TITLE: Draft Statement of Accounts 2025/26

Committee: Audit Committee

Date: 14th July 2026

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Report number: AB41

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Issue

1. To note that the Council's draft Statement of Accounts for 2025/26 has been published on the Council's website.

Recommendation

2. That the Committee notes the report.

Background/Options

3. The format of the Statement of Accounts is prescribed by a range of regulations and reporting requirements together with a code of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Since 2010/11, as part of the wider public sector move towards international accounting standards, all local authorities in the UK are required to produce their annual financial statements using International Financial Reporting Standards (IFRS).

4. The Audit and Accounts Regulations 2015 (as amended) which apply to the preparation, approval and audit of the Statement of Accounts for the year ending 31st March 2026 required the following:

   - The draft Accounts must be certified by the Council's Responsible Financial Officer, the Section 151 Officer, by 30 June following the end of the financial year. It is confirmed that the Accounts were signed off by this statutory deadline, having been certified and uploaded to the Council's website on 30 June 2026.

   - The draft Accounts and any associated financial documentation are made available for public inspection for a period of 30 working days. The accounts are currently available for public inspection, this started on the 1st July 2026 and will continue until the 11th August 2026. To this point, neither the Council nor Ernst & Young LLP (EY) as the Council's auditors, have received any communications from the public.

   - By the 31st January 2027, the backstop date for the 2025/26 accounts:
     - The Accounts must be re-certified by the Responsible Financial Officer

- The Accounts must be approved by Members [Under the Council's Constitution, it is the Audit Committee's function to approve the Statement of Accounts]
- The Accounts must be published together with any certificate, opinion or report issued by the appointed auditor.
- or, if the above 3 bullets cannot be achieved a notice is to be published setting out the reasons for not doing so.

5. EY have programmed their work schedule to start the formal part of the Audit of the Council's Statement of Accounts in October 2026, but a significant amount of pre-audit work has already started as they collect the information needed to undertake their review.

Arguments/Conclusions

6. A further report will be brought to Committee once the audit has been completed and the Statement of Accounts ready for formal approval.

Additional Implications Assessment

7. In the table below, please put Yes or No in each box:

Financial Implications	Legal Implications	Human Resources (HR) Implications
No	**No**	**No**
Equality Impact Assessment (EIA)	**Carbon Impact Assessment (CIA)**	**Data Protection Impact Assessment (DPIA)**
No	**No**	**No**

Appendices

Appendix 1: Draft Statement of Accounts 2025/26

Background documents

None

Appendix 1

East Cambridgeshire District Council

Draft

Statement of Accounts

2025/26

Contents

Narrative Report

By the Director, Finance
As the Council's Responsible Financial Officer, I am pleased to present the Council's 2025/26 Annual Financial Report which outlines the Council's financial performance for the year ended 31 March 2026. The purpose of this foreword is to provide a guide to the most significant matters reported in the Council's accounts and is in three sections.

- Commentary and Review of 2025/26.
- The Financial Statements
- Technical information

Commentary and Review of 2025/26

Review and Commentary on the Council's services and performance during 2025/26
Within the Corporate Plan 2023 to 2027, there are three priority areas;

- Sound Financial Management
- Cleaner, greener East Cambridgeshire
- Sustainable Communities

The following information details the outcomes against the promises over the past twelve months:

<u>Sound Financial Management</u>

Priorities

Ensure the Council is financially sustainable.
Minimise the financial (cost) impact of the Council on its residents.
Be more commercial, but within reason - 'commercial for community'.

2025/26 Actions	Results
Council to approve the 2026/27 budget and the Medium Term Financial Plan in February 2026 only increasing Council Tax as a last resort.	The 2026/27 budget was approved in February 2026 including a balanced budget for 2026/27 and 2027/28 with no increase in Council Tax in 2026/27 (this for the thirteenth consecutive year)
Work with other councils in the Cambridgeshire and Peterborough region to ensure the transition to any new local government structure that delivers the most financially sustainable outcomes for East Cambridgeshire's residents possible.	The Council continued to engage in devolution and local government reorganisation discussions to help protect East Cambridgeshire's financial sustainability and interests.
Engage proactively with the Fair Funding Review process, assessing potential impacts on the council's income and planning accordingly to safeguard services and investment in the district.	The impact of the Fair Funding Review and the wider funding reforms have been reflected in the Medium Term Financial Strategy, with ongoing monitoring of future funding changes and potential implications for the Council.

Cleaner, Greener East Cambridgeshire

Priorities

Improve the public realm.
Reduce environmental crime across the district.
Enhance the natural environment and build on our sustainability goals.
Design a resilient waste and street cleansing service fit for the future.

2025/26 Actions	Results
Deliver the Climate and Nature Top 20 actions for 2025/26 including a focus on nature improvements, reducing our carbon emissions, and adapting to a changing climate.	15 actions completed or well advanced including another 100 orchard trees given to communities across the district, solar panels installed on the new development built by Palace Green Homes at Arbour Square, Ely and the Council reduced its own water consumption by a further 10% in its main office, The Grange (following a 10% reduction the previous year).
Implement a new waste and recycling collection service for residents from June 2026.	The new waste collection service went live on the 1st June 2026 – The launch has been supported by a detailed communications campaign and resident engagement.
Support the development of a network of Agricultural Reservoirs across East Cambridgeshire.	The Council has engaged with key stakeholders and researchers to progress the development of Agricultural Reservoirs across East Cambridgeshire.
Produce a plan setting out how we will become a net zero council by 2036.	The ‘A Pathway to Net Zero’ report was approved by the Council in November 2025, providing a detailed action plan of how we will aim to meet our emission target.
Improve the look and feel of the city and town centres, including replacement street furniture.	The Council continues to improve the look and feel of the city and town centres and has repaired and replaced street furniture when necessary.
Secure funding for Photovoltaic (PV) panels at the Bereavement Centre.	All grant funding opportunities are being explored. Following a submission to Cambridgeshire and Peterborough Combined Authority (CPCA). The Council was not successful. The build out of the Bereavement Centre is at an advanced stage and due to complete in Summer 2026. To future proof the Bereavement Centre, as part of the build, ducting to easily facilitate future PV on site has already been installed.

Sustainable communities

Priorities

Support our residents to live happy and healthy lives.
Support our businesses to thrive in East Cambridgeshire.
Improve our roads and local transport.
Deliver genuinely affordable housing that enables people to live and work locally.
Invest in community infrastructure.

2025/26 Actions	Results
Allocate the £100k Homes at Kennett.	Three £100k Homes have been allocated, a further six will be available during 2026/27.
Support local businesses via our UK Shared Prosperity and Rural England Prosperity Business Grant Funds.	**Rural England Capital Growth Fund:** Supported 22 businesses, delivering 6 jobs, 2 apprenticeships, and wider gains in skills, innovation and productivity. **UKSPF Business Growth Fund:** Supported 29 businesses, delivering 13 jobs (created/expected), 3 apprenticeships, and wider gains in skills, innovation and productivity.
Further develop the council's Sustrans feasibility schemes for the Ely to Soham and Burwell to Fordham routes.	Work to progress the feasibility studies to a preliminary design for the selected routes has continued. Public consultation on a preferred route that links Burwell and Fordham via Exning was held in Spring 2026.
Continue to work with partners to deliver the actions in the council's Health and Wellbeing Strategy.	987 individuals accessed Health & Wellbeing physical activity programmes delivered or supported by the Council. Eight targeted healthier weight programmes were delivered with significant improvements in peoples wellbeing scores being recorded. Ten older adult strength and balance programmes have provided participants with improved mobility whilst also addressing social isolation. The Health and Well Fair event took place in Soham attracting over two hundred local residents. A community appointment day for parents with children on neurodevelopmental assessment waiting lists was organised collaboratively by the East Cambs Neighbourhood team.
Work with CPCA and partners to deliver improvements to active travel, road and rail infrastructure, including bus franchising, the BP Witchford	The Council has continued to engage with the CPCA and Cambridgeshire County Council on improvements to active travel, rail and road infrastructure. Officers

Road Non-Motorised User (NMU) crossing, A10 Ely to A14 improvements scheme, support local rail improvements including Soham Railway Station phase 2.	continue to represent the Council on the BP Witchford Road Non-Motorised User (NMU) Access Study project Board and the A10 Ely to A14 improvements scheme project board.
Continue to support existing Community Land Trusts (CLTs) across the district and work with communities to establish and develop new CLTs.	The Council continues to promote CLTs and has assisted existing CLTs including, Kennett, Haddenham and Swaffham Bulbeck CLT.
Develop an Inclusive Play Strategy	Audits of Parish and District Council play areas were conducted, and the findings of the District Council audits will be incorporated into the Strategy to be considered by Members in September 2026. In February 2026 the Council introduced a bespoke CIL grant scheme for Inclusive Play & Open Spaces to provide match funding to assist with the delivering of inclusive play and open spaces.
Open the Bereavement Centre.	The project is on track, and the Bereavement Centre is due to open in Summer 2026
Provide match funding to parishes producing Neighbourhood Plans of up to £5,000 per parish.	A scheme has been set up and to date 2 Parish Councils have been awarded £5,000 and 1 other has notified us they will be applying.
East Cambs Trading Company will complete the development at Arbour Square, Ely, which will deliver 27 homes (100%) affordable housing as social rent properties	7 properties were completed and sold to Havebury for Social Rent between February and March 2026. The remaining 20 will be completed and sold to Havebury for Social Rent between June and August 2026.

Revenue Spending and Sources of Income

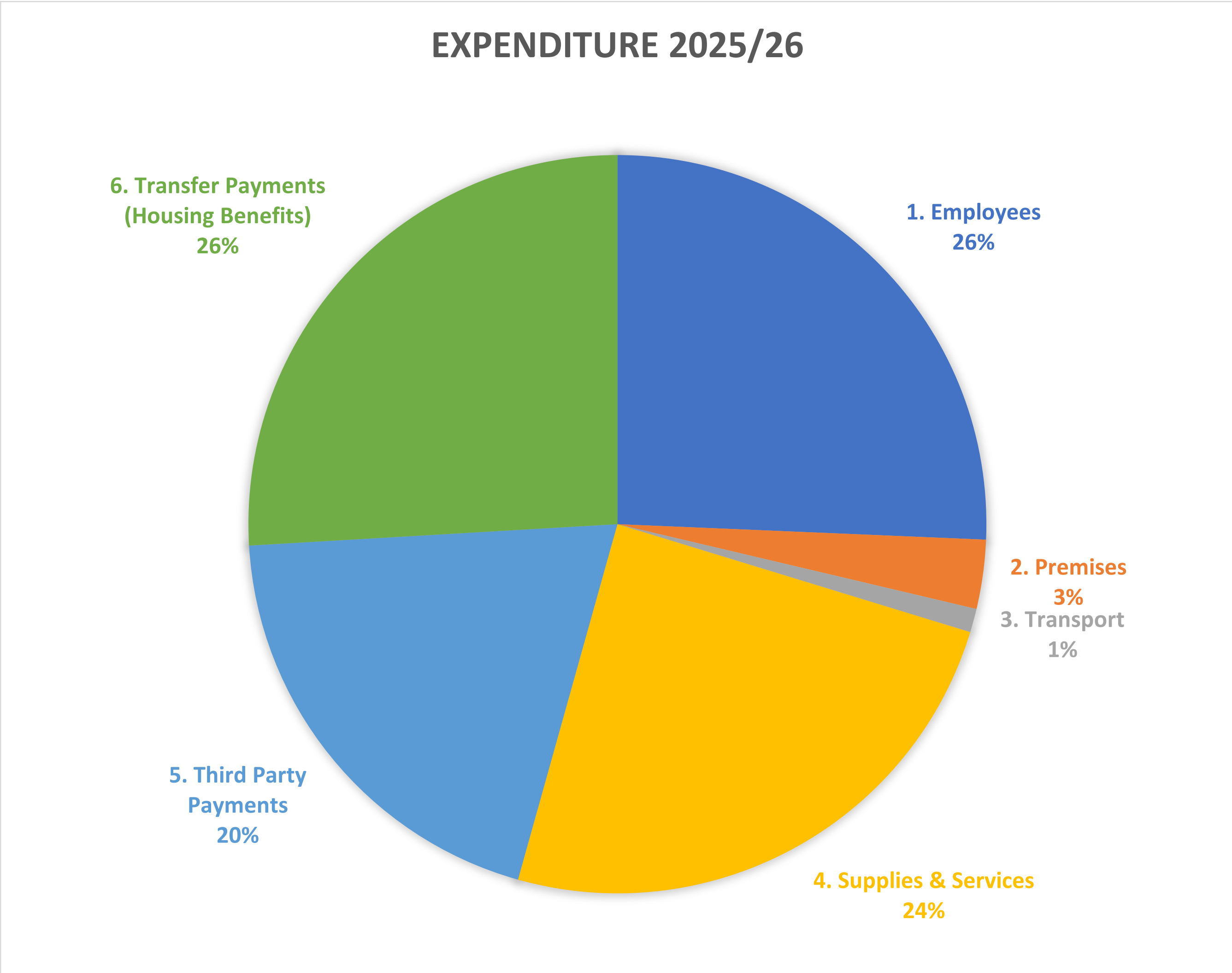
The Table below sets out the Council's budget for 2025/26 and how it performed against this and details out the main sources of income the Council receives to pay for its services.

	Budget	Outturn	Variance
	£000	£000	£000
Service			
Finance & Assets	7,969	6,637	(1,332)
Operational Services	6,843	6,366	(477)
Service Net Revenue Expenditure	**14,812**	**13,003**	**(1,809)**
Land Drainage	801	629	(172)
Parish Precepts	3,596	3,586	(10)
Movement in Corporate Reserves	40	40	0
Total Net Revenue Expenditure	**19,249**	**17,258**	**(1,991)**
Financing			
Council Tax	(8,311)	(8,311)	0
Non-Domestic Rates	(7,647)	(8,715)	(1,068)
Revenue Support Grant	(126)	(116)	10
Other Government Grants	(1,353)	(1,353)	0
Budget - draw from Surplus Savings Reserve	(1,813)	(1,813)	0
Total Financing	**(19,250)**	**(20,308)**	**(1,058)**
Transfer to Surplus Savings Reserve			**(3,049)**
Net (Increase)/Decrease in Earmarked Reserves			**(1,458)**
Total Reported General Fund Movements			**(4,507)**
Adjustment between Funding & Accounting Basis			**(8,740)**
Reported Deficit (Surplus) upon Services in Income & Expenditure Account			**(7,283)**

The net cost of individual committees shown in the table above differs from the formal Statement of Accounts due to statutory accounting adjustments, including capital accounting entries, pension adjustments and the treatment of movements to and from reserves. The table reflects the Council's management reporting structure used throughout the year and is consistent with the revenue outturn reported to the Finance and Assets Committee. Overall, the Council reported favourable revenue variances across its service committees, principally as a result of higher than anticipated investment income, additional Renewable Energy Business Rates receipts, Government grant funding towards Internal Drainage Board levies, staff vacancy savings across a number of services and lower financing costs. These favourable variances were partially offset by increased expenditure on Information Technology, Local Government Reorganisation and other service pressures.

Analysis of Revenue Expenditure

The Council spent £41.368 million (gross) in 2025/26; the chart below shows the type of expenditure this was spent on.



Reserves

The table below shows the movement in the useable reserves during the year.

Usable Reserves 2025/26	Brought Forward £'000	Contributions To £'000	Contributions From £'000	Carried Forward £'000
General Fund	1,386	40	0	1,426
Surplus Savings & Earmarked	28,901	7,243	(8,740)	27,404
TOTAL GENERAL FUND	**30,287**	**7,283**	**(8,740)**	**28,830**
Capital Receipts Reserve	1,759	0	(330)	1,429
Capital Grants Unapplied	1,415	1,021	0	2,436
Total Usable Reserves	**33,461**	**8,304**	**(9,070)**	**32,696**

Capital Spending

The final capital budget for 2025/26 was £16.968 million and the table below shows the movement from the original capital programme approved in February 2025.

Capital Programme	£'000	£'000
Original Approved Capital Programme 2025/26	13,217	
Approved slippage from 2024/25	1,554	
Approved Additions	2,197	
Updated Capital Programme for 2025/26	16,968	
Capital outturn		12,519
Underspend against revised budget		(4,449)

There was additional lending provided to East Cambs Trading Company (ECTC), with total lending of £2.875 million during the year compared with the original budget provision of £1.5 million. This overspend was partially offset by the deferral of the Solar Panels on Council Buildings project and lower than anticipated expenditure on Depot capital maintenance works.
The most significant variance relates to the Bereavement Centre project, which underspent by £3,529,235 against the revised budget. Whilst substantial progress has been made during the year, expenditure was lower than anticipated due to the timing of construction works and project delivery milestones, with the remaining budget being carried forward to support completion of the scheme.
Further underspends arose on the Refuse and Cleansing Vehicles programme (£1,032,993) and the Waste Wheeled Bins project (£786,909). These variances reflect delays in procurement and delivery timelines, resulting in expenditure being reprofiled into next financial year. Additional underspends were reported on Mandatory Disabled Facilities Grants (£188,116) and Food Waste Caddies (£168,147), where demand and delivery profiles differed from those assumed when the budget was set.

Spend in 2025/26 was as shown below:

2024/25 £'000	Capital Spending	2025/26 £'000
682	Housing Grants	1066
445	Vehicle Replacement Programme	299
204	Refuse Vehicles	1,555
1,675	Loan to subsidiary company	2,875
43	Loan to EC CLT	0
67	Depot Improvements	129
499	Bereavement Centre	6,230
39	Wheelie Bins	365
3,654	Gross Expenditure	12,519
	Funded From	
74	Capital Receipts Reserve Applied	36
637	Grants	1,395
1,499	CIL Earmarked Reserve Contribution	7,029
989	Internal Borrowing Contributions	4,059
455	Section 106	0
3,654		12,519

Treasury Management

East Cambridgeshire District Council remained in a cash surplus position throughout 2025/26 and invested surplus cash in accordance with its Treasury Management Strategy, with the primary objectives of security, liquidity and yield. During the year, the composition of the Council's liquid assets changed as a result of investments with an original maturity of three months or less being classified as Cash and Cash Equivalents, rather than Short-term Investments. Consequently, cash and cash equivalents increased from £10.4 million to £30.2 million, while short-term investments reduced from £22.1 million to nil. This movement reflects a change in the classification of the Council's investments based on their maturity profile at the year end, rather than a change in the Council's overall liquidity or investment position.

Looking to the Future

The Council's Medium Term Financial Strategy (MTFS) sets a robust financial framework for the Council's plans over the next four years which support the delivery of the Council's priorities within a context of an annual balanced budget. Specifically, the MTFS:

- Looks to the longer term to help plan sustainable services within an increasingly uncertain external economic and funding environment.
- Maximises the Council's financial resilience and manages risk and volatility, including managing adequate reserves.
- Helps ensure that the Council's financial resources are directed to support delivery of the Council's priorities over the medium term.

The Financial Statements

The Council's financial statements for 2025/26 have been prepared in accordance with the:

- Standard format for local authority accounts recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the Statement of Accounts in 2025/26 as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 based on International Financial Reporting Standards.
- Accounts and Audit Regulations 2015.

The primary financial statements are supported by explanatory notes, including details of the accounting policies adopted by the Council.

The Comprehensive Income and Expenditure Statement (CIES)
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.
The CIES differs from the Council's management accounts, as it contains a number of transactions that are required for accounting purposes but disregarded for management reporting purposes as they are deemed not to be covered by Council Tax. A reconciliation is presented at Notes 1 and 8 to the accounts.

Movement in Reserves Statement
This statement also shows the movement in the year on the different reserves held by the Council, analysed into 'useable reserves', (i.e., those that can be applied to fund expenditure or reduce local taxation) and 'unusable' reserves.

Balance Sheet
The Balance Sheet shows the value at the 31 March 2026 of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e., those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are unusable reserves and include unrealised gains and losses *(*for example the Revaluation Reserve), where amounts would only become available to provide services if the asset to which they relate was sold; and reserves that hold timing differences shown in the Movement in Reserves Statement at the line entitled 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025 £'000		31 March 2026 £'000
46,455	Long Term Assets	56,267
37,303	Current Assets	35,421
(8,734)	Current Liabilities	(8,918)
(10,203)	Long Term Liabilities	(5,195)
64,821	Net Assets	77,575
33,461	Useable Reserves	32,696
31,360	Unusable Reserves	44,879
64,821	Total Reserves	77,575

The Council's Balance Sheet has moved from a position at the 31st March 2025 of £64.821 million to £77.575 million at the 31st March 2026. The principal reasons for this movement of £12.754 million is largely attributable to the increase in Fixed Assets, decrease in movement on the pension liability and increase in Cash & cash equivalents. The full Balance Sheet is on page 21 of the Accounts.
At this time, the statutory arrangements for funding the Pension surplus mean that the financial position of the Council continues to remain healthy.

- Any deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme and actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The Cash Flow Statement

The Cash Flow Statement shows the changes in "cash" (cash and cash equivalents) of the Council during the reporting period. The statement shows how the Council generates and uses "cash" by classifying cash flows as operating, investing, and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

Net Cash Flows from:	**31 March 2026 £'000**
Operating activities	4,746
Investing activities	15,402
Financing activities	(278)
Net Increase in cash and cash equivalents	19,869
Cash and cash equivalents	
At the beginning of the reporting period	10,377
At the end of the reporting period	30,246

The increase in cash and cash equivalents reflects the withdrawal of short-term investments into cash and cash equivalents as part of the Council's treasury management activities.

The Collection Fund Revenue Accounts

The Collection Fund Accounts are separate accounts into which are paid amounts raised from local taxation. There are two accounts detailing the amounts collected in respect of Council Tax and National Non-Domestic Rates (NNDR).
The NNDR amount collected is then distributed subject to a predetermined Government set formulae.
The Council Tax Account is distributed based on the requested value of the preceptors across the District, these preceptors are:

- Cambridgeshire County Council
- Cambridgeshire Fire Authority
- Cambridgeshire Police and Crime Commissioner
- East Cambridgeshire District Council
- Cambridgeshire & Peterborough Combined Authority
- Town and Parish Councils

Technical Information

International Financial Reporting Standards
The Council has reported its financial position based on the requirements of International Financial Reporting Standards (IFRS) and this is encapsulated within the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Statement of Accounting Policies
The accounting polices applicable to the 2025/26 Statement of Accounts are the same as those that were applied to the 2024/25.

True and Fair View Override
As required by the Accounts and Audit Regulations 2015, paragraph 8.2, it is noted that the Responsible Financial Officer has not had to use the “true and fair view override”.

Changes to the Statement of Accounts
There are no material changes to the Statement of Accounts.

Material and Unusual Charges or Credits in the Accounts
There were no material unusual or exceptional items of income or expenditure recognised during 2025/26. However, the Council experienced a number of material movements within the financial statements, principally reflecting the reclassification of investments between short-term investments and cash and cash equivalents, changes in the valuation of property, plant and equipment, movements in pension assets and liabilities, and the normal year-end accounting adjustments required under the CIPFA Code of Practice.

Material Events after the Reporting Date
There have not been any material events after the reporting date.

Material Assets Acquired or Liabilities Incurred
During the year, the Council incurred capital expenditure resulting in additions to Property, Plant and Equipment and assets under construction. The most significant additions relate to ongoing capital schemes, including the Bereavement Centre and operational asset investment.
These transactions form part of the Council’s normal capital programme and do not represent material acquisitions outside the ordinary course of business. Full details are provided within Notes 12 and 13 to the financial statements. There have not been any liabilities incurred during the year.

Changes in Statutory Functions
There were no changes in statutory functions in 2025/26.

Rounding
Figures included in the Statement of Accounts are presented to the nearest thousand pounds (£'000) unless otherwise stated. Consequently, minor rounding differences may occur between individual figures, totals and percentages. Such differences are not material and do not affect the overall accuracy or fairness of the financial statements.

Jude Antony - FCCA
Director, Finance (Section 151 Officer)

Independent auditor's report to the members of East Cambridgeshire District Council

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Statement of Responsibilities

The Authority's 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 Finance Director & Section 151 Officer.
- manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Section 151 Officer's Responsibilities
The Section 151 Officer is responsible for the preparation of the authority's Statement of Accounts 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 this Statement of Accounts the Section 151 Officer has:

- selected suitable accounting policies and applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the local authority Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Authority as at 31st March 2026 and its income and expenditure for the year ended 31st March 2026.

Jude Antony - FCCA
Director, Finance (Section 151 Officer)

Audit Committee Certificate for the Approval of the Accounts

COUNCIL Comprehensive Income and Expenditure Statement

2024/25					2025/26		
GROSS EXPENDITURE £'000	GROSS INCOME £'000	NET EXPENDITURE £'000		NOTE	GROSS EXPENDITURE £'000	GROSS INCOME £'000	NET EXPENDITURE £'000
22,273	(18,708)	3,563	Finance & Assets		25,370	(17,353)	8,016
15,178	(8,871)	6,307	Operational Services		16,967	(14,930)	2,038
37,451	**(27,579)**	**9,870**	**Cost of Services**	8	**42,337**	**(32,283)**	**10,054**
3,271	0	3,271	Parish Council Precepts	8	3,586	0	3,586
673	0	673	Internal Drainage Board		629	0	629
30	0	30	Loss/(Gain) on disposal of non-current assets		0	0	0
3,974	**0**	**3,974**	**Other Operating Expenditure**		**4,216**	**0**	**4,216**
0	(2,191)	(2,191)	Interest Receivable & Investment Income	8	0	(1,839)	(1,839)
0	(156)	(156)	Net Interest on the net Pension Liability	21	0	(639)	(639)
0	**(2,347)**	**(2,347)**	**Financing & Investment Income & Expenditure**		**0**	**(2,478)**	**(2,478)**
0	(7,957)	(7,957)	Council Tax Income	8	0	(8,471)	(8,471)
0	(7,718)	(7,718)	Non-Domestic Rates income & Expenditure	8	0	(9,137)	(9,137)
0	(1,671)	(1,671)	Non Ring Fenced Government Grants	8	0	(1,467)	(1,467)
0	**(17,347)**	**(17,347)**	**TAXATION & NON SPECIFIC GRANT INCOME**		**0**	**(19,075)**	**(19,075)**
41,425	**(47,273)**	**(5,850)**	**(Surplus)/Deficit on Provision of services**	8	**46,553**	**(53,837)**	**(7,283)**
0	367	367	(Surplus) or deficit in the revaluation of non-current assets	11	0	(2,244)	(2,244)
0	8,920	8,920	Actuarial losses (Gains) on pension assets & liabilities	21	0	(3,227)	(3,227)
0	**9,280**	**9,280**	**Other comprehensive income & expenditure**		**0**	**(5,471)**	**(5,471)**
41,425	**(37,986)**	**3,437**	**TOTAL COMPREHENSIVE**		**46,553**	**(59,308)**	**(12,754)**

INCOME & EXPENDITURE

The Council's Surplus on the Provision of Services increased from £5.9 million to £7.3 million. Gross expenditure rose by £5.1 million, mainly due to higher operating costs, while gross income increased by £6.6 million, primarily from additional Renewable Energy Business Rates and service income.

COUNCIL Movement in Reserves Statement 2024/25

Restated	General Fund	Other Earmarked Reserves	Capital Grants Unapplied	Capital Receipts Reserve	**Total Useable Reserves**	**Total Unusable reserves**	**TOTAL Council Reserves**
Carried Forward at 31 March 2024	**(1,238)**	**(26,658)**	**(389)**	**(1,786)**	**(30,071)**	**(38,116)**	**(68,187)**
Movement in reserves							
(Surplus) or Deficit on provision of services		(5,851)			(5,851)		(5,851)
Other Comprehensive Income and Expenditure	(148)	148			0	9,216	9,216
Total Comprehensive Income and Expenditure	**(148)**	**(5,703)**			**(5,851)**	**9,216**	**3,365**
ADJUSTMENTS BETWEEN ACCOUNTING BASIS & FUNDING BASIS UNDER REGULATIONS		3,459	(1,026)	27	2,460	(2,460)	0
Net Increase/Decrease before Transfers to/from earmarked reserves	**(148)**	**(2,244)**	**(1026)**	**27**	**(3,391)**	**6,756**	**3,365**
Balance at 31 March 2025	**(1,386)**	**(28,901)**	**(1,415)**	**(1,759)**	**(33,461)**	**(31,360)**	**(64,821)**

COUNCIL Movement in Reserves Statement 2025/26

	General Fund	Other Earmarked Reserves	Capital Grants Unapplied	Capital Receipts Reserve	**Total Useable Reserves**	**Total Unusable reserves**	**TOTAL Council Reserves**
Carried Forward at 31 March 2025	**(1,386)**	**(28,901)**	**(1,415)**	**(1,759)**	**(33,461)**	**(31,360)**	**(64,821)**
Movement in Reserves							
(Surplus) or Deficit on provision of services		(7,283)			(7,283)		(7,283)
Other Comprehensive Income and Expenditure	(40)	40				(5,471)	(5,471)
Total Comprehensive Income and Expenditure	**(40)**	**(7,243)**			**(7,283)**	**(5,471)**	**(12,754)**

ADJUSTMENTS BETWEEN ACCOUNTING BASIS & FUNDING BASIS UNDER REGULATIONS		8,740	(1,021)	330	8,049	(8,049)	0
Net Increase/Decrease before Transfers to/from earmarked reserves	**(40)**	**1,497**	**(1,021)**	**330**	**766**	**(13,519)**	**(12,754)**
Balance at 31 March 2026	**(1,426)**	**(27,404)**	**(2,436)**	**(1,429)**	**(32,696)**	**(44,879)**	**(77,575)**

Balance Sheet

31 Mar 2025 £'000 (Restated)		Note	31 Mar 2026 £'000
	LONG TERM ASSETS		
39,995	Property, Plant and Equipment	***12***	49,813
105	Heritage Assets	***14***	105
6,355	Long Term Debtors	***16***	6,349
46,455	**TOTAL LONG TERM ASSETS**		**56,267**
	CURRENT ASSETS		
22,101	Investments (Short Term)	***23***	0
4,811	Short Term Debtors	***17***	5,153
14	Inventories		22
10,377	Cash and Cash Equivalents	***18***	30,246
37,303	**TOTAL CURRENT ASSETS**		**35,421**
83,759	**TOTAL ASSETS**		**91,688**
	CURRENT LIABILITIES		
(7,507)	Short Term Creditors & Receipts in Advance	***19***	(8,562)
(1,227)	Provisions	***20***	(356)
(8,734)	**TOTAL CURRENT LIABILITIES**		**(8,918)**
28,569	NET CURRENT ASSETS		26,503
75,024	**TOTAL ASSETS LESS CURRENT LIABILITIES**		**82,770**
	LONG TERM LIABILITIES		
(4,720)	Capital Grants Received in Advance		(4,275)
(5,483)	Net Pensions Liability	***21***	(920)
(10,203)	**TOTAL LONG TERM LIABILITIES**		**(5,195)**
64,821	**NET ASSETS**		**77,575**
	FINANCED BY:		
33,461	USABLE RESERVES	***10a***	32,696
31,360	UNUSABLE RESERVES	***10b***	44,879
64,821	**TOTAL RESERVES**		**77,575**

Jude Antony - FCCA
Director, Finance (Section 151 Officer)

Cash Flow Statement

31 March 2025 £'000		31 March 2026 £'000
5,850	**Net Surplus on the Provision of Services**	**7,283**
	Adjustments for Non-cash items:	
(2,191)	Interest Receivable	(1,839)
(76)	Depreciation & Amortisation, Impairment	969
(478)	Pension Liability/(asset)	(1,336)
(501)	Change in Debtors, Creditors and provisions and inventories (excluding collection Fund)	(331)
(3,245)	**Total Adjustments**	**(2,537)**
2,604	**Net Cash Flows from Operating Activities**	**4,746**
(1,548)	Purchase of PPE & Intangibles	(8,542)
(840)	Change in Long Term Debtors	6
(12,101)	Net Purchase of Investments	22,100
2,191	Interest Received	1,839
(12,299)	**Investing Activities**	**15,402**
1,077	Net Receipt of Capital Grants	(447)
(2,648)	Change in Collection Fund agencies, Debtors & Creditors	169
(1,572)	**Financing Activities**	**(278)**
(11,267)	**Net Increase / (decrease) in cash and cash equivalents**	**19,869**
21,644	**Cash and cash equivalents at the beginning of the reporting period**	**10,377**
10,377	**Cash and cash equivalents at the end of the reporting period**	**30,246**

Note 1. Expenditure & Funding Analysis

The Expenditure and Funding Analysis is complementary to the Movement in Reserves Statement. The latter defines which of the Authority's Reserves align to the categories of 'General Fund and Earmarked', 'Capital Purposes' and 'Pension and Other Purposes'. The 'General Fund and Earmarked' category reflects the financial outturn of the Council in accordance with statutory reporting requirements. The 'Capital Purposes' and 'Pension and Other Purposes' categories reflect the Movements from the Statutory base of accounting to the Full Accounting base required under IFRS. The 'Total Movement in Year' reflects the latter and equates to the Total Income and Expenditure for the year as reported in the Comprehensive Income & Expenditure Account. The overall purpose of the Expenditure and Funding Analysis is to analyse the amounts reported in the Comprehensive Income and Expenditure Account as operating reporting segments across specific purpose headings. * Items represent 'Adjustments between Accounting basis and Funding Basis under regulation.'

2024/25	General Fund and Earmarked £'000	Charges to Capital Reserves £'000	Charges to other non- General Fund £'000	Total Movement in year £'000
Finance & Assets	2,042	1,845	(322)	3,563
Operational Services	6,307			6,307
NET COST OF SERVICES	**8,349**	**1,845**	**(322)**	**9,870**
Other Operating Expenditure plus Taxation & Grant Income	(16,039)	(319)	639	(15,720)
TOTAL SURPLUS(DEFICIT) upon PROVISION OF SERVICES	**(7,690)**	**1,526**	**317**	**(5,850)**
Other Comprehensive I&E		367	8,913	9,280
TOTAL	**(7,690)**	**1,893**	**9,230**	**3,430**

2025/26	General Fund and Earmarked £'000	Charges to Capital Reserves £'000	Charges to other non- General Fund £'000	Total Movement in year £'000
Finance & Assets	8,402	322	(707)	8,016
Operational Services	1,390	648		2,038
NET COST OF SERVICES	**9,792**	**970**	**(707)**	**10,054**
Other Operating Expenditure plus Taxation & Grant Income	(8,335)	(7,597)	(1,405)	(17,337)
TOTAL SURPLUS(DEFICIT) upon PROVISION OF SERVICES	**1,456**	**(6,627)**	**(2,112)**	**(7,283)**
Other Comprehensive I&E		(2,244)	(3,227)	(5,471)
TOTAL	**1,456**	**(8,871)**	**(5,339)**	**(12,754)**

Note 2. Explanation of order of Notes to the Financial Statements

Following on from the Expenditure & Funding Analysis, the Notes to the main Financial Statements are organised in five distinct groups:

(i) Introductory Notes explaining current context issues (Notes 2 to 7, Pages 24 to 27).
(ii) Notes directly supporting the primary financial statements (Notes 8 to 21, Pages 28 to 41).
(iii) Notes containing memorandum notes in support of the Accounts (Notes 22 to 30, Pages 42 to 53).
(iv) Accounting Policies (Note 31, Pages 54 to 62)
(v) Going Concern Statement (Note 32, Page 62 to 63).

In relation to section (ii) above, the Notes are organised as follows:

(a) Note 8, (Pages 28 to 29) in support of the Comprehensive Income and Expenditure Account.
(b) Note 9, (Page 30) supplementary information in support of the General Fund Statutory Outturn.
(c) Notes 10 & 11, (Pages 31 to 34) in support of the Movement in Reserves Statement and the Reserves section of the Balance Sheet.
(d) Notes 12 to 21, (Pages 35 to 42) in support of the Assets and Liabilities sections of the Balance Sheet.

Note 3. Accounting Standards that have been issued but have not yet been adopted.

It is not anticipated that the below amendments will have a material impact on the information provided in the financial statements, i.e., there is unlikely to be a change to the reported information in the reported net cost of services or the Surplus or Deficit on the Provision of Services or in upon the Council's retained Reserves.

The following accounting standards have been issued but not yet adopted:

a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024

b) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024

c) Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024

d) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

Note 4. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 31, 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:

- In line with the Code of Practice on local authority accounting in the United Kingdom 2025/26, based on International Financial Reporting Standards, the Council has not charged depreciation on land, investment properties, community assets, assets held for sale and assets under construction. For all assets subject to valuation, the total value for 2025/26 for Land and Buildings (NBV) is £35.926 million (2024/25; Land and Buildings (NBV) was £34.323 million).

- The Council has taken professional advice from the Pension Fund's actuary, Hymans Robertson LLP, to determine the overall net liability of the fund which is £0.920 million for 2025/26; this has decreased by £4.563 million since 2024/25. However:

- This does not affect the financial position of the Council as the actuarial valuation is based on a number of assumptions about the future, as shown in Note 5.

- The revenue impact of the surplus is formally reviewed by the actuary on a triennial basis who determines revised employer contributions for the forthcoming 3-year period. Further, fluctuations in pension assets and liabilities occur due to movements in market investments.

- The participants in the Council's Non-Domestic Rates Collection Fund share the costs of any successful appeals to reduce the rateable value of a property.
  To estimate the provision for outstanding appeals, the Council has reviewed the outstanding appeals as at 31 March 2026. An estimated provision of £0.850 million has been included in the Collection Fund in respect of successful appeals costs. The Council's share of any such Collection Fund costs is 40% or £0.340 million of the total provision, and this is included in the General Fund balance.

Note 5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or are otherwise uncertain. Estimates are made considering 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 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property	All Property is reviewed on a 4 year rolling basis. Where an asset has not been specifically reviewed a "table-top" analytical review is undertaken to determine if the principal valuation indexes show a material change in the current asset's valuation. In addition, an annual impairment review is undertaken to determine if any of the Council's assets have been impaired.	56.5% of the Council's assets are valued at fair value, so the impact of changes in market is significant. If there was a 1% fall in market value, it is estimated that the value of the Council's property assets would reduce by £0.281 million.
Depreciation	Assets are depreciated over useful lives that are dependent on assumptions about their level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls.
Plant and Equipment	Plant and Equipment are valued on an historic cost basis.	There will not be any changes to this valuation due to market conditions because the valuation approach reflects costs at acquisition or similar situations.
Pensions Asset/ Liability	Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pension's asset/liability of changes in individual assumptions, as provided by the actuary, can be measured. For instance, a: • 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £0.822 million. • 0.1% increase in the salary increase rate would result in an increase in pension liability of £0.032 million. • 0.1% increase in the pension increase rate would result in an increase in pension liability of £0.790 million.

Provision – Rateable Value Appeals	Appeals by non-domestic ratepayers for a reduction in the rateable value of their premises are outstanding. Appeals are determined by the Valuation Office and are not within the Council's control. However, expert independent advice has been sought in arriving at an estimated provision.	The provision is based upon the latest list of outstanding rating list proposals provided by the Valuation Office Agency. It is an estimate based on changes in comparable hereditaments, market trends and other valuation issues, including the potential for certain proposals to be withdrawn. The estimate includes appeals and proposals in respect of live and historic Rating List entries. It does not include any allowance or adjustment for the effects of transition or for changes in liability. The estimated provision is made up of the estimated outcome of appeals calculated by a weighted average of the historic outcomes. It should be noted that the impact on the Council of appeals, as well as other NNDR, is limited by Safety Net calculation (the calculation of which is limited by regulation).

Note 6. Material Items of Income and Expenditure

The primary purpose of this note is to disclose those material items of income and expenditure that are not part of the ordinary course of business or events of the Council (i.e., extraordinary). During 2025/26 no such items of income or expenditure were incurred (2024/25 was also nil.)

Note 7. Events after the Balance Sheet Date

The Annual Financial Report, incorporating the Statement of Accounts, was authorised for issue by the Section 151 Officer on 30th June 2026.
With regard to 2025/26:

- **Adjusting Events**
  The financial statements and accompanying notes have not been adjusted for any material events occurring after 31 March 2026.

- **Non-Adjusting Events**

  The financial statements and accompanying notes have not been adjusted, as there were no material non-adjusting events occurring after 31 March 2026.

Note 8. Expenditure & Income by Nature

2024/25 General Fund £'000	2024/25 Other Reserves £'000	2024/25 Total £'000		2025/26 General Fund £'000	2025/26 Other Reserves £'000	2025/26 Total £'000
10,031	(322)	9,709	Employees (*)	11,623	(707)	10,915
26,890	0	26,890	Other Service Expenses (*)	30,453	0	30,453
0	852	852	Depreciation, Amortisation & Impairment (*)	0	969	969
(655)	655	0	REFCUS (*)	(1,065)	1,065	0
	(156)	(156)	Interest payable	1	(640)	(639)
631	(631)	0	Statutory Minimum Provision	585	(585)	0
3,944	0	3,944	Precept Payments	4,216	0	4,216
30	0	30	Loss/(Gain) on disposal of non-current assets	(4)	4	0
40,870	**398**	**41,267**	**TOTAL EXPENDITURE**	**45,809**	**105**	**45,914**
(15,878)	(3,083)	(18,961)	Government Grants (Services) (*)	(13,738)	(8,050)	(21,788)
(1,671)	0	(1,671)	Government Grants (Central)	(1,467)	0	(1,467)
(8,619)	0	(8,619)	Sales Fees & Charges (*)	(10,495)	0	(10,495)
0	0	0	REFCUS Loan Repayments (*)	30	(30)	0
(2,191)	0	(2,191)	Interest Receivable	(1,838)	0	(1,838)
(8,112)	154	(7,957)	Council Tax	(8,311)	(161)	(8,471)
(8,347)	629	(7,718)	Business Rates	(8,533)	(604)	(9,137)
(44,817)	**(2,300)**	**(47,117)**	**TOTAL INCOME**	**(44,352)**	**(8,845)**	**(53,197)**
(3,948)	**(1,902)**	**(5,850)**	**NET EXPENDITURE**	**1,456**	**(8,740)**	**(7,283)**
11,769	**(1,898)**	**9,870**	**COST OF SERVICES (*)**	**16,807**	**(6,753)**	**10,054**

Cost of service line made up with items marked by Asterisks *

Note 8a. Grant Income

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

2024/25 £000		2025/26 £000
	Credited to non-specific income	
(109)	Revenue Support Grant	(114)
(1,070)	New Homes Bonus	(829)
(493)	Rural Services Grant	(524)
(1,671)	**TOTAL**	**(1,467)**
	Credited to services	
(12,135)	Benefits	(10,483)
(106)	HB Admin Grants	(180)
(1,415)	Section 106	(1,350)
(2,750)	Community Infrastructure Levy	(5,942)
(2,150)	Homelessness	(2,109)
(116)	Collection Costs	(103)
(289)	Other	(1,621)
(18,961)	**TOTAL Credited to services**	**(21,788)**

Other service grants increased by £1.332 million during the year, primarily due to additional project-specific funding, including Recycling grants, UK Shared Prosperity Fund (UKSPF) funding, Net Zero Village Grant funding and corporate policy and research grants.

Note 9. Statutory Out-turn

General Fund Balance (Useable Reserve)

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice under IFRS as presented in these Financial Statements. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.
The elements of the General Fund Balance at the Balance Sheet date are as follows:

Other Earmarked	31 March 2024 £'000	Transfers In 24/25 £'000	Transfers Out 24/25 £'000	31 March 2025 £'000	Transfers In 25/26 £'000	Transfers Out 25/26 £'000	31 March 2026 £'000
General Fund Core and Surplus Savings	**10,413**	**3,061**	**(1,859)**	**11,615**	**3,150**	**(1,807)**	**12,958**
Community Infrastructure Levy	12,661	1,994	(1,500)	13,156	0	(2,092)	11,063
Enterprise Zone NNDR	956	299	(20)	1,235	428	(70)	1,593
Change Management	58	0	(57)	0	0	0	0
Major Project Development	100	0	0	100	0	0	100
Affordable Housing	131	11	(52)	90	0	(9)	80
Vehicle Replacements	74	0	0	74	0	0	74
Housing	73	0	0	73	0	0	73
Leisure Centre	58	0	0	58	0	(10)	48
Cambridgeshire Horizons	2,537	7	(15)	2,529	0	(1,022)	1,507
Historic Homelessness Grant	0	371	(101)	270	0	(109)	161
Other Earmarked	838	340	(89)	1,089	0	84	1,173
Total Earmarked	**17,485**	**3,022**	**(1,834)**	**18,674**	**428**	**(3,228)**	**15,872**
TOTAL	**27,898**	**6,083**	**(3,693)**	**30,289**	**3,579**	**(5,035)**	**28,831**

Note 10a. Useable Reserves other than General Fund

Capital Receipts Reserve
The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have been received and yet to be applied for these purposes at the year-end.

Capital Grants Unapplied Reserve
The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects yet to take place where there are no obligations for the Council to make repayments in any circumstances.

Note 10b. Un-useable Reserves

Capital Adjustment Reserve
The Asset Historic Cost (Capital Adjustment) Reserve together with the Revaluation Reserve represent the Council's financial interest in its' own assets. The balance of the Reserve is determined by taking account of the Revaluation Reserve requirements defined below.

Revaluation Reserve
The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment arising from the annual valuation process. It is identified at individual asset level.
The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Depreciation is applied each year whilst any disposed assets are written out in the year. Accumulated gains arising before that date are consolidated into the balance on the Asset Historic Cost (Capital Adjustment) Reserve.

Financial Instruments Adjustment Reserve
The Financial Instruments Adjustment Reserve absorbs the differences between accounting for the fair value of loans given to individuals and organisations, and the actual income credited to the General Fund.

Deferred Capital Receipts Reserve
The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are received in cash. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Pensions Reserve
The Pensions Reserve absorbs the timing differences arising from the different arrangements for valuating Pension Liabilities for the purpose of producing the Financial Statements and for funding such liabilities in accordance with statutory provisions.
Further information is found in Note 22 in respect of Defined Benefit Pension Scheme.

Collection Fund Adjustment Reserve
The Collection Fund Adjustment Reserve identifies the element of the Collection Fund balance that is due to the Council at the Balance Sheet date, but which will be settled to the Council in accordance with statutory General Fund requirements in the next financial year.

Accumulated Absences Adjustment Reserve
The Accumulated Absences Reserve accounts for the financial value of staff entitlements at the financial year end. i.e., annual leave entitlement and accrued flexitime carried forward at 31 March. This accrual is not permitted to the General Fund.

Note 11a. Analysis of Capital Reserve Movements & Adjustments Between Accounting Basis & Funding Basis under Regulation

The following definitions are applicable to the subsequently presented Tables of Capital Reserve Movement for the year:

Transfers between Reserves
The Capital Receipts Reserve makes a contribution to the Capital Adjustment Reserve to fund a portion of new Capital Investment.

General Fund (GF) Contribution to Capital
A portion of new Capital Investment is funded by General Fund Contributions. The General Fund does not incur any Depreciation or Impairment charges.

Capital Grant Receipts
These are applied to the Capital Grants Unapplied Reserve when received then transferred to the Capital Adjustment Reserve when utilised for new investment. The overall balance in any one year may therefore be either positive or negative.

Expenditure Grants to Third Parties
The Grants are to provide long term benefit to the recipients therefore they are financed by Capital Grants.

Profit Upon Sale of Assets
Receipts upon Sale are credited to the Capital Receipts Reserve or Deferred Capital Receipts Reserve as appropriate whilst the book value of the Asset at the time of sale is written off to the Capital Adjustment Reserve or Revaluation Reserve as appropriate.

Depreciation
This represents a charge for the diminution of the value of the Asset through use according to a pre-determined schedule. The historic cost element of the charge (calculated in accordance with book value of the asset at 31 March 2026 or the actual incurred cost of subsequent additions or enhancements) is charged to the Capital Adjustment Reserve whilst the remainder (relating to the portion of the upward asset value arising from post 31 March 2026 Annual Revaluations) is charged to the Revaluation Reserve.

Impairment
When Annual Valuation takes place the historic cost base arising from the Depreciation exercise referred to above is further adjusted. The charge or credit shown here reflects that adjustment but only up to the level of the original historic cost base at individual asset level. The overall balance in any one year may therefore be either positive or negative.

Revaluation
When Annual Valuation takes place, some assets are identified as having a value above their historic cost base. The charge or credit shown here reflects the adjustment upon valuation of such assets in the current financial year though in the case of any downward valuations the adjustment is applied only to the extent that the holding balance of the Revaluation Reserve at individual asset level is reduced to zero at the year end. The overall balance in any one year may therefore be either positive or negative.

Movements in 2024/25	**Usable Capital Receipts Reserve**	**Usable Capital Grants Unapplied Reserve**	**Un-usable Capital Adjustment Reserve**	**Un-usable Revaluation Reserve**	**Un-usable Deferred Capital Receipts Reserve**	**Capital Outturn for the year TOTAL**
Transfers between reserves	74					74
GF Contributions to Capital			(729)			(729)
Grants Received		(1026)				(1,026)
Expenditure Grants to Third Parties						
Capital Receipts	(47)				3	(44)
Repayment of soft loans						0
Additions			(2,057)			(2,057)
Depreciation			779	112		891
Amortisation			0			0
Revaluation			(39)			(39)
Statutory Minimum Provision			(631)			(631)
Disposals			55	15		70
TOTAL ADJUSTMENTS BETWEEN ACCOUNTING BASE & FUNDING BASE - Balance Sheet Side	27	(1026)	(2,622)	127	3	(3,492)
Revaluation				367		367
TOTAL RESERVES MOVEMENT	**27**	**(1026)**	**(2,622)**	**494**	**3**	**(3,125)**

Movements in 2025/26	**Usable Capital Receipts Reserve**	**Usable Capital Grants Unapplied Reserve**	**Un-usable Capital Adjustment Reserve**	**Un-usable Revaluation Reserve**	**Un-usable Deferred Capital Receipts Reserve**	**Capital Outturn for the year TOTAL**
GF Contributions to Capital	365		(365)			0
Grants Income CIL			(6,730)			(6,730)
Grant Income S106			(299)			(299)
Expenditure Grants to Third Parties (REFCUS)			1,035			1,035
Disabled Facilities Grant		(1,021)				(1,021)
Income						0
Additions						0
Depreciation			1,100	226		1,326
Amortisation			(357)			(357)
Revaluation						0
Statutory Minimum Provision			(585)			(585)
Disposals	(36)		40			4
TOTAL ADJUSTMENTS BETWEEN ACCOUNTING BASE & FUNDING BASE - Balance Sheet Side	329	(1,021)	(6,162)	226	0	6,627
Revaluation				(2,244)		(2,244)

TOTAL RESERVES MOVEMENT	**329**	**(1,021)**	**(6,162)**	**(2,017)**	**0**	**(8,871)**

11b. Adjustments between Accounting Basis and Funding Basis under Regulations

2024/25 £'000		2025/26 £'000
(3,492)	**Total Capital Items from previous page**	**(6,627)**
(156)	Net interest on the Pension Liability	(640)
(322)	Current & Past Cost Pension Adjustment	(696)
(478)	**Pensions Reserve (see Note 21 for detail)**	**(1,336)**
154	Change in Council Tax Entitlement	(161)
746	Change in Business Rates entitlement	(621)
(117)	Change in Renewable Energy NNDR	17
783	**Collection Fund Adjustment Account (see Collection Fund Note 7 for detail)**	**(765)**
12	**Other Items**	**(11)**
(3,174)	**TOTAL ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**	**(8,740)**
5,850	**SURPLUS/(DEFICIT) UPON PROVISION OF SERVICES**	**7,283**
2,675	**GENERAL FUND OUT-TURN UNDER STATUTE (including Earmarked Items)**	**(1,457)**

Adjustments between Accounting Basis and Funding under Regulation refers to those items chargeable to Reserves other than the General Fund. The latter being the budget monitoring vehicle of the Council as defined by Statute. The items charged to Other Reserves as listed above are those required to convert the 'Surplus or Deficit upon the Provision of Services' as shown on the 'Comprehensive Income & Expenditure Statement' to the General Fund Out-turn (including Earmarked items) as defined by Statute.

Note 12a. Property, Plant and Equipment – Council – Prior year

Movement of Property, Plant and Equipment 2025-26	Land & Buildings £'000	Vehicles, Plant, Furniture & £'000	Infrastructure Assets £'000	Community Assets £'000	Right of Use Assets £'000	Total Assets £'000
Cost or valuation						
At 1 April 2024	**35,856**	**6,931**	**720**	**877**	**862**	**45,246**
Transfers						
Additions in Year	566	686			105	1,357
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(367)					(367)
Revaluation increases / (decreases) recognised in the CI&ES	323					323
Accumulated Depreciation & Impairment written off to Gross Carrying Amount	(233)					(233)
Disposals	(448)	(75)				(523)
At 31 March 2025	**35,697**	**7,542**	**720**	**877**	**967**	**45,803**
Accumulated Depreciation & Impairment						
At 1 April 2024	**(1,708)**	**(3,817)**	**(76)**	**0**	**0**	**(5,601)**
Depreciation Charge in year	(311)	(545)			(35)	(891)
Transfers						
Depreciation restated to the Revaluation reserve Upon Revaluation	233					233
Accumulated Depreciation & Impairment Written off to Gross Carrying Amount	412	41				453
Adjustment for disposal						
At 31 March 2025	**(1,374)**	**(4,321)**	**(76)**	**0**	**(35)**	**(5,806)**
Balance Sheet Value at year end	**34,323**	**3,221**	**644**	**877**	**932**	**39,995**
Balance Sheet Value at year start	**34,148**	**3,114**	**644**	**877**	**862**	**39,641**

Note 12b. Property, Plant and Equipment – Council – Current year

Movement of Property, Plant and Equipment 2025-26	**Land & Buildings £'000**	**Vehicles, Plant, Furniture & £'000**	**Infrastructure Assets £'000**	**Community Assets £'000**	**Assets Under Construction £'000**	**Right of Use Assets £'000**	**Total Assets £'000**
Cost or valuation							
At 1 April 2025	**35,697**	**7,542**	**720**	**877**	**0**	**967**	**45,803**
Transfers	(499)				499		0
Additions in Year	129	2,222			6,230		8,579
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,234			8		1	2,243
Revaluation increases / (decreases) recognised in the CI&ES	357						357
Accumulated Depreciation & Impairment Written off to Gross Carrying Amount	(1,240)						(1,240)
Disposals	(2)	(661)					(663)
At 31 March 2026	**36,676**	**9,103**	**720**	**884**	**6,729**	**968**	**55,080**
Accumulated Depreciation & Impairment							
At 1 April 2025	**(1,374)**	**(4,321)**	**(76)**	**0**	**0**	**(35)**	**(5,806)**
Depreciation Charge in year	(618)	(668)				(40)	(1,326)
Transfers							
Depreciation restated to the Revaluation reserve Upon Revaluation	1,240						1,240
Accumulated Depreciation & Impairment Written off to Gross Carrying Amount	2	622					624
Adjustment for disposal							
At 31 March 2026	**(750)**	**(4,367)**	**(76)**	**0**	**0**	**(75)**	**(5,268)**
Balance Sheet Value at year end	**35,926**	**4,736**	**644**	**884**	**6,729**	**894**	**49,813**
Balance Sheet Value at year start	**34,323**	**3,221**	**644**	**877**	**0**	**922**	**39,995**

Capital Commitments

At 31 March 2026, the authority had a retention amount of £0.018 million with the Pellikaan contract on the Hive Leisure Centre to be paid in 2026/27 (31 March 2025: £0.018 million).

Revaluations

Land and buildings

The Authority carries out a rolling programme ensuring that all Property required to be measured at fair value is revalued at least every four years. All valuations were carried out externally. Valuations of land and buildings were carried out 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 current valuers are Wilks, Head & Eve, 6th Floor, Fairgate House, 78 New Oxford Street, London WC1A 1HB.

The specific assumptions applied in estimating current values in respect of Land and Buildings by the Council's valuer were as follows:

- that exchange takes place on the date of valuation and after proper marketing,
- that there is a willing buyer and a willing seller, i.e., not forced or compelled,
- that it is an "arm's-length" transaction, i.e., not between parties that have a particular or special relationship, e.g., parent and subsidiary companies,
- and that the parties acted knowledgeably and prudently.

Vehicles, Plant, Equipment and Infrastructure assets are valued at historic cost, as at the date of acquisition and subsequent capital enhancement expenditure less depreciation.
Community Assets and Assets Under Construction are valued at historic cost at the date of acquisition and subsequent capital enhancement. Consequently, there is no on-going revaluation review for these assets.
In addition to the Professional Valuations undertaken, the Authority has conducted any necessary impairment reviews. In the light of these the Authority considers the quoted value of its assets to constitute a fair and objective valuation of future Service Delivery potential. Assets Held for Sale are valued at lower of carrying value and fair value less cost of sale.

Revaluation Profile 2025/26	**Land and Buildings £'000**	**Vehicles Plant Furniture & Equipment £'000**	**Infrastructure Assets £'000**	**Community Assets £'000**	**Assets under Construction £'000**	**Right of Use Assets £'000**	**Total £'000**
Carried at Historic Cost	8,578	4,736	644	876	6,729	68	21,630
Valued at Fair Value as at:							
31st March 2026	22,272					1	22,273
31st March 2025	1,244			8		825	2,077
31st March 2024	3,832						3,832
31st March 2023							0
Total Cost of Valuation	**35,926**	**4,736**	**644**	**884**	**6,729**	**894**	**49,813**

Note 13. Capital Enhancement and Capital Financing

The total amount of capital enhancement 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 these. Where capital enhancement is to be financed in future years by charges to revenue as assets are used by the Council, the spend results in an increase in the Capital Financing Requirement (CFR); a measure of the capital spend incurred historically by the Council which has yet to be financed. The CFR is analysed in the second part of this note.
A net increase in the CFR would reflect the Council's need to borrow to finance capital enhancement. Any borrowing would be repaid from an annual revenue charge (MRP) which reflects the use of the assets over their useful lives.

2024/25 £'000		2025/26 £'000
10,571	**Opening Capital Financing Requirement**	**10,078**
	Capital Enhancement	
1,254	Property, Plant and Equipment	8,578
1675	Loan to Subsidiary Company	2,875
43	Loan to EC CLT	0
655	Revenue Expenditure Funded from Capital under Statute	1,065
3,627	**TOTAL CAPITAL ENHANCEMENT**	**12,518**
	Sources of Finance	
(74)	Capital receipts	(365)
(610)	Grants and other contributions	(8,050)
(1,954)	Direct Revenue Financing – Other	0
(850)	Repayment of loan from subsidiary company	(2,850)
0	Repayment of Loans from CLT/Others	(60)
(631)	Minimum revenue provision	(585)
(4,119)	**TOTAL SOURCES OF FINANCE**	**(11,911)**
10,078	**Closing Capital Finance Requirement**	**10,685**

Note 14. Heritage Assets

Cultural Heritage Assets
The Authority's collection of themed displays is reported in the Balance Sheet at historic cost, which is also used for the insurance valuation. These heritage assets are located at Oliver Cromwell's House and are held to increase the knowledge, understanding and appreciation of the house and local area during the time when Oliver Cromwell resided in the District. The collection is relatively static, and acquisitions and donations are rare. Where they do occur, acquisitions are initially recognised at cost. The displays are themed rooms and include a painting of Oliver Cromwell, as well as reproduction furniture, models, firearms and wall hangings.
The displays are reviewed annually and replaced or renewed, if necessary, as per the three-year Business Plan for Oliver Cromwell's House. These would be low-cost items. The collection is on display and open to the public throughout the year in the Museum.

Note 15. Intangible Assets

The Council accounts for its software as intangible assets, where the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to software are generally five years.

Note 16. Long Term Debtors

31 March 2025 £'000		31 March 2026 £'000
5,825	Loan to Trading Companies	5,850
277	Loan to CLT	247
253	Loans to Individuals & Private Sector	253
6,355	**Total**	**6,349**

Interest rate on the loan to the trading company is fixed at 4.5%.
Interest rate on the loan to East Cambridgeshire CLT is fixed at 3.75%.
Other long term loans are not charged interest.

Note 17. Debtors

31 March 2025 £'000		31 March 2026 £'000
629	Council Taxpayers	742
561	Non-Domestic Rate Payers	750
1,190	**Sub Total Local taxation**	**1,492**
670	Trading Company	316
1,990	Sundry Debtors & Accruals	3,615
2,660	**Sub Total Financial Instruments definition**	***5,423***
376	Payments in Advance	200
(892)	Bad Debt Provisions	(1,414)
635	Local Govt.	193
191	Central Govt. – Customs & Excise	5
651	Central Govt. – Other	746
962	**Sub Total**	**(270)**
4,811	**TOTAL**	**5,153**

The increase in the bad debt provision reflects its reclassification from creditors in the prior year to debtors at 31 March 2026.

Note 18. Cash and Cash Equivalents

31 March 2025 £'000		31 March 2026 £'000
10,000	Money Market Funds/Short Term Investments	29,870
377	Bank Account - Operational	376
10,377	**Total**	**30,246**

Note 19. Creditors

31 March 2025 £'000		31 March 2026 £'000
(315)	Payroll Creditors	(360)
(1,950)	Sundry Creditors	(3,316)
(144)	Trading Company	(208)
(2,409)	**Sub Total Financial Instruments Definition**	**(3,884)**
(694)	Local Govt. - Collection Fund Account	(656)
(1,611)	Central Govt. – Collection Fund Account	(1,125)
(639)	Other Local Government	(629)
(1,053)	Central Govt. – DWP, DCLG	(936)
(1,101)	Receipts in Advance	(1,332)
(5,098)	**Sub Total**	**(4,678)**
(7,507)	**Total**	**(8,562)**

The increase in sundry creditors mainly relates to an accrual for the Bereavement Centre contractor's invoice (£1.2m), which was received on 2 April 2026.

Note 20. Provisions, Contingent Assets and Liabilities

Provisions

31 March 2025 £'000		31 March 2026 £'000
(16)	Maintenance of Amenity Areas	(16)
(1,211)	Business Rate Appeal	(340)
(1,227)	**Total**	**(356)**

1. Maintenance of Amenity Areas
Amounts received which are used to fund the maintenance of amenity areas over a period of 15 years.

2. NNDR Appeals Provision
As a consequence of the Government initiative in the localisation of Non-Domestic Rates (NDR), the Government transferred the risk of appeals against Rateable Values to local authorities. Following a review, a provision for appeals outstanding was estimated to be £0.850 million at the end of 2025/26 of which £0.340 million would have to be met by the Council, and £0.510 million by other Collection Fund participants.

Contingent Liabilities

At 31 March 2026, the Council had one contingent liability of £48,000 relating to an employment matter. There were no contingent liabilities at 31 March 2025.

Contingent Assets

There were no contingent assets at the 31st March 2026 (31st March 2025: nil).

Note 21. Pension Fund Net Long Term Liability & Reserve

31 March 2025 £'000	Gross Liabilities	31 March 2026 £'000
(53,784)	**Opening Balances as at 1 April**	**(47,037)**
(2,598)	[I] Interest Cost	(2,711)
8,985	[A] Actuarial (losses) /gains from changes in financial assumptions	(4,413)
(1,306)	[C] Current service cost	(1,038)
0	[C] Past Service Cost	0
(463)	[N] Contributions from scheme participants	(495)
2,061	[N] Benefits paid	2,089
68	[N] Estimated unfunded benefits paid	60
(47,037)	**Closing balance at 31 March**	**(53,545)**

31 March 2025 £'000	Gross Assets	31 March 2026 £'000
56,816	**Opening fair value of scheme assets balance as at 1 April**	**57,739**
2,754	[I] Interest Expense	3,351
(1,861)	[A] Actuarial (losses) / gains from changes in financial assumptions	1,179
1,628	[C] Contributions by the employer	1,674
68	[C] Contributions for unfunded (Discretionary benefits)	60
463	[N] Contributions by employees into the scheme	495
(2,061)	[N] Benefits paid	(2,089)
(68)	[N] Unfunded (Discretionary benefits)	(60)
57,739	**Closing balance at 31 March**	**62,349**
(16,185)	Effect of Asset Ceiling	(9,724)
41,554	**TOTAL ASSETS NET OF CEILING**	**52,625**

(5,483)	**TOTAL NET LIABILITIES**	**(920)**

Net Movement 2024/25 £'000		Net Movement 2025/26 £'000
1,696	**General Fund Charge - Employer Contributions**	**1,734**
(322)	[C] Other items to net cost of services	(696)
(156)	[I} Interest cost minus return on plan assets to financing income & expenditure	(640)
1,218	**Charge to Surplus/(Deficit) upon Provision of Services**	**398**
9,061	[A] Actuarial Gains/Losses to other income & expenditure	(3,227)
10,279	**Charge to Comprehensive Income &Expenditure Account for the Year**	**(2,829)**
(1,696)	Less General Fund Charge - Employer Contributions	(1,734)
8,583	**TOTAL MOVEMENT IN PENSION RESERVE**	**(4,563)**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Note 22. Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make payments and this needs to be disclosed at the time that employees earn their future entitlement.
Employees of East Cambridgeshire District Council may participate in the West Northamptonshire & Cambridgeshire Pension Fund, part of the Local Government Pension Scheme (LGPS). The fund is administered as a defined-benefit scheme in accordance with LGPS Regulations 2013, as amended.

Valuation of Pension Fund

The contribution rate is determined by the Fund's actuary based on triennial valuations. The last valuation took place as at 31 March 2026.
In 2025/26 the Council paid an employer's contribution of £1.73 million representing 25% of employees' pensionable pay (2024/25 £1.62 million @ 25%) into the West Northamptonshire & Cambridgeshire Pension Fund. The contribution rate is set to meet 100% of the pension fund's liabilities. The scheme provides members of the Fund with defined benefits related to pay and service.
Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. The Council's actuary has allowed for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum for post-April service.
As a consequence of the triennial valuation, the asset value in the intervening period is an estimate calculated by the actuary using a model. Any differences between the estimate and actual figures are adjusted at the next full valuation.

Transactions Relating to Post-Employment Benefits

The Council charges the cost of retirement benefits to the cost of services when they are earned by employees as distinct from when the benefits are eventually paid as pensions. However, the charge the Council is required to make to the General Fund is based on the cash payable in the year. The difference between the two different methods is charged to the Pension Reserve.

Assets and Liabilities in relation to Post-employment Benefits

The Reconciliation of present value of the scheme liabilities in respect of East Cambridgeshire District Council is shown at Note 21 to the Accounts.
The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liabilities of £0.920 million have an impact on the net worth of the authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.
The total contribution expected to be made to the scheme by the Council in the year to 31 March 2027 is £0.437 million.

Virgin Media vs NTL Pension Trustees II Limited ruling

In June 2024, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.
The Local Government Pension Scheme is a contracted out defined-benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, East Cambridgeshire District Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Basis for estimating Liabilities and Assets

Liabilities, for the purposes of IAS19, have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, longevity etc.. The liabilities have been assessed by Hymans Robertson LLP, the independent firm of actuaries to the West Northamptonshire &Cambridgeshire Pension Fund being based on the latest full valuation of the scheme as at 31 March 2026. The results of this valuation were projected forward using approximate methods. The main assumptions used by the actuary are as shown below.

2024/25	County Fund – Main Assumptions	2025/26
3.25%	Rate of increase in salaries	3.50%
2.75%	Rate of increase in pensions	3.00%
5.80%	Rate of discounting scheme liabilities	6.20%
	Mortality assumptions:	
	Longevity at 65 for current pensioners	
21.8	Men	22.6
24.5	Women	25.3
	Longevity at 65 for future pensioners	
22.6	Men	23.3
25.9	Women	26.5

Local Government Pension Scheme Assets Comprised:

Pension fund assets consist of the following categories, by value of the total assets held:

31-Mar-25 £'000		31-Mar-26 £'000
974	Cash and cash equivalents	1,558
	Equity instruments by industry:	
616	Consumer	664
623	Manufacturing	596
33	Energy & Utilities	61
673	Financial Institutions	642
563	Health & Care	495
1,387	Information Technology	1,484
65	Other	49
3,960	Sub-total equity	**3,991**
	Debt Securities:	
5,957	UK Government	7,470
	Private equity:	
7,639	All not in active markets	8,404
	Real Estate	
5,486	Real Estate - UK Property	5,382
0	Real Estate - Overseas Property	0
	Other investment funds:	
8,148	Bonds	8,566
21,303	Equity	21,832
4,272	Infrastructure	5,146
0	Real Estate - UK Property	0
0	Other	0
33,722	Sub-total other investment funds	**35,545**
57,739	**Total Assets**	**62,350**

Sensitivity analysis:

Increase Assumption 31 Mar 25 £'000	**Impact on the defined benefit obligation in the scheme**	**Increase Assumption 31 Mar 26** £'000
817	Decrease in Real Discount Rate by 0.1%	822
1,881	1 Year increase in member life expectancy	2,142
35	Rate of Increase in salaries increase by 0.1%)	32
805	Increase in the Pension Increase Rate (CPI) by 0.1%	790

Further information

Further information may be found in the West Northamptonshire & Cambridgeshire Pension Fund Annual Report, available from the Head of Finance, Cambridgeshire County Council, New Shire Hall, Emery Crescent, Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4YE.

Note 23. Financial Instruments

The financial assets and liabilities included on the Balance Sheet comprise the following categories of financial instruments.

	Current	
	2024/25	**2025/26**
	£'000	**£'000**
Measured at Amortised Cost		
Investments and Cash & Cash Equivalents		
Short term Investments	*22,101*	*0*
Money Market Funds	*10,000*	*29,870*
Cash & Cash Equivalents	*377*	*376*
Total Investments and Cash & Cash Equivalents	32,478	30,246
Debtors	*2,660*	*3,931*
Loans & Investments	0	0
Total Debtors	2,660	3,931
TOTAL FINANCIAL ASSETS	**35,138**	**34,177**
Long Term		
Loans & Investments	*6,355*	*6,350*
Measured at Amortised Cost		
Creditors	*(2,409)*	*(3,885)*
Financial Liabilities at amortised cost	0	0
Total Creditors	*(2,409)*	*(3,885)*
TOTAL FINANCIAL LIABILITIES	**(2,409)**	**(3,885)**

Fair value of assets and liabilities carried at amortised cost.
Financial assets classified as available for sale are carried in the Balance Sheet at fair value taken from the market price.
Financial liabilities and financial assets classified as loans and receivables are recorded on the Balance Sheet at their amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using spreadsheets provided by our advisors or by using the following assumptions:

- There were no long-term or short-term borrowings at the yearend so no estimated rates were needed.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next twelve months the carrying amount is assumed to approximate to fair value.
- The fair value of debtors is taken to be the invoiced or billed amount.
- No changes in the classification of financial instruments were required as part of the implementation of IFRS 9.

The Council's activities expose it to a variety of financial risks:
Risk management is carried out by the Finance Team with due regard to the Annual Treasury Management Strategy approved by the Council.

Credit risk
Credit risk arises from investments with banks and other financial institutions, as well as credit exposures to the Council's customers.
The Council's theoretical maximum exposure to credit risk in relation to its investments in banks and the money markets is equivalent to its total cash holding £30.2 million (2024/25; £32.4 million). However, the true risk cannot be assessed, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to that individual institution. The risk of not being able to recover the principal sums applies to all of the Council's deposits but there was no evidence as at 31 March 2026 that this was likely to occur and there are no investments that as at 31 March 2026 were with institutions that had failed.
In relation to the sums owed by the Council's customers and contractual debtors, the Council makes prudent financial provision for bad debts based on an assessment of the risks for each type of debt and the age of those debts whilst maintaining a robust approach to the collection of debts. The older the debt, the greater is the provision for bad debts. The bad debt provision has taken into account the current economic climate and the increased likelihood of debtors not being able to settle their debts.

The Council does not generally allow credit for its customers, such that £195k (£119 in 2024/25) of the £2,113k (£1,282k in 2024/25) balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2025 £000	31 March 2026 £000
Less than three months	1,139	1,872
Three to six months	15	14
Six months to one year	9	32
More than one year	119	195
Total	1,282	2,113

Collateral – During the reporting period the Council held no collateral as security.

Liquidity risk
The Council's current liquidity risk is low, as it has significant cash holdings. The authority has a comprehensive cashflow management system that seeks to ensure that cash is available as needed. However, if unexpected movements happen, the authority has ready access to borrowings from the PWLB and money markets, so there is no significant risk that it will be unable to meet its commitments under financial instruments.

Market risk – Interest Rate Risk
The Council currently has cash surpluses and has no external borrowing. Its interest rate exposure is therefore limited to the interest rate movements on its investments.

Price risk
The Council invests in shares in two wholly owned companies to provide a local service. There is no intention to sell these shares and there is no other source of valuation of them, so the risk is minimal.

Foreign Exchange Risk
The Council does not hold foreign currencies and has no intention of doing so; consequently, it has no exposure to loss arising from movements in exchange rates.

IFRS 9 Disclosure
ECDC's core treasury management investments are not material. The risk of default should be virtually zero and therefore any potential expected credit loss impairment under IFRS 9 should not be required. The Council has reviewed its loan to ECTC and does not expect any credit loss.

Note 24. Trading Operations

From a local authority context, a trading operation is one where a Council is trading and taking operational risks and could, if the economic environment so dictated, expose the Council to a financial loss on the service provided.
The Council owns several industrial sites in the district, the biggest being East Space North in Littleport. The profits (or losses) on these trading operations were as follows:

Trading Operations	2024-25		2025-26	
	Turnover	**Surplus/(Loss)**	**Turnover**	**Surplus/(Loss)**
Business Units	97,294	34,544	80,648	(66,279)
E Space South	22,023	15,646	39,209	29,052
E Space North	286,417	9,681	260,469	72,318
Building Control	241,360	(119,477)	259,872	(107,611)
Total	**647,095**	**(59,606)**	**640,198**	**(72,521)**

Note 25. Members' Allowances

The Authority paid the following amounts to Members of the Council during the year:

2024/25 £		2025/26 £
323,575	Allowances	*333,106*
3,482	Expenses	*4,090*
327,057		**337,196**

Note 26. Senior Officer and Staff Remuneration over £50,000

The number of employees whose remuneration in the year was £50,000 or more is shown in the table below. It includes pay, redundancy payments and other employee benefits but not employer's pension contributions.

2024/25				2025/26
9	*50,000*	but less than	*55,000*	**11**
5	*55,000*	but less than	*60,000*	**8**
3	*60,000*	but less than	*65,000*	*0*
1	*65,000*	but less than	*70,000*	**2**
1	*70,000*	but less than	*75,000*	**1**
0	*75,000*	but less than	*80,000*	**1**
0	*80,000*	but less than	*85,000*	**1**
0	*85,000*	but less than	*90,000*	*0*
3	*90,000*	but less than	*95,000*	*0*
0	*95,000*	but less than	*100,000*	*0*
0	*100,000*	but less than	*105,000*	**1**
1	*105,000*	but less than	*110,000*	**2**
0	*110,000*	but less than	*115,000*	*0*
1	*115,000*	but less than	*120,000*	**1**
1	*120,000*	but less than	*125,000*	**1**
0	*125,000*	but less than	*130,000*	*0*
0	*130,000*	but less than	*135,000*	*0*
0	*135,000*	but less than	*140,000*	*0*
0	*140,000*	but less than	*145,000*	*0*
0	*145,000*	but less than	*150,000*	*0*
0	*150,000*	but less than	*155,000*	*0*
25				**29**

Included in the banding table above are those Senior Officers who are separately disclosed in the following Remuneration of Senior Employees table.

The remuneration of Senior Employees is shown in the table below.

Key – 2024/25
Note 1. All staff detailed above were in post throughout the 2025-25 financial year
*The Chief Executive moved to reduced hours, through flexible retirement, from 8th April 2025.

2024/25	Salary including allowances	Additional Payments	Benefits and fees	Total remuneration	Employer Pension contributions	Remuneration including pension contributions
Post Holder	**£**	**£**	**£**	**£**	**£**	**£**
Chief Executive – John Hill	118,465		6,910	**125,375**	20,613	**145,988**
Director Operations	107,153		1,239	**108,392**	18,860	**127,252**
Director Commercial	107,153	9,000		**116,153**	20,211	**136,364**
Director Legal Services	92,555			**92,555**	16,105	**108,660**
Director Finance	92,555		391	**92,946**	16,173	**109,119**
Director Community	92,555			**92,555**	16,105	**108,660**

Key – 2025/26
Note 1 Chief Executive 1 Retired December 2025
Note 2 Chief Executive 2 Appointed January 2026
Note 3 Director Commercial Left role December 2025
Note 4 Finance Director 1 Retired August 2025
Note 5 Finance Director 2 Appointed September 2025

2025/26	Salary including allowances	Additional Payments	Benefits and fees	Total remuneration	Employer Pension contributions	Remuneration including pension contributions
Post Holder	**£**	**£**	**£**	**£**	**£**	**£**
Chief Executive 1	91,240	6,586	4,958	**102,785**	15,876	**118,661**
Chief Executive 2	34,799		309	**35,109**	6,055	**41,164**
Director Operations	110,582	3,686	1,239	**115,507**	19,883	**135,390**
Director Commercial	82,936	6,750		**89,686**	15,605	**105,292**
Director Community	105,017			**105,017**	18,273	**123,290**
Director Legal Services	105,017		815	**105,832**	18,273	**124,105**
Director Finance 1	43,757	3,851	(130)	**47,477**	7,614	**55,091**
Director Finance 2	46,939		326	**47,265**	8,167	**55,433**

The numbers of exit packages committed in the year with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

2024/25				2025/26		
Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages agreed		Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages agreed
2	0	0	£0 to less than £20,000	0	0	0
0	0	0	£20,000 to less than £40,000	0	0	0
2	**0**	**0**	**TOTAL**	**0**	**0**	**0**

Note 27. External Audit Related Costs

These figures show the amounts included in the accounts which include any adjustments made for previous years.

2024/25 £'000		2025/26 £'000
162	External Audit	*167*
41	Grant Claim Certificate	*40*
203		**207**

Note 28. Related Parties

The Council must disclose in the accounts any material transactions with related parties. Related parties are 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 to assess the extent to which the Council might have been constrained in its ability to operate independently.

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 a significant amount of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties, for example Council Tax bills.

Grants received from Government departments are set out in the analysis in Note 8a on “Grant Income”.

The Council has a significant operational relationship with Cambridgeshire County Council. The County Council is the administering authority for the East Cambridgeshire's pension fund, and many of the Council’s services work with County Council services on a day-to-day basis, for example, the Council is the statutory waste collection authority whereas the County Council is the statutory waste disposal authority, but each of the Councils has to pay the other in respect of certain types of waste.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2025/26 is shown in Note 25. Some Council members are also:

1. Elected members of other Councils, including the County Council, Parish and Town Councils.
2. Nominated representatives of Cambridgeshire County Council on various organisations.

In respect of 2025/26, there was one transaction with related parties when the accounts were produced that was not disclosed elsewhere in the accounts.

One Councillor rents a business unit. Payment to ECDC £9,316. Nil outstanding

Entities Controlled or Significantly Influenced by the Authority

The Council fully owns East Cambs Trading Company Limited and East Cambs Street Scene Ltd

East Cambridgeshire Trading Company Ltd

East Cambridgeshire Trading Company (ECTC) Ltd formally started trading on the 1st April 2016. ECTC has two functional divisions:

- Commercial Services
- Property and CLT Development.

The Commercial Services arm of the Trading Company manage the Ely markets on behalf of the Council and undertake grounds maintenance works for ECDC and other external customers within the district.

The Property and CLT Development arm, known as Palace Green Homes, are responsible for progressing the development of small scale house building, including the development of CLTs, within the district.

Payments from ECTC to ECDC £1,391K,
Payments from ECDC to ECTC £1,385K

East Cambs Street Scene Ltd

East Cambs Street Scene is responsible for the delivery of the waste and street cleansing service.

Payments from ECSS to ECDC £1,187K
Payments from ECDC to ECSS £5,248K

Group Accounts have been produced as the figures for both the above companies are material to the overall accounts of the Council. The Council's financial relationship with the companies is shown in the Group Accounts section of the Financial Statements.

Anglia Revenue Partnership

The Council became a partner in the Anglia Revenue Partnership (ARP) on 13 October 2010. Breckland Council, East Cambridgeshire District Council, Fenland District Council, East Suffolk Council and West Suffolk Council, work together to provide their Revenues and Benefits services through the ARP. The Council pays ARP for the services it provides; this payment is included in the service costs in the CI&E Account.

Note 29. Leases – Right of Use Assets

Council as Lessee

Finance Leases
The following amounts have been included in the Property, Plant and Equipment balance for the right-of-use assets acquired under these leases:

The Authority was committed to making minimum payments under these leases through the service payment to the main contractor in settlement of the effective long-term liability for the interest in the vehicles.

There will be no rent reviews or other adjustments (therefore no contingent rents apply). Consequently, the minimum rentals are directly equal to the Finance Lease liability.
As these amounts are immaterial, they have not been included in the Comprehensive Income & Expenditure Statement.

Operating Leases
The Authority has no material operating leases as lessee.

Council as Lessor

Finance leases
The Council has no finance leases as lessor.

Operating Leases
The Authority leases out property and equipment under operating leases for the following purposes:
- for the provision of public open space, recreation and public conveniences
- to encourage small businesses
- and other minor items.

The future minimum lease payments receivable under non-cancellable leases in future years are:

2024/25 £'000		2025/26 £'000
9	Not later than 1 year	55
275	Later than 1 year and not later than 5 years	156
297	Later than 5 years	253
581		**464**

The minimum lease payments receivable includes rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2025/26 £0 contingent rents were receivable by the Authority (2024/25 £0).

IFRS 16 (Leases) effective from 1 April 2025 IFRS 16 has been effective since 1 January 2019 for the private sector. However, CIPFA/LASAAC had deferred implementation of IFRS16 for local government to 1 April 2025. From 1 April 2025 the Council adopts IFRS16 and ensures that the Council's accounts and group accounts will converge as both will be subject to IFRS16. The new standard amends the accounting for lessees, removing the distinction between recognising an operating lease (off balance sheet) and a finance lease (on balance sheet). The new standard requires recognition of all qualifying leases on balance sheet. This resulted in a number of vehicle and property leases currently classified as operating leases to be brought onto the balance sheet. Upon transition, the Council shall recognise the cumulative effects of initially applying IFRS 16 recognised at the date of initial application as an adjustment to the opening balances of reserves. IFRS 16 defines a lease as a contract that 'conveys the right to control the use of an identified asset for a period of time in exchange for consideration.' This definition applies both to lessees and lessors.

Therefore, in order to contain a lease, a contract must:
Depend on the use of an identified asset and provide the lessee with the right to control the use of that identified asset the Council defines the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both (i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Council will apply the following for leases previously classified as operating leases:
No adjustments for leases for which the underlying asset is of low value (less than £10,000) No adjustment for leases for which the lease term ends within 12 months of initial application

Note 30. Interest received

The Council benefited from improved interest rates on its treasury investments
Interest received during the financial year was £1,838,370, this figure was made up of £1,585,630 from investment in money markets and other short, fixed term investments and £252,740 from the loan to ECTC.

Note 31. Accounting Policies

Accounting Policies in respect of Concepts and Principles

General Principles

The Statement of Accounts summarises the Council's transactions for the **2025/26** financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011 in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom **2025/26** and the Service Reporting Code of Practice **2025/26,** supported by International Financial Reporting Standards (IFRS).

The underlying concepts of the accounts include the:

- Council being a 'going concern' – all operations continuing.
- Accrual of income and expenditure – placing items in the year they relate, rather than the year the cash transaction takes place.
- Primacy of legislative requirements – legislation overrides standard accounting practice.

The accounting statements are prepared with the objective of presenting a true and fair view of the financial position and transactions of the Council.
The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.
The accounting policies are reviewed on an annual basis to ensure that they are appropriate, compliant with accepted accounting practice and relevant to the Council's ongoing business activity.

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

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, or other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively, if material, by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
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.
Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Exceptional Items

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

Accruals of Income and Expenditure as shown in Comprehensive Income and Expenditure Account

Income and expenditure are accounted for in the year in which resources are consumed or when entitlement arises. The principles applied are as follows:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.

- 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 based on 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.
- Where the Council is acting as an agent for another party (e.g., in the collection of NNDR and Council Tax), income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services provided or the Council incurs expenses directly on its own behalf in providing the services.
- Government Grants are recorded as Income when they are received provided there is reasonable assurance that the conditions of receipt are complied with or at a later date should the conditions be met at that later date.
- In relation to the Local Government Pension scheme the liability that the Authority has for meeting the future cost of retirement benefits arising from service provided by employees up to the Balance Sheet date net of the contributions paid into the fund and the investment income generated.
- Changes in fair values of Investment Properties are recognised.
- The Statutory basis of accounting for the Council differs from that reported in the Comprehensive Income & Expenditure Account as required under IFRS. Details are provided on the following page:

The differences between the Statutory Basis of Accounting and the IFRS Accounting base are as follows:

Income or Expense	**Basis of Statutory Charge to General Fund**	**Basis of Accounting Charge or Credit**	**Other Funds utilised to represent enhancement from Statutory Outturn to Accounting Outturn**
Consumption or usage of Long Term Assets	Contribution to the reduction in borrowing requirement in accordance with statutory guidance.	Full accrual principle determined by Depreciation, Amortisation & Impairment	Capital Adjustment Account with small portion to Revaluation Reserve in relation to Current Cost Element of Depreciation
Grant receipts relating to Long Term Assets	None	All Grants received in year providing no conditions are attached and/or conditional grants from prior years that were applied in year.	Unapplied Capital Grants Reserve
Disposal Receipts or entitlements relating to Long Term Assets	None	Net Profit	Capital Receipts Reserve (deferred if cash not received) minus Capital Adjustment Account (or Revaluation Reserve) in relation to holding value of asset at time of sale.
Financing of new Capital Investment	Contributions made where otherwise not funded by Capital Receipts or designated Capital Grants	None	Capital Adjustment Account

Upward Valuation of Assets	None	Credited	Revaluation Reserve or, where reinstating past Impairment, Capital Adjustment Account
Pension Scheme Costs	Direct amounts paid in relation to the scheme	Full accrual principles including actuarial valuation	Pension Reserve
Staff Costs	Direct amounts paid	Accrual made for leave entitlement deferred forwards	Accumulated Absences Adjustment Account
Council Tax Receipts & Business Rates	Pre-planned demand plus prior year surplus	Full accrual income principle	Collection Fund Adjustment Account
Revenue Expenditure Financed by Capital Under Statute	None	Full accrual principles	Capital Adjustment Account
Minimum Statutory Provision for Capital Debt Repayment	Charge as required under statute	None	Capital Adjustment Account

Reserves

The Council's Reserves represent the accumulation of surpluses (and deficits) upon the Comprehensive Income & Expenditure account overall years up to and including the Balance Sheet Date. It also equals the Total Value of the Council's assets less its' liabilities.
Reserves are classified into Useable (when currently available for application) and Un-usable (when there is no current liquidity).

The Notes to the Accounts upon the Reserves explains fully the purpose of each Reserve and the uses to which they are applied.

Value Added Tax

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

Events after the Balance Sheet Date

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 Statement of Accounts is 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 Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes, detailing the nature of the event and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Accounting Policies in respect of Non-Current Assets

Property, Plant and Equipment (IAS 16)

Assets that have physical substance and are held for use in the provision 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

Spend on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. There is a de minimis level of £10,000 however, where the cumulative value of individual assets is greater than £10,000 and they meet the criteria for recognition they will be capitalised.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

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

- Fair Value: Land and Buildings, Investment Properties and Donated Assets
- Depreciated Historic Cost: Vehicles, Plant and Equipment, Infrastructure, Intangibles
- Historic Cost: Community Assets, Assets Under Construction, Assets Held for Sale

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued regularly to ensure that their carrying value is not materially different from their fair value at the yearend, but as a minimum every four years.

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

Components

The Council will separately account for components where the cost of the component is significant in relation to the overall total cost of the asset, and the useful economic life of the component is significantly different from the useful economic life of the asset. Individual components with similar useful lives and depreciation methods will be grouped.

For this purpose, a significant component cost would be 10% of the overall total cost of the asset but with a de minimis component threshold of £100,000.

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 there is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

The incidence of charge to the Capital Adjustment and Revaluation Reserve is detailed above.

Disposals and Non-Current Assets Held for Sale

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 previously recognised losses. Depreciation is not charged on Assets Held for Sale.

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.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is 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)

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by allocating the value of the asset over its useful live. An exception is made for assets where the finite useful life cannot be determined, (i.e., land and Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated as follows:

Asset Type	Depreciation basis	Useful Economic Life
Operational Buildings	Straight-line allocation over the estimated life of the building or component where identified separately	5 years to 99 years
Community Assets	Straight line allocation over the estimated life of the asset	16 years to 99 years
Intangible Assets	Straight line allocation over the estimated life of the asset	1 year to 5 years
Vehicles, Plant, Furniture & Equipment	Straight line allocation over the estimated life of the asset	1 year to 48 years
Infrastructure	Straight line allocation over the estimated life of the asset	5 years to 99 years

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

Revaluation gains are also depreciated, with 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.

The residual value of the assets is reviewed at least every four years and the depreciation adjusted to match any change in the life of the asset.

Year of depreciation charge

The depreciation charge will generally commence in the year of the addition of the asset.

Heritage Assets

Heritage Assets (those Assets of cultural, environmental or historic importance) are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to heritage assets.

Intangible Assets

Expenditure, on an accruals basis, for assets that do not have physical substance but are identifiable and controlled by the Council (e.g., software licences) are capitalised where they will bring benefit for more than one year. The balance is amortised (charged) to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

Leases

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

A right of use asset and corresponding lease liability are recognised at commencement of the lease.
The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.
The right of use asset is tested for impairment if there are any indicators of impairment.
Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal whilst an appropriate debtor balance is created to reflect the amount owed to the Council.

Operating Leases.

Where the Council grants an operating lease over a property 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.

Current Value Measurement (IFRS 13)

Previously, all assets and liabilities were valued under the principle of “fair value” which was defined as “the amount for which an asset could be exchanged, or liability settled between knowledgeable, willing parties in an arm’s length transaction”.
Although “fair value” remains as the approach to valuation for a number of assets and liabilities, in respect of Operational Assets IFRS 13 introduces “current value”. This means such assets have to be measured in a way that recognises their “service potential”.

Accounting Policies in respect of Employee Benefits

Benefits payable during employment.

To the extent that the Council has an outstanding liability for these at the Balance Sheet Date, the amount is shown in the Accumulated Absences Reserve.

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.

Termination benefits are charged to the appropriate service line in the Comprehensive Income and Expenditure Account when the Council can demonstrate that it is committed to either terminating the employment of an officer or has made an offer of voluntary redundancy even if the officer has not left the Council by 31 March.

Post-Employment Benefits (Pensions)

Employees of the Council are members of the Local Government Pensions Scheme (LGPS), administered by West Northamptonshire & Cambridgeshire Pension Fund. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

- The liabilities of the LGPS 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, using an appropriate discount rate (based on the indicative rate of return on high quality corporate bonds as identified by the actuary).

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Accounting Policies in respect of Financial Instruments

Financial Instruments
A financial asset or liability is recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the instrument. This will normally be the date that a contract is entered into but may be later if there are conditions that need to be satisfied. Financial assets are recognised by the Council on the Balance Sheet only when the goods or services have been provided or rendered to a third party. Financial liabilities are recognised when the goods or services ordered from a third party have been received by the Council and the third party has performed its contractual obligations.

Financial Assets
Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

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

The Council's business model is to hold investments to collect contractual cash flows.
Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e., where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost
Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument, are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement 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 Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable. The Interest credited to the Comprehensive Income and Expenditure Statement for the loans is the amount receivable for the year in the loan agreement. Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investments income and expenditure line in the Comprehensive Income and Expenditure Statement.

Financial Liabilities
Financial liabilities are initially measured at fair value and are subsequently carried at their amortised cost. Annual charges to 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. For most borrowing that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principle 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. Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income or Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down to the comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate. Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required
against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Provisions and Contingent Liabilities

Provisions
Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires a financial settlement and a reliable estimate of the obligation can be made. Provisions are debited to the Comprehensive Income and Expenditure Statement and are measured at the best estimate of the expenditure that is likely to be required. When payments are made, they are charged to the provision.

Contingent Liabilities
A contingent liability arises from an event which is too uncertain, or the amount of the obligation cannot be reliably estimated. The liability is disclosed as a contingent liability within the notes to the accounts. 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.

Note 32. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In conducting its assessment that this basis is appropriate, in relation to the going concern period up to 31st March 2027, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our year-end balances, as reported in these statements are as follows:

Date	General Fund £'000	Earmarked reserves £'000
31st March 2026	£1,426	£15,872

Figures from the 2026/27 budget approved by Full Council on the 24th February 2026, predicted a balance of £1.691 million in the General Fund and £12.162 million in other Earmarked Reserves (excluding CIL). [This remains in line with our minimum level of General Fund balance, i.e., 10% of the net operating budget as set in the budget report by the Director Finance.] These figures are before the underspend in 2025/26 was known and fully reflected in the calculation.

Our cash flow forecast and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, with no expectation of the need for external borrowing.

The current forecast (including the 2025/26 underspend) is that after allocations from the Surplus Savings Reserve in 2025/26 there will still be over £8.321 million in this reserve as at the 31st March 2027. It is therefore strongly believed that any pressures will be able to be absorbed within this balance, if required, up until this time.

The key assumption within this forecast is that the Council will achieve its approved budget position in 2026/27 and 2027/28. The budget for 2026/27 has been set taking account of current economic conditions, including inflationary pressures and anticipated employee pay awards, together with known changes in income and expenditure streams. The Medium-Term Financial Strategy incorporates the latest available assumptions regarding funding, service demand and other financial risks facing the Council.

On this basis, the Council has a reasonable expectation that it has adequate resources to continue in operational existence throughout the going concern assessment period, being at least twelve months from the date of approval of these financial statements, whilst continuing to provide its statutory and discretionary services. Accordingly, and in line with the requirements of the CIPFA Code of Practice and statutory guidance, the financial statements have been prepared on a going concern basis.

Looking beyond the going concern assessment period, the Government has confirmed its intention to pursue Local Government Reorganisation across two-tier areas. Whilst proposals for future local government structures in Cambridgeshire and Peterborough are currently being developed and no final decisions have been made, there remains an expectation that East Cambridgeshire District Council may form part of a new unitary authority in the future. However, the Council will continue to operate as a going concern until any reorganisation is formally implemented and does not consider these proposals to impact upon the preparation of the financial statements on a going concern basis.

Jude Antony
Director, Finance (Section 151 Officer)
East Cambridgeshire District Council

Collection Fund

2024/25 Non Domestic Rates £'000	2024/25 Council Tax £'000	2024/25 TOTAL £'000		2025/26 Non Domestic Rates £'000	2025/26 Council Tax £'000	2025/26 TOTAL £'000
			Income			
	(75,156)	(75,156)	Council Tax Payers		(80,495)	(80,495)
(26,183)		(26,183)	Business Rate Payers	(29,116)		(29,116)
(783)		(783)	Transitional relief	32		32
(26,966)	**(75,156)**	**(102,122)**	**TOTAL INCOME**	**(29,084)**	**(80,493)**	**(109,579)**
			Expenditure			
			Repay Previous Years Surplus / Deficit			
1,199	0	1,199	Central Government	600		600
959	154	1,113	East Cambridgeshire District Council	480	12	492
216	1,004	1,220	Cambridgeshire County	108	84	192
0	177	177	Cambridgeshire Police	0	15	15
24	52	76	Cambridgeshire Fire	12	4	16
	8	8	Cambridge & Peterborough Combined Authority	0	2	2
2,398	**1,395**	**3,793**		**1,200**	**117**	**1,316**
			Precepts and Demands			
12,077		12,077	Central Government	13,026		13,026
9,750	7,958	17,708	East Cambridgeshire District	10,512	8,295	18,808
2,194	53,409	55,603	Cambridgeshire County	2,365	56,260	56,625
	9,413	9,413	Cambridgeshire Police		9,906	9,906
244	2,712	2,956	Cambridgeshire Fire	263	2,888	3,151
	1,187	1,187	Cambridge & Peterborough Combined Authority	**0**	1,191	1,191
24,265	**74,679**	**98,944**		**26,167**	**78,539**	**104,706**
			Charges to Collection Fund			
(282)	(142)	(424)	Less Write off of Uncollectable Amounts	(63)	(355)	(417)
122	623	745	Less Increase/(Decrease) in Bad Debt Provision	183	673	856
403		403	Less Increase/(Decrease) in Provision for Appeals	(2,178)		(2,178)
101		101	Less Costs of Collection	103		103
1,227		1,227	Renewable Energy Retentions	1,263		1,263
597		597	Enterprise Zone Retentions	856		856
2,168	**481**	**2,649**		**164**	**318**	**483**
28,831	**76,555**	**105,386**	**TOTAL EXPENDITURE**	**27,531**	**78,974**	**106,505**
1,865	**1,399**	**3,264**	**(Increase) / Decrease in Collection Fund Balance**	**(1,553)**	**(1,521)**	**(3,074)**
(2,877)	(1,812)	**(4,689)**	Fund Balance - (Surplus) / Deficit at 1 April	(1,012)	(413)	**(1,425)**
(1,012)	**(413)**	**(1,425)**	**Fund Balance - (Surplus) / Deficit at 31 March**	**(2,565)**	**(1,934)**	**(4,499)**

Notes to the Collection Fund

1. Purpose of Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for the Council as a billing authority to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.
Until it is distributed, the tax collected is held in a statutory Collection Fund which is separate from the General Fund of the Council. The accounts are however, consolidated into the Council's accounts. They have been prepared on an accruals basis.
Town and Parish Council precepts are transferred to the General Fund before being paid to the Parish or Town Council. Interest is not payable / chargeable to the Collection Fund on cash flow variations between it and the General Fund.
There is no requirement for a separate Collection Fund Balance Sheet. The assets and liabilities of the Collection Fund at the end of the year are apportioned between East Cambridgeshire District Council and the major preceptors in proportion to their demand on the fund for the year. The major preceptors' share of the assets and liabilities of the Collection Fund are shown as a debtor in East Cambridgeshire District Council's accounts. East Cambridgeshire District Council's share of the assets and liabilities are held in the Collection Fund Adjustment Account reserve.

2. Council Tax

Tax Base at 31 March 2026					
Tax Band	**Properties**	**Exemptions & Discounts**	**Chargeable Dwellings**	**Band D Multiplier**	**Band D equivalent**
A-	9.3	2.1	7.2	5/9	4.0
A	4,162.2	845.0	3,317.2	6/9	2,211.5
B	10,460.9	1,155.2	9,305.7	7/9	7,237.8
C	8,004.7	346.4	7,658.3	8/9	6,807.3
D	7,126.3	146.7	6,979.6	9/9	6,979.6
E	4,819.9	49.8	4,770.1	11/9	5,830.2
F	2,340.0	16.0	2,324.0	13/9	3,356.9
G	754.0	2.4	751.6	15/9	1,252.7
H	83.5	0.7	82.8	18/9	165.7
Total	**37,760.6**	**2,564.2**	**35,196.5**		**33,845.5**

Council Tax charge per band D property for 2024/25 £2,264.91
Council Tax charge per band D property for 2025/26 £2,374.13

3. Non Domestic Rates (NNDR)

The standard business rate multiplier set by the Government for 2025/26 was 55.5p (2024/25 54.6p). The small business multiplier, for business with a rateable value of under £18,000 was 49.9p (2024/25 49.9p)

4. Non Domestic Rates Appeals

The provision is based upon the latest list of outstanding rating list proposals provided by the Valuation Office Agency. It is an estimate based on changes in comparable hereditaments, market trends and other valuation issues, including the potential for certain proposals to be withdrawn. The estimate includes appeals and proposals in respect of live and historic Rating List entries. It does not include any allowance or adjustment for the effects of transition or for changes in liability. The estimated provision is made up of the estimated outcome of appeals calculated by a weighted average of the historic outcomes. It should be noted that the impact on the Council of appeals, as well as other NDR, is limited by Safety Net calculation (the calculation of which is limited by regulation.

5. Collection Fund Balance Sheet

Non Domestic Rates 31 Mar 25 £'000	Council Tax 31 Mar 25 £'000	TOTAL 31 Mar 25 £'000		Non Domestic Rates 31 Mar 26 £'000	Council Tax 31 Mar 26 £'000	TOTAL 31 Mar 26 £'000
3,222	(537)	2,685	Cash held by ECDC	826	304	1,130
2,124	4,659	6,783	Debtors	2,564	5,895	8,459
(740)	(1,328)	(2,068)	Receipts in Advance	712	(1,567)	(855)
(566)	(2,381)	(2,947)	Impairment Provision	(687)	(2,699)	(3,385)
(3,028)	0	(3,028)	Appeals Provision	(850)	0	(850)
(1,012)	(413)	(1,425)	Fund Surplus	(2,565)	(1,934)	(4,499)
0	**0**	**0**	**TOTAL**	**0**	**0**	**0**

6. Collection Fund Representation of Debtor, Creditor & Appeals Balances in ECDC Accounts

The Debtor, Creditor and Provisions entries are recorded in the Council's Accounts in accordance with the proportion of the fund attributable to East Cambridgeshire for its own purposes. The relevant proportions are 40% for Non-Domestic Rates and 10.6% for Council Tax. The entries are therefore as follows:

Non Domestic Rates 31 Mar 25 £'000	Council Tax 31 Mar 25 £'000	TOTAL 31 Mar 25 £'000		Non Domestic Rates 31 Mar 26 £'000	Council Tax 31 Mar 26 £'000	TOTAL 31 Mar 26 £'000
850	497	1,346	Debtors	1,026	622	1,648
(296)	(142)	(438)	Receipts in Advance	(285)	(165)	(450)
(227)	(254)	(481)	Impairment Provision	(275)	(285)	(559)
(1,211)	0	(1,211)	Appeals Provision	(340)	0	(340)
(322)	480	158	Creditors - Local Government	(225)	(272)	(497)
(1,611)	0	(1,611)	Creditors - Central Government	(1,125)	0	(1,125)
(405)	(44)	(449)	Fund Surplus to Collection Fund Adjustment Account	(1,026)	(204)	(1,230)
(3,222)	**537**	**(2,685)**	**TOTAL**	**(2,249)**	**(304)**	**(2,553)**

7. Collection Fund Adjustment Reserve

The Collection Fund Adjustment Reserve identifies the element of the Collection Fund balance that is due to this Council.

2024/25 £'000	Collection Fund Adjustment Account		2025/26 £'000
(1,349)	Opening Balance	(566)	
783	Movement in Year	(765)	
(566)	Closing Balance	**(1,331)**	
		Movement	Closing
(44)	Council Tax	(160)	(204)
(405)	Non Domestic Rates - Core	(621)	(1,026)
(117)	Non Domestic Rates - Renewable Energy	17	(100)
			(1,331)

GROUP Comprehensive Income & Expenditure Statement

2024/25 GROSS EXPENDITURE £'000	GROSS INCOME £'000	NET EXPENDITURE £'000		2025/26 GROSS EXPENDITURE £'000	GROSS INCOME £'000	NET EXPENDITURE £'000
24,405	(20,165)	4,240	Finance & Assets	32,361	(23,954)	8,406
13,653	(7,351)	6,302	Operational Services	18,107	(16,075)	2,033
38,057	**(27,516)**	**10,542**	**Cost of Services**	**50,468**	**(40,029)**	**10,439**
3,974	(7)	3,967	Other Operating Costs	4,216	0	4,216
(287)	(2,060)	(2,347)	Financing & Investment Items		(2,387)	(2,387)
0	(17,337)	(17,337)	Taxation & Grant Income	0	(19,075)	(19,075)
41,745	**(46,919)**	**(5,174)**	**Net Surplus/Deficit on provision of services**	**54,553**	**(61,362)**	**(6,808)**
0	9,287	9,287	**Other comprehensive income & expenditure**	0	(5,471)	(5,471)
41,745	**(37,632)**	**4,113**	**TOTAL**	**54,553**	**(66,883)**	**(12,279)**

GROUP Movement in Reserves Statement

2024/25					2025/26		
Opening Balance Group	Adjust between Account basis and fund	Other Income & Expenditure	Closing Balance		Adjust between Account basis and fund	Other Income & Expenditure	Closing Balance
£'000	£'000	£'000	£'000		£'000	£'000	£'000
27,158	(3,224)	4,941	28,875	General Fund	(8,740)	6,808	26,943
1,786	(27)	0	1,759	Capital Receipts Reserve	(330)		1,429
389	1,026	0	1,415	Capital Grants Unapplied	1,021		2,436
29,333	**(2,226)**	**4,941**	**32,049**	**Total Useable**	**(8,049)**	**6,808**	**30,809**
20,511	2,907	0	23,418	Capital Adjustments Account	6,163		29,581
13,278	(360)	(134)	12,785	Revaluation Reserve	(227)	2,244	14,802
4,327	(320)	(8,847)	(4,840)	Other Unusable	2,113	3,227	500
38,116	**2,226**	**(8,979)**	**31,363**	**Total Unusable**	**8,049**	**5,471**	**44,938**
67,450	**0**	**(4,038)**	**63,412**	**TOTAL**	**0**	**12,279**	**75,691**

Group Balance Sheet

31 March 2025 £'000		31 March 2026 £'000
40,080	Property, Plant and Equipment	49,974
105	Heritage Assets	105
530	Long Term Debtors	499
0	Net Pension Asset	0
40,716	**TOTAL LONG TERM ASSETS**	**50,578**
22,101	Investments (Short Term)	0
3,908	Short Term Debtors	6,827
3,383	Inventories	2,635
1,183	Trade & other receivables	0
11,923	Cash and Cash Equivalents	31,399
42,498	**TOTAL CURRENT ASSETS**	**40,862**
(8,373)	Short Term Creditors & Receipts in Advance	(10,157)
(1,227)	Provisions	(356)
0	Lease Liabilities	(40)
(9,600)	**TOTAL CURRENT LIABILITIES**	**(10,553)**
(4,720)	Capital Grants Received in Advance	(4,275)
(5,483)	Net Pensions Liability	(920)
(10,203)	**LONG TERM LIABILITIES**	**(5,195)**
63,412	**NET ASSETS**	**75,691**
	FINANCED BY:	
32,052	USABLE RESERVES	30,811
31,360	UNUSABLE RESERVES	44,880
63,412	**TOTAL RESERVES**	**75,691**

Jude Antony - FCCA
Director, Finance (Section 151 Officer)
East Cambridgeshire District Council

Group Cash Flow Statement

Group 31 March 2025 £'000		Group 31 March 2026 £'000
5,097	**Net Surplus / (Deficit) on the Provision of Services – (i)**	**6,753**
(1,939)	Interest receivable	(1,586)
	Adjustments for Non-cash Items:	
3	Depreciation & Amortisation	1,032
(478)	Pension Liability	(1,336)
(20)	Change in Inventories	0
373	Change in Debtors & Creditors	756
(2,061)	**Total Adjustments (ii)**	**(1,134)**
3,035	**A - Net Cash Flows from Operating Activities (i)+(ii)**	**5,619**
(1,568)	Purchase of Property, Plant & Equipment	(8,630)
(841)	Change in Long Term Debtors	(907)
(12,101)	Change in Short term Investments	22,100
2,203	Interest Received	1,839
(12,307)	**B - Investing Activities**	**14,402**
1,077	Net receipt / (application) of Capital Grants	(447)
(2,648)	Change in Collection Fund agencies Debtors & Creditors	169
1,676	Loans Advanced	(3,103)
(1,265)	Loans Repaid	2,875
(48)	Leasing Liabilities Repayment	(37)
(1,209)	**C - Financing Activities**	**(543)**
(10,481)	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**19,476**
22,404	**Cash and cash equivalents at the beginning of the reporting period**	**11,923**
11,923	**Cash and cash equivalents at the end of the reporting period**	**31,399**

Notes to Group Accounts

G1. The Council has two Trading Companies East Cambs Trading Company Limited and East Cambs Street Scene. As a result, a set of Group Accounts for the group as a whole are produced. The accounts have been consolidated on a line by line basis, as per IFRS10.

The impact of the Companies activities upon the Reserves of the Group are as follows.

	31 March 2025 £'000	**In Year Movement 2025/26 £'000**	**31 March 2026 £'000**
Surplus Savings Reserve - Profit & Loss Account	(793)	(530)	(1,323)
Total Company Reserves portion of Group Balance Sheet Represented by:	(793)	(530)	(1,323)
East Cambs Trading Company Profit & Loss	(798)	(535)	(1,333)
East Cambs Street Scene Profit & Loss	5	5	10

G2. The Assets & Liabilities of the Company's at the Balance Sheet Date are as follows:

	Trading Company	Street Scene	Inter Company	Total Change upon Council
Property Plant & Equipment	94	67	0	161
Long Term Debtor/Loan	(5,850)	0	5,850	0
Debtors & Cash	2,521	729	316	3,566
Inventories	2,572	20	0	2,592
Borrowings	0	0	0	0
Lease Liability	(40)	0	0	(40)
Creditors	(1,229)	(789)	(107)	(2,125)
Lease Liability Long Term	0	0	0	0
TOTAL ASSETS NET OF COUNCIL SHARE	**(1,932)**	**27**	**6,059**	**4,154**

The Group Balance Sheet has moved from a position at 31st March 2025 of £63,412 million to £75,691 million at 31 March 2026.

Inventory

At March 2025, there were five properties that were completed from a construction point of view but unsold at the end of the year. These were subsequently sold, releasing £2.2m in value from inventory. During 2026, work has continued on phase 2 at Arbour Square, adding £1.3m to inventory values. Phase 2 is expected to complete by the end of in summer 2026.

Debtors

A balance of £1.4m is outstanding to a Community Land Trust (CLT) which is expected to be repaid by the end of the second quarter of 2026/27. The balance on this debt was £444k at the end of March 2025.

Trade creditors

At the end of March 2025, all the properties had been substantially completed and so there were no invoices outstanding to contractors for work done but not paid. At the end of March 2026, the phase 2 at Arbour Square still has 3-4 months until completion so there were amounts due to contractors for work done.

G3. Group Audit Fees

	2024/25	2025/26
ECDC	£203,000	£207,000
ECTC	£46,300	£48,600
ECSS	£27,600	£29,000
Total Audit Fees	**£276,900**	**£284,600**

Glossary of Terms and Abbreviations

Glossary of terms

Accrual
The recognition of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

Actuarial Assumptions
These are predictions made for factors that will affect the financial condition of the pension scheme.

Amortisation
The gradual write-off of the initial cost of assets.

Asset
An item having value to the Council in monetary terms.

Capital Enhancement
Enhancement on the acquisition of non-current assets which will be used in providing services beyond the current accounting period or spend on non-current assets.

Capital Receipts
Income received from selling non-current assets.

Carrying amount
The value of an asset or liability in the Balance Sheet.

CIPFA
This is the Chartered Institute of Public Finance and Accountancy which is an institute that represents accounting in the Public Sector.

Collection Fund
A separate fund that records the income and expenditure relating to council tax and non-domestic rates.

Community Infrastructure Levy (CIL)
An amount payable by developers (commercial and domestic) in respect of new buildings created within the District. The Levy must be used to provide infrastructure; decisions on which are taken by District and Parish Councils.

Contingent Liabilities
These are amounts that the Council may be, but is not definitely, liable for.

Council Tax
A tax paid by residents of the District that is based on the value of the property lived in and is paid to the Council and spent on local services.

Creditors
These are people or organisations which the Council owes money to for goods or services which have not been paid for by the end of the financial year.

Current Assets
These are assets that are held for a short period of time, for example cash in the bank, inventories and debtors.

Debtors
Sums of money owed to the District Council but not received by the end of the financial year.

Earmarked Reserves
Money set aside for a specific purpose.

Exceptional Item
A material item in the Comprehensive Income and Expenditure Statement that falls within the ordinary activities of the Council, but which needs to be disclosed separately by virtue of its size to give a fair presentation of the accounts.

Fair value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arms-length transaction.

Finance Lease
A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. A finance lease transfers substantially all of the risks and rewards of ownership of an item of property, plant and equipment to a lessee.

Impairment of debts
This recognises that the real value of debt is less than the book value.

Intangible Assets
A non-physical item which provides future economic benefits. This Council's intangible assets comprise computer software licences.

Liabilities
Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Liquid Resources
Current asset investments held as readily disposable stores of value, either readily convertible into cash, or traded in an active market.

Minimum Revenue Provision (MRP)
The minimum amount that must be charged to the revenue account each year to provide for the repayment of monies borrowed by the Council.

Non Domestic Rates
Rates which are levied on business properties. From 1st April 2013, as a consequence of The Local Government Finance Act 2012, a local Non Domestic Rating regime was introduced that included the business rates retention scheme. See also **Tariff** and **Safety Net**.

Operating Leases
A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. An operating lease is where the ownership of the non-current asset remains with the lessor.

Precept
A payment to the Council's General Fund, or another local council, from the Council's Collection Fund.

Prior Year Adjustments
These are material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors.

Property, Plant and Equipment
Non-current assets that give benefit to the District Council and the services it provides for more than one year.

Provisions
Monies set aside for liabilities or losses which are likely to be incurred but where the exact amounts or dates on which they will arrive are uncertain.

Reclassification
Where comparative (prior year) figures are reclassified into new categories of income or expenditure, and the change has not been the result of a material error or accounting policy, but the amount is “material” then this is a reclassification.

Responsible Financial Officer
The designated post within the Council, as determined by the Accounts and Audit Regulations 2011, which holds the statutory S.151 responsibility (Local Government Act 1972). This responsibility is in respect of ensuring the proper administration of the Council’s financial affairs. This post was formerly known as Chief Financial Officer.

Restated
Where there has been a material error in the accounts or a new accounting policy has been applied, then the comparative (prior year) figures have to be “restated” as if the correction or policy had been in place as at the end of the previous financial year.

Revenue Expenditure Funded from Capital under Statute
Spending on items normally classed as revenue but which are defined by statute as capital e.g., improvement grants.

Revenue Support Grant
A grant from Central Government towards the cost of providing services.

Safety Net
The scheme for localising Non Domestic Rates (NDR) includes a safety net provision. Where the actual NDR after Tariff is less than 92.5% of the funding baseline, Central Government makes a safety net payment to the Council equal to the difference between the actual NDR and the funding baseline.

Section 106
Under planning regulations developers can be requested to make contributions to on and off-site facilities required as a result of their development.

Tariff
The scheme for localising Non Domestic Rates (NDR) includes baselines for both the amount of NDR the Council receives and the amount of Council funding from NDR. The Council pays Central Government a Tariff equal to the difference between the two baselines.

True and Fair View Override
As required by the Accounts and Audit Regulations 2011, paragraph 8.2, the Responsible Financial Officer is required to certify that the Statement of Accounts presents a true and fair view of the financial position of the Council. However, as a consequence of IFRS, this has introduced the principle of the “true and fair view override”. This means, where the Responsible Financial Officer considers that to give a true and fair view would require the Council to provide misleading information i.e., to provide an actual outturn figure would actually show to the reader an unexpected financial position, the Responsible Financial Officer is permitted to provide alternative figures providing such divergence from the “true and fair view” is appropriately acknowledged in the notes to the accounts.

ABBREVIATIONS

CFR	Capital Financing Requirement
CIES	Comprehensive Income and Expenditure Statement
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy
CPFA	Chartered Public Finance Accountant
DCLG	Department for Communities and Local Government
DRC	Depreciated replacement cost
FTE	Full Time Equivalent
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
LEP	Local Enterprise Partnership
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
MTFS	Medium Term Financial Strategy
NBV	Net Book Value
NDR	Non Domestic Rates
NHB	New Homes Bonus
NNDR	National Non Domestic Rates (Business Rates)
PWLB	Public Works Loans Board
RICS	Royal Institution of Chartered Surveyors
RSG	Revenue Support Grant
S106	Section 106
SOLACE	Society of Local Authority Chief Executives
REFCUS	Revenue Expenditure Funded from Capital under Statute (REFCUS)