0
£100,000 - £149,999	0	1
£150,000 - £159,999	0	1
	28	28

28. Officers' Remuneration (continued)

The numbers of exit packages including senior employees with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025 £'000	2023/2024 £'000
£								
0 - 20,000	0	4	1	1	1	5	8	29
20,001 - 40,000	0	0	2	1	2	1	61	28
40,001 - 60,000	0	0	0	0	0	0	0	0
60,001 - 80,000	0	0	0	0	0	0	0	0
80,001 -100,000	0	0	0	0	0	0	0	0
Total cost included in bandings and in the CIES	0	4	3	2	3	6	69	57

Redundancies

There were no redundancies in 2024/25.

Termination Benefits

Two termination packages have been agreed and paid during the 2024/25 Financial year. A third settlement agreement and termination took effect on 31st March 2025. The expense for this has been accrued in 2024/25. The total cost of £70k has been charged to the authority's Comprehensive Income and Expenditure Statement in the current year.

29. Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

	2023/2024 £'000	2024/2025 £'000
Fees payable to Bishop Fleming with regard to external audit services carried out by the appointed auditor.	135	177
Fees payable to Grant Thornton for the certification of grant claims and returns.	36	38
	<u>171</u>	<u>215</u>

30. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement

	2023/2024 £'000	2024/2025 £'000
Credited to Taxation and Non Specific Grant Income		
S.31 Grants & Contributions (supporting the NDR regime)	-5,283	-6,250
Revenue Support Grant	-158	-169
Funding Guarantee	-1,774	-2,139
New Homes Bonus Grant	-1,240	-1,125
Other Grants	-102	-110
	<u>-8,557</u>	<u>-9,793</u>
Capital Grants		
Disabled Facilities Grants	-828	-1,211
MHCLG - Housing Prosperity Fund	-985	0
Decarbonisation Scheme - Salix	-708	0
Other Capital Grants	-113	-391
	<u>-2,634</u>	<u>-1,602</u>
Total	<u>-11,191</u>	<u>-11,395</u>

Grants Credited to Services

	2023/2024 £'000	2024/2025 £'000
Local Taxation Administration Grants	-249	-125
Planning Related Grants	-100	-1,044
Garden Towns	-394	-24
Flooding Support Grant	-227	-20
Homelessness Grants	-392	-433
Housing Benefit Administration & Associated Grants	-166	-157
Housing Benefit Grant	-11,169	-10,790
Discretionary Housing Payments Subsidy	-70	-70
Police and Crime Commissioner Elections	-174	-83
Parliamentary Elections	0	-245
Gloucestershire County Council Elections	0	-58
Other Election Grants	-36	-19
Other Grants	-8	-8
Other Government Grants	-1,375	-537
Contributions Credited to Services		
Strategic Local Plan (SLP)	-500	-620
Contributions from Other bodies	-448	-570
Contributions in relation to S.106 agreements	-1,827	-2,923
Total	-17,135	-17,726
Agency Grants - not credited to services		
Homes for Ukraine Scheme	-304	-299
Other Government Grants	-75	0
	-379	-299
Grand Total	-28,705	-29,420
Grant receipts in advance (revenue grants)		
Homes England - Tewkesbury Garden Community	0	-120

31. Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers of the accounts to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

The UK Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 30.

Members

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2024/2025 is shown in Note 27. Details of transactions involving Members of the Council are recorded in the Register of Members' Interest, which is open to public inspection. All contracts and payments were made in accordance with the Council's Contract Procedure Rules.

Any grants paid to organisations were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants.

Declarations made involving material financial transactions are listed below:

a) Other Public Bodies

The Borough Council collects precepts on behalf of Gloucestershire County Council, Gloucestershire Police Authority and the Town and Parish Councils within the Borough area.

Precepts for the County and the Police Authority are shown in the Collection Fund. Total of Precepts paid to Parishes are shown in the Comprehensive Income and Expenditure Account on page 3.

In addition to council tax and business rate precepts, the Council also made payments of £424k for both grants and services to Gloucestershire County Council. Debtors invoices were raised during the year to the value of £2.31m. The outstanding balance as at 31/03/25 was £88k. 6 Borough Council members also declared a relationship with the County Council during 2024/2025.

The Council provides grant funding which is available to parish councils. Many borough councillors are also parish council representatives or have a relationship with the council that they have declared. Below is an analysis of significant funding awards made to Parish Councils during 2024/2025

		No. of Members	Payments other than precepts (Inc. VAT)	Income 2024/25 (Inc. VAT)
			£'000	£'000
Parish Councils:	Bishops Cleeve	2	494	1
	Brockworth	4	2	0
	Churchdown	7	100	0
	Deerhurst	1	10	0
	Highnam	1	3	0
	Hucclecote	1	9	0
	Northway	2	13	0
	Tewkesbury	3	34	2
	Winchcombe	3	218	0
	Woodmancote	2	0	0

b) General Related Parties

Consideration has been given to whether individual members have any personal (including familial) relationships with other entities that the Council has had transactions with during the financial year.

Individual Borough Councillors declared the following significant related parties to the Executive Director:
Resources & S151 Officer

Related Party	No. of Members	Payments 2024/2025 £'000	Income 2024/25 £'000
Brockworth Rugby Club	1	1	0
Cotswold AONB (Cotswold Conservation Board)	2	7	0
Roses Theatre	2	45	0
Shurdington Community Centre	1	89	0

Members

Related party declarations were also made for Apperley Methodist Church (1), Bishops Cleeve Methodist Church (1), Churchdown Community Association (1), Churchdown Methodist Church (1), Cleeve Common Board of Conservators (2), Hawling Methodist Church (1), Horsford Trust (6), Northway Food Pantry (1), Northway Youth Club (1), Rodborough Community Primary School (1), Stroud High School (1), Tewkesbury Friends of the Earth (1), Tewkesbury Methodist Church (1), Tewkesbury Nature Reserve (1), Winchcombe Methodist Church (1) however no transactions were made to these organisations in the year.

Chief Executive

Tewkesbury Borough Council is a shareholder of UBICO Ltd. The Chief Executive represents the Council's interests in the company, but has no personal relation with the entity. The council made payments of £7.1m to UBICO Ltd for contract services during 2024/2025. In addition, £85k of debtors invoices were raised during the year, none of which was outstanding as at 31/03/25.

In addition, the Chief Executive declared an interest in the following organisations:

- Chair of the Tewkesbury Integrated Locality Partnership
- Vice Chair of the Gloucestershire Health and Wellbeing Partnership
- Leadership Gloucestershire and Gloucestershire City Region Board officer representative

There were no financial transactions with any of these organisations during the financial year.

Officers

The Associate Director of Garden Towns declared an interest in AtkinsRealis. There were no transactions between the parties during 2024/25.

32. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

	2023/2024 £'000	2024/2025 £'000
Opening Capital Financing Requirement	53,545	52,595
Capital Investment		
Property Plant & Equipment	1,787	3,904
Investment Asset	0	0
Intangible assets	0	0
Revenue Expenditure Funded from Capital Under Statute	2,493	1,671
	<u>4,280</u>	<u>5,575</u>
Sources of finance		
Capital receipts	-518	-225
Government grants and other contributions	-3,005	-1,762
Sums set aside from revenue:		
Direct Revenue Contributions	-758	-2,966
Minimum Revenue Provision	-949	-1,044
	<u>-5,230</u>	<u>-5,997</u>
Closing Capital Financing Requirement	<u>52,595</u>	<u>52,173</u>
Explanation of movements in year		
Increase in underlying need to borrowing (unsupported by Government financial assistance)	-949	-422
Increase/(decrease) in Capital Financing Requirement	<u>-949</u>	<u>-422</u>

33. Leases

The Council as Lessee

The Council's lease contracts comprise leases of operational land, equipment and motor vehicles, none of which are material.

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority.

	Land and Buildings	Vehicles, Plant and Equipment	Total
	£'000	£'000	£'000
Balance at 1 April 2024	62	0	62
Additions	454	168	622
Revaluations	-328	0	-328
Depreciation	-8	-13	-21
Disposals	0	0	0
Balance at 31 March 2025	180	155	335

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	2023/2024 £'000	2024/2025 £'000
Comprehensive Income and Expenditure statement		
Interest expense on lease liabilities	0	16
Expense relating to short-term leases	0	54
Expense relating to exempt leases of low-value items	0	29
	<u>0</u>	<u>99</u>

Maturity analysis of lease liabilities

	2023/2024 £'000	2024/2025 £'000
Less than one year	59	106
One to five years	230	349
More than five years	244	254
Total undiscounted liabilities	<u>533</u>	<u>709</u>

The minimum lease payments do not include rents that are contingent on events yet to take place after the lease was entered into, such as future rent reviews. The above includes amounts in respect of IFRS-16 leases which are presented on the balance sheet and other notes within creditors, this also includes additional future payments in respect of operating leases not transitioned in line with the CIPFA code.

The expenditure charged to the Comprehensive Income & Expenditure Account during the year in relation to these leases was:

	2023/2024 £'000	2024/2025 £'000
Minimum Lease Payments	60	29
	<u>60</u>	<u>29</u>

The Council as Lessor

The Council leases out land and buildings under operating leases for the following purposes:

- For the provision of community services such as sports facilities, recreational, cultural and holiday facilities. The primary examples are:

The Roses Theatre
Holiday Caravan Site
Bowling Club & Green
Land for Cricket & Rugby Clubs

- For income generation purposes

A commercial office and Industrial Unit, Challenge House in Ashchurch near Tewkesbury

Two commercial industrial Units at Clevedon, Somerset
Rental of office space within the Council Offices
Golf Clubhouse & Car Parking
Residential Office, The Chase, Hertfordshire
Industrial Unit in Trowbridge
Industrial Units, SPL International, Ellesmere Port
Commercial Unit in Walton on the Naze
Commercial Unit in Leamington Spa
Industrial Units in Vaughan Park, Tipton
Car showroom in Crawley

Maturity analysis of lease receivables

	2023/2024 £'000	2024/2025 £'000
Less than one year	3,608	3,510
One to five years	8,349	8,781
More than five years	7,996	6,371
Total undiscounted receivables	<u>19,953</u>	<u>18,662</u>

As at 31st March 2025 all break clauses have been reflected in future lease payments. We have taken a prudent approach whereas we will not receive any lease payments after this date.

The council has lost a tenant occupying Unit 2 at Vaughn Park in Financial Year 2023/24, Tipton as a result of which, rental income in the financial year 2024/25 was nil, however a new tenant will move into the unit in Financial Year 2025/26.

The existing long term leases have one year less left to run than last year, so the total rent due over the term of the leases will be lower. As at 31st March 2025, two lease agreements were affected by break clauses due in Financial Year 2025/26 and eleven due in Financial Year 2026/27, which currently generate a combined annual rental income of £553k. The elimination of this, significantly impacted future income projections.

Contingent rents received in the year were:

	2023/2024 £'000	2024/2025 £'000
Contingent Rents	0	8

34. Defined Benefit Pension Schemes

34.1 Participation in Pension Schemes

Employees of Tewkesbury Borough Council are admitted to the Gloucestershire County Council Pension Fund (“the Fund”), which is administered by Gloucestershire County Council under the Regulations governing the Local Government Pension Scheme, a defined benefit scheme. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make payments that needs to be disclosed at the time that employees earn their future entitlement.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

34.2 Transactions relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

a). Comprehensive Income and Expenditure Statement	2023/2024	2024/2025
	£'000	£'000
Cost of Services:		
- Current service cost	1,763	1,631
- Past service cost	153	24
Financing and Investment Income and Expenditure		
- Net interest expense	83	579
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,999	2,234
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
- Return on plan assets (excluding the amount included in the net interest expense)	-4,577	308
- Actuarial gains and losses arising on changes in demographic assumptions	-428	-128
- Actuarial gains and losses arising on changes in financial assumptions	-4,218	-11,200
- Other	20,444	9,839
Total remeasurements recognised in Other Comprehensive Income (OCI)	11,221	-1,181
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	13,220	1,053

The prior year figures contained an error in reporting the total post employment benefit charged to the Comprehensive Income and Expenditure Statement. This has no effect on the figures contained in the financial statements.

b). Movement in Reserves Statement	2023/2024 £'000	2024/2025 £'000
- Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	-1,999	-2,234
Actual amount charged against the General Fund Balance for pensions in the year:		
- Employer's contributions payable to scheme	2,943	2,858

34.3 Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

	2023/2024 £'000	2024/2025 £'000
Present value of the defined benefit obligation	72,877	63,642
Fair value of plan assets	-78,578	-82,539
Expected net asset once agreed past service contributions are paid	18,220	29,656
Net liability arising from defined benefit obligation	<u>12,519</u>	<u>10,759</u>
Comprised of:		
Present value of funded obligations	11,550	9,890
Present value of unfunded obligations	969	869

Effect of the asset ceiling on the Council's net liability position.

According to IAS19 Paragraph 8 "The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan." In line with now established LGPS audit and practitioner views, the asset ceiling calculations do not take account of Council's unfunded benefits. The asset ceiling has been calculated as the net total of the net asset position, present value of agreed past service contributions and economic benefit available as a reduction in future contributions. As a local authority we do not have access to any kind of refund, but can only achieve an economic benefit through a reduction in future contributions.

Funded obligations only	2023/2024 £'000	2024/2025 £'000
Net Asset (unadjusted)	6,670	19,766
Expected net asset once agreed past service contributions are paid	-18,220	-29,656
Net Asset/Liability	<u>-11,550</u>	<u>-9,890</u>

34.4 Reconciliation of the Movements in Fair Value of the Scheme Assets:

	2023/2024 £'000	2024/2025 £'000
Opening fair value of scheme assets at 1 April	69,862	78,578
Interest income	3,337	3,819
Remeasurement gain/(loss):		
- The return on plan assets, excluding the amount included in Contributions from employer	4,577	-308
Contributions from employer	2,943	2,858
Contributions from employees into the scheme	577	602
Benefits paid	-2,718	-3,010
Closing fair value of scheme assets at 31 March	<u>78,578</u>	<u>82,539</u>

34.5 Reconciliation of Present Value of the Scheme Liabilities:

	2023/2024 £'000	2024/2025 £'000
Opening balance at 1 April	72,104	72,877
Current service cost	1,763	1,631
Interest cost	3,420	3,514
Contributions from scheme participants	577	602
Remeasurement gain/(loss):		
- Actuarial gains/losses arising from changes in demographic assumptions	-428	-128
- Actuarial gains/losses arising from changes in financial assumptions	-4,218	-11,200
- Other	2,224	-668
Past Service Cost	153	24
Benefits paid	-2,718	-3,010
Closing balance at 31 March	<u>72,877</u>	<u>63,642</u>

34.6 Local Government Pension Scheme assets comprised:

Asset category	Period Ended 31 March 2024				Period Ended 31 March 2025			
	Quoted prices in active markets £'000	Unquoted prices £'000	Total £'000	% of Total Assets	Quoted prices in active markets £'000	Unquoted prices £'000	Total £'000	% of Total Assets
Equity Securities	0	0	0	0%	0	0	0	0%
Debt Securities	0	0	0	0%	0	0	0	0%
Private Equity	0	1,880	1,880	2%	0	2,363	2,363	3%
Real Estate	2,840	3,538	6,377	8%	2,748	3,788	6,536	8%
Investment Funds and Unit Trusts	5,755	62,552	68,307	89%	5,941	66,555	72,496	88%
Derivatives	77	0	77	0%	61	0	61	0%
Cash and	1,937	0	1,937	1%	1,086	0	1,086	1%
Totals	10,609	67,969	78,578	100%	9,836	72,706	82,542	100%

34.7 Basis for Estimating Assets and Liabilities

An estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The figures disclosed below have been derived by suitable approximation methods from the full actuarial valuation of the Fund carried out by Hymans Robertson LLP as at 31 March 2022. The next formal valuation will be as at 31 March 2025.

The significant assumptions used by the actuary have been:

	2023/2024	2024/2025
Indicative default assumptions		
Duration category		
Short	2.80%	2.80%
Medium	2.75%	2.75%
Long	2.75%	2.75%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
• Men	21.7	21.6
• Women	24.3	24.2
Longevity at 65 for future pensioners:		
• Men	22.6	22.5
• Women	25.9	25.9
Rate of increase in salaries	3.25%	3.25%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities	4.85%	5.80%

34.8 Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

34.9 Impact on the Council's cash flows

The objectives of the scheme are to keep employer's contributions at a stable, affordable rate whilst ensuring the solvency of the fund at the same time. The County Council has agreed a strategy with the scheme's actuary to cap the employer contribution rate for 3 years, until the next triennial valuation in 2026, with a reducing monetary amount to stabilise the payments.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The authority expects to pay £2.677m contributions to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 18 years.

35.1 Contingent Liabilities

Thurrock Borough Council are taking legal action against APSE, claiming that they provided them with an inaccurate valuation, leading to significant financial losses.

Tewkesbury Borough Council are a member of APSE and believe there is no precedent where a Local Authority issues proceedings against a member organisations made up of other local authorities.

This could result in an unknown amount of legal costs for Tewkesbury Borough Council, which at this early stage cannot be quantified.

35.2 Contingent Assets

The council have no contingent assets in 2024/25.

Note 36. Nature and extent of risks arising from financial instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government (now renamed the Department for Levelling Up, Housing and Local Government) Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The Council's activities expose it to a variety of financial risks:

- Credit risk - The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity risk - The possibility that the Council might not have the cash available to make contracted payments on time.
- Market risk - The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk:

The Council is exposed to credit risk from £18,355,000 of treasury investments on 31st March 2025 (£17,110,000 on 31st March 2024) and £3,311,000 of trade receivables on 31st March 2025 (£2,275,000 on 31st March 2024).

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £2m (with the exception of the CCLA Property fund which has a £4m limit forming part of a balanced pooled fund portfolio) is placed on the amount of money that can be invested with a single counterparty (note that the Council can place unlimited funds with UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £1m applies. The Council also sets limits on investments in certain sectors. No more than £6m in total can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating:

Credit Rating	31/03/2025			31/03/2024		
	Long Term	Short Term	Cash and Cash Equivalents	Long Term	Short Term	Cash and Cash Equivalents
	£000s	£000s	£000s	£000s	£000s	£000s
AAA	0	0	9,984	0	0	6,714
A-	0	0	0	0	2,025	0
Unrated local authorities	0	0	0	0	0	0
Total	0	0	9,984	0	2,025	6,714
Credit risk not applicable*	8,371	0	0	8,371	0	0
Total investments	8,371	0	9,984	8,371	2,025	6,714

* Credit risk is not applicable to shareholdings in unrated strategic pooled funds where the Council has no contractual right to receive any particular sum of money.

The following analysis summarises the Council's trade receivables by due date. Only those receivables meeting the definition of a financial asset are included:

	Loss Allowance Calculation	31/03/2025	31/03/2024
	%	£000s	£000s
One to three months	5	2	54
Three to six months	10	6	66
Six months to one year	15	3	8
More than one year	Greater than 20	68	55
TOTAL		79	183

Loss allowances on trade receivables have been calculated by reference to the Council's historic experience of default. The Council calculates the loss allowance using the percentage shown in the table above.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the PWLB lending facility and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The Council holds £9,984,000 of liquid financial assets at 31st March 2025 (£6,714,000 at 31st March 2024) that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of financial liabilities is as follows, shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payments) figures:

45,747	Principal Plus Accrued Interest						
	Less Than 1 Year	1-2 Years	2-5 Years	5-10 Years	10-20 Years	20-40 Years	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Borrowing	697	533	1,600	2,500	100	14,000	19,431
Trade payables	1,599	0	0	0	0	0	1,599
Financial liabilities	2,296	533	1,600	2,500	100	14,000	21,030
Liquid financial assets	-9,984	0	0	0	0	0	-9,984
Net liquidity risk	-7,688	533	1,600	2,500	100	14,000	11,046

45,382	Principal Plus Accrued Interest						
	Less Than 1 Year	1-2 Years	2-5 Years	5-10 Years	10-20 Years	20-40 Years	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Borrowing	722	533	1,600	2,667	467	14,000	19,989
Trade payables	1,461	0	0	0	0	0	1,461
Financial liabilities	2,183	533	1,600	2,667	467	14,000	21,450
Liquid financial assets	-6,714	0	0	0	0	0	-6,714
Net liquidity risk	-4,531	533	1,600	2,667	467	14,000	14,736

45,747	Principal Plus Future Interest Payments						
	Less Than 1 Year	1-2 Years	2-5 Years	5-10 Years	10-20 Years	20-40 Years	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Borrowing	945	938	2,771	4,309	3,523	18,655	31,140
Trade payables	1,599	0	0	0	0	0	1,599
Financial liabilities	2,544	938	2,771	4,309	3,523	18,655	32,739
Liquid financial assets	-9,984	0	0	0	0	0	-9,984
Net liquidity risk	-7,440	938	2,771	4,309	3,523	18,655	22,755

45,382	Principal Plus Future Interest Payments						
	Less Than 1 Year	1-2 Years	2-5 Years	5-10 Years	10-20 Years	20-40 Years	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Borrowing	942	935	2,763	4,463	3,799	18,860	31,762
Trade payables	1,461	0	0	0	0	0	1,461
Financial liabilities	2,403	935	2,763	4,463	3,799	18,860	33,223
Liquid financial assets	-6,714	0	0	0	0	0	-6,714
Net liquidity risk	-4,311	935	2,763	4,463	3,799	18,860	26,509

Market Risks: Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates - the fair value of the liabilities will fall
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- Investments at fixed rates - the fair value of the assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance.

The Council has a number of strategies for managing interest rate risk. Policy is to aim to manage its exposure to fluctuations in interest rates with a view to containing interest costs, or securing interest revenues, in accordance with the amounts set in its budgetary arrangements.

The Treasury Management Officer has a benchmark of the level of investment income they aim to achieve within a year and this is monitored on a monthly basis. The Officer regularly calculates the anticipated level of interest receivable in the year (and future years) based on current interest rate estimates.

The majority of the Council's debt is long term and at a fixed rate of interest, however the majority of the Council's investments are on a short term basis meaning that investment income would be impacted by changes to interest rates.

Overall if interest rates rose by 1% the impact on the Council's Surplus or Deficit on the Provision of Services would be expected to be an additional cost of around £-13,000. If interest rates fell by 1% additional income of approximately the same amount would be expected.

Further detail on the impact of a 1% rate rise on the Council is given in the table below:

	31/03/2025
	£000s
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	-91
Decrease in fair value of investments held at fair value through profit and loss	78
Impact on Surplus or Deficit on the Provision of Services	-13
Decrease in fair value of loans and investments at amortised cost*	0
Decrease in fair value of fixed rate borrowing*	-1,269

* No impact on Comprehensive Income and Expenditure

Market Risks: Price risk

The Council's investment in a property fund and multi-asset funds (which include property) is subject to the risk of falling commercial property prices. A 5% fall in commercial property prices at 31st March 2025 would result in a £166,000 charge to Other Comprehensive Income and Expenditure (£150,000 at 31st March 2024). This is then transferred to the Pooled Investment Funds Adjustment Account.

The Council's investment in a REIT is subject to the risk of falling residential property prices. This risk is limited by the Council's maximum exposure to REITs of £0.5m. A 5% fall in residential property prices at 31st March 2025 would result in a £19,000 charge to Other Comprehensive Income and Expenditure (£24,000 on 31st March 2024) which would be reflected in the Financial Instruments Revaluation Reserve.

The Council's investment in multi-asset funds (which include equities) are subject to the risk of falling share prices. A 5% fall in share prices at 31st March 2025 would result in a £96,000 charge to the Surplus or Deficit on the Provision of Services (£93,000 on 31st March 2024) which is then transferred to the Pooled Investment Funds Adjustment Account.

Legal and Regulatory Risk Management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

37. Trust Funds

The council acts as sole trustee for one trust fund and as one of several trustees for another trust.

The Horsford Trust

This Trust is managed by the Council as well but under the strict guidelines of a Charity Commission scheme that was set up by the late benefactor Fanny Horsford.

There are no formal records of assets and liabilities as the charity falls under the threshold for the Charity Commission so only an annual return including income and expenditure is required.

	2023/2024 £'000	2024/2025 £'000
Income	17	18
Expenditure	-8	-10
	<u>9</u>	<u>8</u>

Reserve held on behalf of the Trust is carried in our balance sheet. In 2024/2025 it was £8k (£9k in 2023/2024).

The funds do not represent the assets of the Council, therefore they have been included as a third party reserve in the balance sheet.

COLLECTION FUND

2023/2024			Note	2024/2025		
£'000 Business rates	£'000 Council Tax	£'000 Total		£'000 Business rates	£'000 Council Tax	£'000 Total
0	75,839	75,839	Council Tax Receivable	0	81,054	81,054
			<i>Transfer from General Fund:</i>			
0	126	126	Council Tax Discounts Funded from Billing Authority General Fund	0	41	41
39,296	0	39,296	Business Rates Receivable	43,470	0	43,470
3,435	0	3,435	Transitional Protection Payments Due from Government	899	0	899
			Contributions Towards Previous Year's Deficit			
0	0	0	Central Government Share	0	0	0
0	0	0	Tewkesbury Borough Council	0	0	0
0	0	0	Gloucestershire County Council	0	0	0
42,731	75,965	118,696	Total Income	44,369	81,095	125,464
			Expenditure			
			Precepts, Demands and Shares			
20,403	0	20,403	Central Government Share	21,323	0	21,323
16,323	7,726	24,049	Tewkesbury Borough Council	17,058	8,212	25,270
4,081	56,047	60,128	Gloucestershire County Council	4,265	60,205	64,470
0	10,854	10,854	Gloucestershire Police Authority	0	11,594	11,594
0	0	0	Transitional Protection Payments Payable to Government	0	0	0
0	0	0	Contribution towards deficit	0	0	0
275	0	275	Renewable Energy Disregards	275	0	275
124	0	124	Cost of Collection Allowance	125	0	125
0	0	0	Interest	1	0	1
41,206	74,627	115,833		43,047	80,011	123,058
			Bad and Doubtful Debts:			
0	0	0	Write Offs	0	0	0
38	108	146	Allowance for Non Collection (Bad Debts)	185	364	549
0	0	0	Settlement against Provision	0	0	0
2,139	0	2,139	Change in Provision	-2,317	0	-2,317
2,177	108	2,285		-2,132	364	-1,768
944	1,536	2,480	Transfer of Collection Fund Surplus	3,003	1,248	4,251
44,327	76,271	120,598	Total Expenditure	43,918	81,623	125,541
-1,596	-306	-1,902	Surplus/(Deficit)	451	-528	-77
			Movement on Fund			
4,663	1,600	6,263	Balance at 1st April	3,067	1,294	4,361
-1,596	-306	-1,902	Surplus/(Deficit)	451	-528	-77
3,067	1,294	4,361	Balance as at 31st March	3,518	766	4,284
			Allocated to:			
1,533	0	1,533	Central Government	1,759	0	1,759
1,227	134	1,361	Tewkesbury Borough Council	1,407	79	1,486
307	972	1,279	Gloucestershire County Council	352	576	928
0	188	188	Gloucestershire Police Authority	0	111	111
3,067	1,294	4,361		3,518	766	4,284

NOTES TO THE COLLECTION FUND

1. General

The Collection Fund is a statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government.

The account is a statutory fund required by the Local Government Finance Act 1988, separate from the other revenue accounts of the Council, whose transactions are wholly prescribed by legislation. The Council has no discretion to determine which receipts and payments are accounted for within and outside the Fund.

NNDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

The CIPFA Code of Practice followed by local authorities in England stipulates that a Collection Fund Income and Expenditure account is included in the Council's accounts. The Collection Fund Balance Sheet meanwhile is incorporated into the Council's Balance Sheet.

2. Council Tax

2.1 Council Tax Property Valuations

Residential properties are classified by the District Valuer into eight bands based on their estimated value at 1 April 1991. Each band has a multiplier on which the eventual tax is set. The only exception is where properties have been adapted for physically disabled residents where a special band has been introduced.

The valuation banding and multipliers are as follows:

Band	Range of Values	Multiplier
Z	Adapted Property Band	5/9
A	Up to and including £40,000	6/9
B	£ 40,001 to £52,000	7/9
C	£ 52,001 to £68,000	8/9
D	£ 68,001 to £88,000	1
E	£ 88,001 to £120,000	11/9
F	£120,001 to £160,000	13/9
G	£160,001 to £320,000	15/9
H	More than £320,000	18/9

2.2 Council Tax Base

For 2024/2025 the tax base was 37,632.47 (36,781.36 in 2023/2024). This increase was mainly due to property growth in the borough.

In 2013/2014, the local government finance regime was revised and Council Tax Benefit is no longer received by the council. This has been replaced by a Council Tax Reduction Scheme which is administered in each authority.

The 2024/2025 base was calculated as follows:

Band	Number of Chargeable Dwellings	Multiplier	Band D Equivalents
A	5682.25	6/9	3,788.17
B	6007.5	7/9	4,672.50
C	11293.5	8/9	10,038.67
D	6041	9/9	6,041.00

E	5411.75 11/9	6,614.36
F	3452.5 13/9	4,986.94
G	1982.25 15/9	3,303.75
H	183.5 18/9	367.00
Total Band D Equivalents		<u>39,812.39</u>
Growth Adjustment		-1,830.07
Collection Rate		98.00%
Chargeable Band D Equivalents		<u>37,222.67</u>
Armed Forces class 'O' contributions in lieu of Council Tax		409.8
Council Tax Base		<u><u>37,632.47</u></u>

2.3 Council Tax Level

The Council Tax levels set by the Council are required to cover the precept demands made by Gloucestershire County Council, Gloucestershire Police Authority, Tewkesbury Borough Council and individual Parishes.

The Precept made by each of these authorities on the Collection Fund is analysed below:

	2023/2024	2024/2025
	£'000	£'000
Gloucestershire County Council	56,047	60,205
Police Authority	10,853	11,594
Tewkesbury Borough Council	5,126	5,433
Total for Parishes	2,600	2,779
	<u>74,626</u>	<u>80,011</u>

The Council set an average council tax level for 2024/2025 at Band D of £2,126.12, including Parish precepts (2,028.92 in 2023/2024). This is broken down as follows:

	2023/2024	2024/2025
	£	£
Gloucestershire County Council	1,523.78	1,599.82
Police Authority	295.08	308.08
Tewkesbury Borough Council	139.36	144.36
Average Parish	70.70	73.86
	<u>2,028.92</u>	<u>2,126.12</u>

The Band D tax level for Parish budgets ranged from nil to £155.35

3. Income from Business Ratepayers

The Council collects Non-Domestic (Business) Rates for its area. These are based on local rateable values set by the District Valuer £102,637,303 at 31 March 2025 (£102,353,806 at 31 March 2024), multiplied by a uniform rate in the pound set by Central Government. The government provided a reduced rate for businesses with small rateable values of less than £51,000. For 2024/2025 this was set at 49.9p (2023/2024 49.9p), with the standard rate in the pound being 54.6p (2023/2024 51.2p) for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEWKESBURY BOROUGH COUNCIL

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Tewkesbury Borough Council (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement, the Collection Fund Statement, and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The Executive Director: Resources has prepared the financial statements on the going concern basis as they have not been informed by the relevant government body of the intention to dissolve the Authority without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements.

In auditing the financial statements and having regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities, we have concluded that the Executive Director: Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on

the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director: Resources with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director: Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Executive Director: Resources

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director: Resources. The Executive Director: Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director: Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director: Resources is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management, internal audit and the Audit and Governance Committee in relation to their own identification and assessment of the risk of irregularities within the entity, and whether they were aware of any

instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;

- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the Authority's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Authority operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2024), the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Authority's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Committee meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of land and buildings, valuations of investment property and defined benefit pensions liability valuations; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating

the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including material misstatements in the financial statements or non-compliance with regulation, will be detected by us, even though the audit is properly planned and performed in accordance with the ISAs (UK). The risk increases the further removed compliance with a law or regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory matters

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024 and related statutory guidance. We considered whether the Authority has proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk

assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

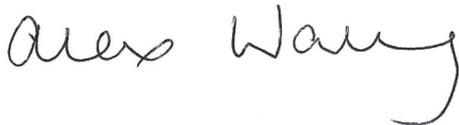
Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Tewkesbury Borough Council for the year ended 31 March 2025 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and Authority's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alex Walling, Key Audit Partner
for and on behalf of Bishop Fleming Audit Limited
Chartered Accountants and Statutory Auditors

Bristol

11 December 2025

Accounting Policies

The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

Accruals

Money which is owed by/to the Council as at 31st March.

Actuarial Gains and Losses

These comprise:

Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), and

The effects of changes in actuarial assumptions.

Capital Receipts

Capital money received from the sale of land or other assets, which is available to finance other items of capital spending.

Capital Expenditure

The acquisition of assets which have a long-term value to the Council in the provision of its services (e.g. land), purchasing existing buildings or erecting new ones, purchasing furniture, equipment, etc.

Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Creditor

Where money is due to a third party at year end for goods or services that have been received on or before 31st March, but not yet paid for.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the professional body for accountants working in local government and public bodies. The Institute provides financial and statistical information services for local government and advises central government and other bodies on local government and public finance matters. Members of the Institute are entitled to the letter CPFA after their names, and membership is by examination. CIPFA is an entirely privately funded body.

Community Infrastructure Levy

The Community Infrastructure Levy (the 'levy') is a charge which can be levied by local authorities on new development in their area.

Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the local authority's control.

Contingent Liability

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control, or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contributions paid to the Gloucestershire County Council pension fund

Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Control

The ability of the reporting authority to direct the operating and financial policies of another entity with a view to gaining future economic benefits or service potential from its activities.

Current Service Cost

The increase in the present value of a defined benefit obligation (liabilities) resulting from employee service in the current period.

Depreciation

This is a charge made to the Income and Expenditure account each year that reflects the reduction in an asset used in the delivery of a service.

Dominant Influence

Influence that can be exercised by the reporting authority to exercise the operating and financial policies desired by the reporting authority, notwithstanding the rights or influence of any other party.

Entity

A body corporate, partnership, trust, unincorporated association, or statutory body that is delivering a service, or carrying on a trade or business, with or without a view to profit.

External Audit

The independent examination of the accounts of local authorities conducted by qualified auditors to ensure accuracy and compliance with accounting standards

Fair Value

The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

Financial Regulations

A formal code of procedures to be followed in the financial management of the Council.

Financial Year

The financial year runs from 1st April to 31st March.

General Fund (GF)

The fund from which the expenditure of district councils is financed.

Government Guidelines

These are contained in white papers, circulars or letters from Central Government. They give advice to local authorities of the current and future expenditure levels forecast nationally for different public sector services. They are advisory or for information only, i.e. they are not mandatory.

Gross Expenditure

The cost of providing the Councils services before deduction of Government grants or other sources of income.

Housing Benefits

Introduced in the Social Security and Housing Benefits Act 1982 - a system of financial assistance towards the rent and rates of those in financial need. Costs incurred by Councils are partly reimbursed by direct grant from Central Government.

Housing Subsidy

Subsidies payable by Central Government to reduce housing costs.

Interest on Revenue Balances (or interest receipts)

The day to day cash flow of the authority is invested when it is in surplus, and borrowing is required when it is in deficit. The interest earned on any net surplus over the year is given one or other of these names.

Internal Audit

A continuous review maintained by the Corporate Head of Financial Services and Resources over all functions of the Council to ensure, among other things, the correctness of all income and expenditure.

IFRS

International Financial Reporting Standards advise the accounting treatment and disclosure requirements of transactions so that an authority's accounts 'present fairly' the financial position of the authority.

Inventories

The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises. Stocks comprise the following categories:

- Goods or other assets purchased for resale
- Consumable stores
- Raw materials and components purchased for incorporation into products for sale

Liability

A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the authority of resources embodying economic benefits or service potential.

Material

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

Minority Interest

The interest in a subsidiary entity included in the consolidation that is attributable to the proportion of the stake holding on behalf of persons other than the reporting authority.

Minimum Revenue Provision

MRP is the minimum amount which must be charged each year in order to provide for the repayment of loans and other amounts borrowed by the authority.

Net interest on the net defined benefit liability

The change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Non-Domestic Rates (NDR)

Local tax for businesses based on value of business properties.

Past Service Cost

The increase in the present value of the defined benefit liability (obligation) for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits.

Precept

The amount each authority (the County Council, Police Authority, District and Parishes) requests from the Council taxpayer to meet its income and expenditure plans.

Prior Period Adjustments

Prior period adjustments are required when an error is material.

Prospective Application

Applying a change to transactions, other events and conditions from the date of change of estimate.

Provision

A liability of uncertain timing or amount.

P.W.L.B.

Public Works Loan Board

Recoverable Amount

The higher of fair value less costs to sell of an asset and its value in use.

Reserve

Where money is available for a specific purpose but no commitment has been made on or before the 31st March, a reserve can be set up to carry the money forward to the next year when the money can be used for the specific purpose for which it was intended. When expenditure takes place the reserve is credited to the relevant year after the calculation of the Net Cost of Services.

Retrospective Application

Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.

The Return on Plan Assets

Excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Revenue Support Grant (RSG)

A grant paid by Central Government, to local authorities, in aid of revenue. This is not paid for specific services.

Revenue Expenditure

The day to day running costs which consist principally of salaries and wages, general running expenses and capital financing costs.

Shared Services

Shared Services are where two or more authorities have arranged under an agency agreement for one authority to provide the service on behalf of all authorities covered by the agreement.

Significant Influence

The power to participate in the financial and operating policy decisions of an authority, but not control those policies.

Specific Grants

Government grants to local authorities in aid of particular projects or services, e.g. housing benefit grant, magistrates courts grant, police grant.

Useful Life

The period which an asset is expected to be available for use by an entity.

Value in Use

- Of a non-cash generating asset - the present value of the asset's remaining service potential.
- Of a cash generating asset - the present value of the future cash flows expected to be derived.

Vested Employee Benefits

Employee benefits that are not conditional on future employment.