

Salisbury City Council

Report and Accounts

for the year ended 31st March 2025

Prepared by Fawcetts LLP

Salisbury City Council

Report and Accounts

for the year ended 31st March 2025

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Salisbury City Council

Report and Accounts

for the year ended 31st March 2025

Responsible Finance Officer Narrative

A transformative year

The financial year 2024/25 was a transformative one for Salisbury City Council in many ways. Due to the Council's annual gross income and expenditure exceeding a statutory threshold of £6.5 million for three consecutive years (2022/23, 2023/24 and 2024/25), the Council became the first parish in the country to be redesignated a 'principal authority' instead of a 'smaller authority' on 1 April 2024.

This change required the Council to meet the accounting and auditing rules for principal authorities, often cited as 'Statement of Recommended Practice' (SoRP) or Code of Practice on Local Authority Accounting' (full Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The attached set of accounts are compliant with that Code.

Prior to 2024/25, as a smaller authority, the Council annually produced much simpler accounting statements as part of the Annual Governance and Accountability Return (AGAR) framework. For 2024/25 the Council has produced both AGAR accounts (approved by the Council on 27 May 2025) and these SoRP accounts (to be approved by the Council on 14 July 2025), both available for public inspection.

The Comprehensive Income and Expenditure Statement (CIES) on page 4 is the equivalent of a company's profit and loss account. It demonstrates that the Council generated a surplus of £1.164 million in the year (£1.013 million surplus as per AGAR). The comparative deficit for 2023/24 was £0.219 million (whereas a £0.345 million surplus was stated in the AGAR accounts).

Financial crisis revealed and addressed

These significant differences between AGAR and SoRP accounts demonstrate the fundamentally different approaches taken. AGAR's treatment of all cash inflows as revenue income (even loan advances, capital receipts and s.106 receipts) produces misleading results, such as the 'surplus' (profit) for 2023/24 when, in fact, a substantial deficit (loss) was suffered.

The SoRP-compliant Movement in Reserves Statement on page 7 contains an associated, but even more serious, revelation, previously unreported under AGAR. The Council's General Fund Balance dropped to £577,390 below zero on 31 March 2024 as opposed to the healthy £400,332 balance as reported under AGAR. The General Reserve has now recovered due to prudent financial management in 2024/25, standing at £951,508 on 31/3/25 (as opposed to the £1.69 million reported under AGAR).

The exhaustion of the General Fund balance, even temporarily, is the cumulative result of years of relying upon AGAR's overly-simplistic reporting of surpluses and mixing up general truly useable General Reserve funds with ringfenced and restricted funds (such as s.106 receipts and capital receipts) which should have been left untouched. Effectively the Council temporarily used these earmarked reserves for everyday cashflow purposes (to pay its bills) without appearing to realise it.

The new Responsible Finance Officer brought this possibility to the Council's attention soon after presenting the 2023/24 AGAR accounts and analysing the reserves, after which the Chief Executive Officer and Senior Management Team introduced tougher financial controls and an extended period of economising, including a vacancy freeze, resulting in the replenishment of the General Reserve.

This situation is a serious breach of the Council's public stewardship responsibilities, its regulatory duties and the Council's own financial regulations (which then required the RFO to maintain a 'minimum reserve' equivalent to two months' gross expenditure, approximately £1.4 million). AGAR limitations are certainly a contributory factor but do not absolve officers (nor the Council) from their statutory responsibility to predict, report and prevent such a breach.

On the upside, this has been a wake-up call for the Council after many years of inadequate and vague financial reporting. Irrespective of which AGAR/SoRP accounting regime is imposed upon the Council by legislation, in future the RFO must ensure that the annual budget, budget monitoring reports and annual accounts are prepared using proper and prudent accounting principles enshrined in the CIPFA SoRP. Earmarked receipts will each be identified and accounted for individually in order to meet the associated obligations, keeping them separate from the General Reserve, which itself must be maintained at the level required by the Council's financial regulations.

Economy, Efficiency and Effectiveness

Councillors and senior managers are mindful of the Council's reliance on the majority of its funding (64% in 2024/25) coming from the precept raised from local council tax payers. The Council's aim is to reduce this reliance by growing its other income streams, seeking to rely more on service-users paying a greater proportion than general taxpayers. In order to facilitate this, the RFO and senior management team have transformed many of the budgeting, monitoring and reporting processes to provide much more detailed service costing information.

The budget-setting process requires officers to identify savings options to reduce overall costs. Budget monitoring reports require more detailed explanations from officers about variances from budget and especially overspends. The senior management team's recently introduced officer values including honesty and responsibility are championed by the RFO and other managers, enabling much more open and transparent advice to councillors, such as at January's budget-setting meeting in which both the Administration's and Opposition's budget proposals were debated.

These accounts have been compiled very much in the same vein, to foster greater accuracy and completeness of financial reporting, to expose and explain any problems and to hold the Council to account, so that the reader, councillors, taxpayers and colleagues have the information necessary to assess the effectiveness of its improvements in delivering public services economically and efficiently.

Steve Bishop BA FCPFA, Responsible Finance Officer

Salisbury City Council

Statement of Responsibilities

The Council's Responsibilities


The Council 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 Responsible Finance Officer, Steve Bishop BA FCPFA
- * manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and approve the Statement of Accounts.
- * prepare a narrative statement covering its financial performance and economy, efficiency and effectiveness in its use of resources for that financial year, provided on pages 1 – 2.

Chairman's Approval of the Statement of Accounts

I certify the Statement of Accounts for the year ended 31 March 2025.

Signed on behalf of Salisbury City Council


.....

Deputy Mayor (and Council Chairman on 14 July 2025) Cllr Alan Bayliss

Date: 15.7.25.
.....

The Chief Financial Officers Responsibilities

The Chief Financial 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 Chief Financial Officer has:

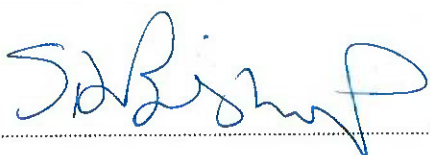
- * selected suitable accounting policies and then applied them consistently.
- * made judgments and estimates that were reasonable and prudent; and,
- * complied with the Code of Practice

The Chief Financial Officer has also:

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

Chief Financial Officer's Certificate

I certify that the Statement of Accounts on pages 1 to 27 presents a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.


.....

Responsible Finance Officer, Steve Bishop BA FCPFA

Date: 15/7/25
.....

SALISBURY CITY COUNCIL

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 precept. Councils raise precepts to cover expenditure in accordance with regulations; this may be different from the accounting cost.

Gross Expenditure £'000	2023/24		Comprehensive Income & Expenditure Statement (CIES)	Notes	Gross Expenditure £'000	2024/25	
	Gross Income £'000	Net Expenditure £'000				Gross Income £'000	Net Expenditure £'000
96,708	87,735	8,973	Community Services		469,920	71,862	398,058
571,269	726,561	(155,292)	Business Operations		1,366,756	867,379	499,376
2,396,766	1,302,828	1,093,938	Environmental Services		3,715,166	1,450,404	2,264,763
66,410	2,628	63,782	Corporate Services		433,473	990	432,483
3,967,858	431	3,967,427	General		1,197,373	3,078	1,194,295
7,099,010	2,120,182	4,978,828	Cost of Services		7,182,688	2,393,713	4,788,975
1,063,564	97,991	965,572	Other Operating Expenditure	3	302,929	67,800	235,129
137,797	740,499	(602,702)	Financing & Investment Income & Expenditure	4	198,092	743,314	(545,223)
30,470	5,152,561	(5,122,091)	Taxation & Non-Specific Grant Income	5	-	5,642,672	(5,642,672)
8,330,841	8,111,233	219,608	(Surplus) / Deficit on Provision Of Services		7,683,709	8,847,499	(1,163,790)
		<u>219,608</u>	Total Comprehensive (Income) & Expenditure				<u>(1,163,790)</u>

SALISBURY CITY COUNCIL

Balance Sheet

The Balance Sheet shows the value 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 reserve are usable 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 is those that the Council is not able to use to provide services. This category of reserves includes the reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement, page 14, line 'Adjustments between accounting basis and funding basis in Reserves Statement, page 14, line 'Adjustments between accounting basis and funding basis under regulations'.

31-Mar-24 £'000	Balance Sheet	Notes	31-Mar-25 £'000
42,246,059	Property, Plant & Equipmen	13	42,438,428
42,246,059	Long Term Assets		42,438,428
16,812	Inventories		16,702
1,615,000	Short Term Investments	14	3,000,000
475,084	Short Term Debtors	15	504,629
748,654	Cash & Cash Equivalents	14	712,504
2,855,550	Current Assets		4,233,835
(527,898)	Short Term Creditors	16	(893,656)
-	Provisions		-
(527,898)	Current Liabilities		(893,656)
(2,427,722)	Long Term Borrowing	17	(2,190,515)
0	Other Long-Term Liabilities		0
(2,427,722)	Long Term Liabilities		(2,190,515)
42,145,989	Net Assets		43,588,092
1,349,929	Usable Reserves	22	2,599,665
40,796,060	Unusable Reserves	25	40,988,427
42,145,989	Total Reserves		43,588,092

SALISBURY CITY COUNCIL

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. 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.

2024	Cash Flow Statement	Notes	2025
£			£
219,608	Net (Surplus)/Deficit on the Provision of Services		(1,163,790)
(61,938)	Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements	33	(403,680)
(716,000)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	33	(540,886)
(558,331)	Net Cash Flow from Operating Activities		(2,108,356)
0	Investing Activities	34	522,300
210,226	Financing Activities	35	237,208
(348,105)	Net (increase) or decrease in cash and cash equivalents		(1,348,849)
2,015,548	Cash & cash equivalents at the beginning of the reporting period		2,363,654
2,363,654	Cash & cash equivalents at the end of the reporting period	14	3,712,504

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Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (ie. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement, page 13. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase or Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council, for more detailed movements, see Note 16.

Movement in Reserves during 2024/25 and 2023/24

	General Fund Reserve	Earmarked Receipts (S.106 & CIL)	Capital Receipts	Total Useable Reserves/Receipts	Unusable Reserves	Total Council Reserves/Receipts
	£	£	£	£	£	£
Balance at 31 March 2023	1,136,964	526,749	119,244	1,782,957	20,098,273	21,881,230
Total Comprehensive Income & Expenditure	(219,608)	0	0	(219,608)	0	(219,608)
Adjustments between accounting basis and funding basis under regulations (Note 12)	(1,201,508)	988,088		(213,420)	20,697,787	20,484,367
Transfers to / (from) Reserves	(293,238)		293,237	(1)	0	(1)
Increase / (Decrease) in 2023/24	(1,714,354)	988,088	293,237	(433,029)	20,697,787	20,264,758
Balance 31 March 2024	(577,390)	1,514,837	412,482	1,349,929	40,796,060	42,145,989
Total Comprehensive Income & Expenditure	1,163,790			1,163,790	0	1,163,790
Adjustments between accounting basis and funding basis under regulations (Note 12)	117,469	84,503	(116,026)	85,946	192,367	278,313.00
Transfers to / (from) Reserves	247,639	(247,639)		0		0
				-		-
				-		-
Increase / (Decrease) in 2024/25	1,528,898	(163,136)	(116,026)	1,249,736	192,367	1,442,103
Balance 31 March 2025	951,508	1,351,701	296,456	2,599,665	40,988,427	43,588,092

SALISBURY CITY COUNCIL

Notes to the Core Financial Statements

Introduction to the Explanatory Notes

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Statement of Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the accounting policies are set out in Annex 1. For ease of reference, the notes to the core financial statement are grouped in functional areas.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT Note 1a Revenue outturn

In respect of net revenue outturn, the Council's 2024/25 General Fund revised budget and actual spending figures were as below:

	Original Budget	Revised Budget	Actual	Difference
	£	£	£	£
Total General Fund (a)	5,471,633	5,293,017	5,057,403	(235,614)
Funded by:				
General	(4,771,188)	(4,807,188)	(4,975,746)	(168,558)
Environmental	(847,041)	(852,041)	(966,060)	(114,019)
Business	(47,820)	(47,820)	(49,485)	(1,665)
Total Funding (b)	(5,666,049)	(5,707,049)	(5,991,291)	(284,242)
Movement on General Fund (a) + (b)	(194,416)	(414,032)	(933,888)	(519,856)

The overall underspend against the revised 2024/25 budget was £0.934 million which was returned to the General Fund reserve. More details about the Council's revenue spending on services are given in the narrative report, Financial and Performance Review, Comprehensive Income & Expenditure Statement and subsequent notes.

Note 1b Expenditure and Income Analysed by Nature

Expenditure and income reflected in the Comprehensive Income & Expenditure Statement is analysed by nature below.

	2025	2024
	£	£
Expenditure		
Employee expenses	3,289,028	3,034,376
Other services expenses	4,152,008	5,135,046
Depreciation, amortisation and impairment	117,469	79,817
Interest payments	75,204	81,708
Precept and levies	0	0
Loss on disposal of assets	0	0
Total Expenditure	7,633,709	8,330,946
Income		
Fees, charges and other service income	2,440,095	2,320,235
Interest and investment income	142,347	75,563
Property Income	492,134	553,774
Income from Precept	5,642,672	5,152,561
Other grants and contributions (note 6)	80,251	9,205
Total Income	8,797,499	8,111,338
(Surplus) / Deficit on the Provision of Services	(1,163,790)	219,608

Note 1c Income from Revenue Contracts

IFRS 15 (Revenue from Contracts with Customers) requires disclosure of income arising from contracts with service recipients. Most of the Council's income streams are outside of the scope of IFRS 15 as the majority of income that the Council receives/collects is precept. The Council has reviewed the value of income covered by IFRS 15 and considers this to be an immaterial amount therefore no further disclosures are required.

Note 2 Exceptional Items

There are no exceptional items to note.

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Note 3 Other Operating Expenditure

Other operating expenditure includes the following items:

	2025	2024
	£	£
Depreciation	117,469	79,817
Other Property costs and project costs	117,660	885,755
Total	235,129	965,572

Note 4 Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

	2025	2024
	£	£
	0	0
Interest Payable and Similar Charges	75,204	81,707
Interest and Investment Income	(142,347)	(75,563)
Income and Expenditure in Relation to Property	(478,080)	(608,846)
Total	(545,223)	(602,702)

Note 5 Taxation and Non-specific Grant Income

The Council raises the following income :-

	2025	2024
	£	£
Parish Council Precepts	(5,642,672)	(5,152,561)
Cultural Organisation Grants	0	30,470
Total	(5,642,672)	(5,122,091)

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Note 6 Grant Income

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

	2025	2024
	£	£
Credited to Services		
Business	36,617	0
Environment	36,634	9,205
Community Services	7,000	0
Total Grants, Contributions & Donations	80,251	9,205

The Council received the following grants in relation to future years:

	2025	2024
	£	£
Grants Receipts in Advance	0	0
Total	0	0

Note 7 Members' Allowances

The Council paid the following amounts to Members of the Council;

	2025	2024
	£	£
Allowances	14,375	15,125
Expenses	185	32
Total	14,560	15,157

Note 8 External Audit Fees

Salisbury City Council incurred the following fees in respect of external audit and statutory inspection in accordance with the Local Audit & Accountability Act 2014.

	2025	2024
	£	£
Fees payable to the appointed auditor, with regard to external audit services	0	3,780
Total	0	0

SALISBURY CITY COUNCIL

Note 9 Officers' Remuneration

The Council is required to disclose the number of employees who received taxable remuneration from Salisbury City Council in excess of £50,000 for the year. The table below is based on full remuneration and not just salary.

Remuneration Band £	2025	2024
50,000 - 54,999	1	2
55,000 - 59,999	1	0
60,000 - 64,999	1	0
65,000 - 69,999	0	1
70,000 - 74,999	0	0
75,000 - 79,999	0	0
80,000 - 84,999	0	0
85,000 - 89,999	1	0
90,000 +	0	0
Total	4	3

2024/25 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances)	Additional emoluments (inc Elections Payments)	Expense Allowances	Compensation for loss of Office	Benefits in Kind	Total Remuneration excluding pension contributions 2024/2025	Employers Pension Contributions	Total Remuneration including pension contributions 2024/2025
Chief Executive	86,319	0	31	0	0	86,350	11,826	98,176
Responsible Finance Officer	63,177	0	586	0	0	63,763	8,655	72,418
Head of Human Resources & Payroll	55,714	0	401	0	0	56,115	7,633	63,748
Head of Environmental Services	52,805	0	0	0	0	52,805	7,234	60,039
						-		-
Total	258,015	0	1,018	0	0	259,033	35,348	294,381

2023/2024 Remuneration for Senior Employees - Salary is less than £150,000 but equal to or more than £50,000 per year (Included in Officer's Remuneration Bandings)

Post Holder	Salary (including fees and allowances)	Additional emoluments (inc Elections Payments)	Expense Allowances	Compensation for loss of Office	Benefits in Kind	Total Remuneration excluding pension contributions 2023/2024	Employers Pension Contributions	Total Remuneration including pension contributions 2023/2024
Business & Communications Manager and acting City Clerk	69,927					69,927	9,580	79,507
Environmental Services Manager (now 'Head of Environmental Services')	51,515	-	-	-	-	51,515	7,058	58,573
HR Manager (now 'Head of HR & Payroll')	50,304	-	348	-	-	50,652	6,892	57,544
Total	171,746	0	348	0	0	172,094	23,530	195,624

Exit Packages

Exit packages include all benefits provided in relation to the termination of employment. These include redundancy payments, pay in lieu of notice and pension strain. The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table on the next page:

Exit Package Cost Band Number of Compulsory Redundancies Number of Other Departures Total Number of Exit Total Cost of Exit (including special payments) Redundancies Departures Agreed Packages by

Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies		Number of Other Departures		Total number of Exit Packages		Total Cost of Exit Packages	
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024
0 - 20,000	0	0	0	1	0	1	£	£
20,001 - 40,000	0	0	1	0	1	0	22,362	11,425
40,001 - 60,000	0	0	0	0	0	0	0	0
60,001 - 80,000	0	0	0	0	0	0	0	0
80,001 - 100,000	0	0	0	0	0	0	0	0
100,001 - 150,000	0	0	0	0	0	0	0	0
Total	0	0	1	1	1	1	22,362	11,425

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Note 10 Related Parties

The Council is required to disclose material transactions with related parties. Related parties are persons or entities that are related to Salisbury City Council. A related party transaction is a transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

UK Central Government - has significant influence over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Details of grant income are shown in Note 6, but unlike other principal authorities, the Council does not receive revenue support grant nor any significant government grant funding.

Wiltshire Council - the Council's main source of funding is through the annual precept raised in council tax, collected and paid by Wiltshire Council. Close collaboration between the two councils is required for the Council to set its annual budget and precept in good time for Wiltshire to calculate the council tax; and for Wiltshire to pay over the precept in two instalments, in April and in September. The Council receives ('s.106') planning obligations receipts and Community Infrastructure Levy receipts from Wiltshire according to the respective statutory process as they arise. By contractual agreements, in the past the Council has taken on several of Wiltshire's statutory functions, such as the provision of public conveniences. Additionally, during 2024/25 the two councils had concluded negotiations for Wiltshire to take on the Council's outsourced payroll service from 1 April 2025.

Members of the Council - have direct control over the Council's financial and operating policies. The total of Members' Allowances paid in 2024/2025 is shown in note 9. If a Member declares an interest in a transaction which involves the Council, these transactions are recorded in the Register of Members' Interests, open to public inspection at The Guildhall, Salisbury. The register has been reviewed and Members have not disclosed any material transactions with related parties.

Officers - under the requirements of the Local Government Act 2000, the Council has developed a Code of Conduct for officers and established a Register of Officers interests. This Register of interests has been reviewed and no material transactions have been disclosed.

Wiltshire Pension fund - Employees of the council are auto-enrolled into the Wiltshire Pension Fund on joining the Council, although some have chosen to opt out in accordance with the scheme rules. The fund is administered by Wiltshire Council.

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11. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the Council (ie government grants, rents, precepts etc) for the year has been used in providing services in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24				2024/25
Net Expenditure in the CIES	Expenditure and Funding Analysis (EFA)	Expenditure Chargeable to the General Fund	Adjustments between Funding basis & Accounting Basis	Net Expenditure in the CIES
£		£	£	£
8,973	Community Services	398,058	0	398,058
(155,292)	Business Operations	499,376	0	499,376
1,093,938	Environmental Services	2,264,763	0	2,264,763
63,782	Corporate Services	432,483	0	432,483
3,967,427	General	946,656	(247,639)	1,194,295
4,978,828	Cost of Services	4,541,336	(247,639)	4,788,975
965,572	Other Operating Expenditure	117,660	(117,469)	235,129
(602,702)	Financing & Investment Income & Expenditure	(545,223)	0	(545,223)
(5,122,091)	Taxation & Non-Specific Grant Income	(5,642,672)	0	(5,642,672)
219,608	(Surplus) / Deficit on Provision of Services	(1,528,898)	(365,108)	(1,163,790)
(1,136,964)	Opening General Fund Balance	577,390		
219,608	(Surplus) / Deficit on General Fund Balance in Year	(1,528,898)		
1,494,746	Transfers to / (from) Reserves Earmarked Reserves			
577,390	Closing General Fund Balance	(951,508)		

Adjustments are made to the General Fund Balances in 2024/25 to meet the requirements of generally accepted accounting practices. For other operating expenditure, this column includes adjustments for depreciation. In General, S106 has been discharged to the CIES in the period.

Adjustments are made to the General Fund Balances in 2023/24 to meet the requirements of generally accepted accounting practices. For other operating expenditure, this column includes adjustments for depreciation. Under Taxation & Non Specific Grant Income adjustments were made to create earmarked reserves for S106 and CIL funds received so that they maybe released against future costs, a transfer was also made to the capital receipts reserve.

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Note 12 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	General Fund	Capital Receipts Reserve	Earmarked Reserves Reserve	Total Unusable Reserves
	Balance £	Reserve £	Reserve £	Reserves £
2024/2025 Adjustments				
Charges for depreciation of non-current assets	117,469			(117,469)
Charges for impairment/ revaluations of plant, property and equipment				239,000
Capital expenditure charged against the General Fund				70,836
Amount transferred to reserve during the year			152,417	
Financing of Capital Expenditure in the year	-		(67,914)	
Capital receipts received for the sale of non-current assets reflected as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		338,474		
Disposal costs (funded by Capital Receipts)				
Use of the Capital Receipts Reserve to finance new capital expenditure		(454,500)		
Adjustment total	117,469	(116,026)	84,503	192,367
2023/2024 Adjustments				
Charges for depreciation of non-current assets	79,817			(79,817)
Charges for impairment/ revaluations of plant, property and equipment				20,777,604
Amount transferred to reserve during the year	(1,281,325)	293,237	988,088	
Total Adjustments	(1,201,508)	293,237	988,088	20,697,787

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Note 13 Fixed Assets

	Land and buildings	Investment Properties	Community Assets	Non Operational Assets	Inventory Assets	Plant & Equipment	Total
	£	£	£	£	£	£	£
Cost or Valuation							
At 1 April 2024	17,399,000	4,915,000	17,304,000	1,953,959	120,243	633,674	42,325,876
Revaluations	31,000	(52,000)	260,000	-	-	-	239,000
Additions	-	-	-	-	3,000	67,839	70,839
Disposals	-	(1)	-	-	-	-	(1)
At 31 March 2025	17,430,000	4,862,999	17,564,000	1,953,959	123,243	701,513	42,635,714
Depreciation							
At 1st April 2024	-	-	-	-	12,730	67,087	79,817
Charged in year	-	-	-	-	10,437	107,032	117,469
On disposals	-	-	-	-	-	-	-
At 31 March 2025	-	-	-	-	23,167	174,119	197,286
Net book values							
At 31 March 2025	17,430,000	4,862,999	17,564,000	1,953,959	100,076	527,394	42,438,428
At 31 March 2024	17,399,000	4,915,000	17,304,000	1,953,959	107,513	566,587	42,246,059

Land & Buildings, Investment Properties & Community Assets were valued at 31st March 2025 by Lambert Smith Hampton

Note 13a Fixed Assets

	Land and buildings	Investment Properties	Community Assets	Non Operational Assets	Inventory Assets	Plant & Equipment	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2023	13,191,805	1,611,278	4,037,313	1,953,959	120,243	633,674	21,548,272
Revaluations	4,207,195	3,303,722	13,266,687	-	-	-	20,777,604
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2024	17,399,000	4,915,000	17,304,000	1,953,959	120,243	633,674	42,325,876
Depreciation							
At 1st April 2023	-	-	-	-	-	-	-
Charged in year	-	-	-	-	12,730	67,087	79,817
On disposals	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	12,730	67,087	79,817
Net book values							
At 31 March 2024	17,399,000	4,915,000	17,304,000	1,953,959	107,513	566,587	42,246,059
At 31 March 2023	13,191,805	1,611,278	4,037,313	1,953,959	120,243	633,674	21,548,272

Land & Buildings, Investment Properties & Community Assets were valued at 31st March 2024 by Lambert Smith Hampton

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Note 14 Cash and Cash Equivalents

The balance of cash and cash equivalents consists of the bank accounts of locally managed schools and the rest of the Council's cash and bank accounts.

	2025	2024
	£	£
Cash & Bank	712,504	748,654
Short term Investments	3,000,000	1,615,000
Total Cash and Cash Equivalents	3,712,504	2,363,654

Note 15 Short Term Debtors

These represent sums owed to the Council for supplies and services provided before 31 March 2025 but not received at that date.

	2025	2024
	£	£
Trade Debtors	104,091	70,889
Other Sundry Debtors	351,013	392,714
Payments in Advance	49,525	11,480
Gross Debtors	504,629	475,084
Total Allowance for expcted credit losses	0	0
Total Short Term Debtors	504,629	475,084

Note 16 Short Term Creditors

These represent sums owed by the Council for supplies and services received before 31 March 2025 but not paid for at that date.

	2025	2024
	£	£
Trade Creditors	391,011	308,763
Sundry Creditors	441,425	134,255
Receipts in Advance	61,220	84,880
Total Short Term Creditors	893,656	527,898

Note 17 Long Term Creditors

	2025	2024
	£	£
PWLB Loans	2,190,515	2,427,722

Note 18 Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. These are recognised where the Council has a present obligation as a result of a past event, that it is probable (i.e. the event is more likely than not to occur) that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made. If these conditions are not met no provision is recognised. Amounts set aside for purposes falling outside the definition of provisions are accounted for as earmarked reserves, or contingent liabilities.

The council has considered the above and has no provisions.

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Note 19 Leases

Authority as Lessee

Operating Leases

The future minimum lease payments^{*} due under non-cancellable leases in future years are:

	2025	2024
	£	£
Operating Leases - Lessee		
Not later than one year	41,571	41,571
Later than one year and not later than five years	276,605	276,605
Later than five years	900	900
Total	319,076	319,076

The expenditure charged to the Comprehensive Income and Expenditure Statement^{*} during the year in relation to these leases was:

	2025	2024
	£	£
Operating Leases - Lessee		
Minimum lease payments & contingent rents		
Vehicles, Plant & Equipment	319,076	319,076
Property		
Total	319,076	319,076

Note 20 Financial Instruments

Financial instruments are recognised on the balance sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Note 21 Investment Property

Investment property are assets that are held solely to earn rentals or for capital appreciation. The following items of income and expense have been accounted for in relation to running the investment property estate. These items are shown in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2025	2024
	Total	Total
	£	£
Rental income from investment property	600,966	664,936
Direct operating expenses arising from investment properties	(122,886)	(56,090)
Net (Gain)/ Loss	478,080	608,846

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right. The following table summarises the movement in the fair value of investment properties over the period:

	2025	2024
	Total	Total
	£	£
Balance at start of the year	4,915,000	1,611,278
Additions: subsequent expenditure	0	0
Disposals	(1)	0
Net gains/(losses) from revaluations	(51,999)	3,303,722
Balance at end of the year	4,863,000	4,915,000

The fair value of the Council's investment property is recorded annually at each reporting date. Revaluations are carried out by an independent valuer. For 2024/2025 and 2023/2024 this was Lambert Smith Hampton. The valuations are carried out in accordance with the methodologies and bases of estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. There is regular liaison between the valuer and the Council's finance and property officers regarding all valuation matters.

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Note 22 Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, with the year-end balances summarised in the table below.

Reserve Note	Note	2025 £	2024 £
General Fund		951,508	(577,390)
Earmarked Reserves	23	1,351,701	1,514,837
General Fund Balance per Movement in Reserves Statement		2,303,209	937,447
Capital Reserve	24	296,456	412,482
Total Usable Reserves		2,599,665	1,349,929

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Note 23 Transfers to/from Earmarked Reserves

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

Earmarked Reserves	2025		2024		
	Opening Balance	Movement	Closing Balance	Movement	Closing Balance
	£	£	£	£	£
S106	1,242,749	(315,553)	927,196	716,000	1,242,749
CIL	272,088	152,417	424,505	272,088	272,088
Total	1,514,837	(163,136)	1,351,701	988,088	1,514,837

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Note 24 Usable Capital Receipts Reserve

This reserve records the receipts to be received by the Council from the sale of non-current assets i.e. PPE, and mortgages advances to former tenants to purchase their Council owned home. Payments out of reserve relate to amounts used to finance capital expenditure.

	Note	2025	2024
Amounts Receivable in year		£	£
Disposal of land and buildings		338,474	0
Other capital receipts - mortgages		0	0
Other capital receipts		0	0
Housing Pooled Capital Receipt			0
		338,474	0
Amounts applied to finance new capital investment in year			
Capital receipts utilised - capital expenditure		(454,500)	0
Transfer from general reserve			293,238
Balance at 1 April		412,482	119,244
Balance at 31 March		296,456	412,482

Note 25 Unusable Reserves

Reserve Note		2025	2024
		£	£
Revaluation Reserve 36	26	21,016,604	20,777,604
Capital Adjustment Account 37	27	19,971,823	20,018,456
Total Unusable Reserves		40,988,427	40,796,060

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Note 26 Revaluation Reserve

The balance of this reserve represents the revaluation gains (as certified by the Council's external valuer – Lambert Smith Hampton.) The balance is reduced when assets with accumulated gains are:

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

The reserve only contains revaluation gains accumulated since 31 March 2024, the date the reserve was created. Accumulated gains prior to this have been consolidated into the balance on the Capital Adjustment account.

Revaluation Reserve	2025	2024
	£	£
Balance at 1 April	20,777,604	0
Restatement of balance as at 1 April*		0
Restated Balance at 1 April	20,777,604	0
Upward revaluation of assets	291,000	20,777,604
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services	(52,000)	0
(Surplus) or deficit on revaluation of non-current assets not posted to surplus/ deficit on the provision of services	239,000	20,777,604
Difference between fair value depreciation and historic cost		
Depreciation	0	0
Accumulated gains on assets sold or scrapped	0	0
Net amount transferred to the Capital Adjustment Account	0	0
Balance at 31 March	21,016,604	20,777,604

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Note 27 Capital Adjustment Account

The Capital Adjustment Account reflects the timing differences arising from the different arrangements for accounting for the financing of the acquisition of assets and the consumption of those assets.

This account shows the reversal of amounts relating to Capital that are charged to the Comprehensive Income and Expenditure Statement. It also shows the financing of capital expenditure and the reversal of sums charged to the Comprehensive Income and Expenditure Statement that have been set aside to repay debt.

Capital Adjustment Account	2025	2024
	£	£
Balance 1 April	20,018,456	20,098,273
Restatement of balance as at 1 April*		
Restated Balance at 1 April	20,018,456	20,098,273
Reversal of items relating to capital expenditure debited or credited to the comprehensive income and		
Charges for depreciation of non-current assets	(117,469)	(79,817)
Revenue expenditure funded from capital under statute	0	0
Recharges to capital	0	0
Flexible use of capital receipts to fund transformation expenditure - transfer of expenditure	0	0
	(117,469)	(79,817)
Adjusting amounts written back to Fixed Assets	70,836	0
Balance at 31 March	19,971,823	20,018,456

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Note 28 Pension and Similar Obligations

The councils employees belong to the Local Government Pension Scheme (LGPS), which is managed by Wiltshire Council.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Contributions made	2025	2024
	£	£
Employer's contributions	319,000	287,000
Total normal contributions	<u>319,000</u>	<u>287,000</u>

The agreed contribution rates for future years are 20.7% for employers and 5.8% to 12.5% for employees.

Principal Actuarial Assumptions	At 31 March 2025	At 31 March 2024
Rate of increase in salaries	3.40%	3.25%
Rate of increase for pensions in payment/inflation	2.90%	2.75%
Discount rate for scheme liabilities	5.80%	4.85%

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Note 29 Pension and Similar Obligations

Sensitivity Analysis	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2.00%	10
1 year increase in member life expectancy	4.00%	20
0.1% increase in the salary increase rate	0.00%	0
0.1% increase in the pension increase rate (CPI	2.00%	10

The current mortality assumptions include sufficient allowance for future improvements in mortality

	2025	2024
<i>Retiring today</i>		
Males	21	21
Females	24.0	24.0
<i>Retiring in 20 years</i>		
Males	21.7	21.7
Females	25.2	25.2

The council's share of the assets in the scheme were:

	2025 £	2024 £
Equities	3,903,000	5,139,000
Bonds	3,453,000	2,661,000
Property	2,202,000	1,285,000
Cash	147,000	92,000
Total market value of assets	9,705,000	9,177,000
Present value of scheme liabilities - funded	(7,320,000)	(7,897,000)
Surplus/(Deficit)	2,385,000	1,280,000

At 31 March 2025 and at 31 March 2024 the actuarial valuation reported a surplus position. Under FRS 102 a defined benefit pension asset should only be recognised to the extent that the entity is able to recover the surplus, either through reduced contributions in the future or through refunds from the pension scheme. The Council has not received a reduction in its employer contributions and is not expecting a refund from the scheme therefore the surplus has not been recognised.

The actual return on scheme assets was 2% (2024: -3%).

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Note 30 Pension and Similar Obligations

Amounts recognised in the statement of financial activities

	2025	2024
	£	£
Current service cost (net of employer contributions)	471,000	494,000
Net interest cost	382,000	356,000
Total operating charge	<u>853,000</u>	<u>850,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2025	2024
	£	£
At 1 April	7,897,000	7,101,000
Current service cost	471,000	494,000
Interest cost	382,000	356,000
Employee contributions	141,000	130,000
Actuarial gain/loss	(1,368,000)	(370,000)
Benefits paid	(203,000)	186,000
At 31 March	<u>7,320,000</u>	<u>7,897,000</u>

Changes in the fair value of council's share of scheme assets:

	2025	2024
	£	£
At 1 April	9,176,000	7,946,000
Interest on costs	451,000	392,000
Return on plan assets (excluding net interest on the net defined pension liability)	(168,000)	235,000
Administration fees	(11,000)	
Employer contributions	460,000	417,000
Benefits paid	(203,000)	186,000
At 31 March	<u>9,705,000</u>	<u>9,176,000</u>

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Note 31 Events after the Balance Sheet Date

The Statement of Accounts were authorised by the Chief Financial Officer on 8 July 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events take place or further information is obtained before this date, the figures in the financial statements and notes will be adjusted in all material respects to reflect the impact of this information.

There are no adjusting events after the Balance Sheet date for 2024/25.

Note 32 Fair Value

All financial liabilities and financial assets represented at amortised cost, long term creditors are carried on the balance sheet at amortised cost. Fair value has been considered as follows :-

The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. A supplementary measure of the additional interest that the Council would pay as a result of its PWLB commitments for fixed rate loans on the open market has been considered by the council by comparing the terms of its loans with these rates. The council do not consider there to a material difference and so conclude that PWLB loans are at fair value.

The fair value of treasury assets is equal to the carrying amount - because the Council's portfolio of investments and receivables are only short term (less than one year to maturity), even with a fluctuation in shorter term rates, the difference between the carrying amount and the fair value will be immaterial.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair value of the Council's investment property is recorded annually at each reporting date. Any revaluations are carried out externally, 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 Responsible Finance Officer works closely with external valuers.

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Note 33 Cash Flow Operating Activities

Non-Cash Movements

The Surplus on Provision of Services has been adjusted for the following non-cash movements:

	2025	2024
	£	£
Depreciation	(117,469)	(79,817)
(Increase) / decrease in creditors	(365,759)	(46,874)
(Increase) / decrease in provisions	0	0
Increase / (decrease) in debtors	29,545	59,298
Increase / (decrease) in inventory	(112)	5,454
S106 drawdown	50,114	0
Adjustments for Non-Cash Movements	(403,680)	(61,938)

Adjustment for items that are investing and financing activities

The Surplus on Provision of Services has been adjusted for the following items that are investing and financing activities:

	2025	2024
	£	£
Proceeds from the sale of PPE, investment property and intangible assets	(338,474)	0
Cash receipts of CIL & S106	(202,412)	(716,000)
Total adjustment for items that are investing and financing activities	(540,886)	(716,000)

Operating activities

The cash flows for operating activities include the following items:

	2025	2024
	£	£
Interest Received	(142,347)	(75,563)
Interest Payable	17,209	17,686

Note 34 Cash Flow Investing Activities

The investing activities include the following items:

	2025	2024
	£	£
Purchase of Property, plant and equipment, investment property and intangible assets	522,300	0
(Proceeds)/Purchase of long-term investments		0
Net cash flows from investing activities	522,300	0

Note 35 Cash Flow Financing Activities

The financing activities include the following items:

	2025	2024
	£	£
Net repayments/ (advances) of short term borrowing	0	0
Net repayments/ (advances) of long term borrowing	237,208	210,226
Net cash flows from financing activities	237,208	210,226

Annex 1 Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/2025 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/2024 supported by International Financial Reporting Standards ("IFRS").

The Statement of Accounts has been prepared on a "going concern" basis. The accounting conventions adopted in the Statement of Accounts are principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of Income and Expenditure

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

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

iii. Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

Contingent Liabilities

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

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

Contingent Assets

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

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

iv. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Capital Receipts, Section 106 Receipts and Community Infrastructure Receipts are all earmarked reserves which have been created by appropriating amounts out of the General Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and included in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets and revaluations and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

v. Government Grants and Contributions

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

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

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

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council receives Community Infrastructure Levy (CIL) from Wiltshire Council. The levy is charged on new builds (chargeable developments) with appropriate planning consent. The income from the levy will be used to fund a number of infrastructure projects to support development in the area.

CIL is received without outstanding conditions, and in the past has therefore been recognised at the receipt date in the Comprehensive Income & Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. However, during 2024/25 the Council has identified unspent receipts from previous years and amended its policy, to appropriate receipts into a CIL Receipts reserve, which councillors will direct to fund future community infrastructure schemes. CIL receipts will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

vi. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick

leave, for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit.

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 and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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

Post-Employment Benefits

Employees of the Council are eligible to join The Local Government Pension Scheme, administered by Wiltshire Council, which provides defined benefits to members (retirement lump sums and pensions), earned as employees working for the Council.

The Local Government Pension Scheme

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

The liabilities of the Wiltshire pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, based on the indicative rate of return on high quality corporate bonds.

The assets of Wiltshire pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.
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The change in the net pension liability is analysed into the following components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
- contributions paid to the Wiltshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

vii. VAT

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

viii. Overheads and Support Services

The costs of overheads and support services are not recharged to services as part of normal management accounts reporting. Therefore, there are no recharges for overheads and support services within the Comprehensive Income & Expenditure Statement.

ix. Intangible Fixed Assets

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

Internally generated assets are capitalised where it is demonstrated that the project is technical, feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributed to the asset and is restricted to that incurred during the development phase.

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

Amortisation, impairment losses and disposal gains and losses can be charged to the Comprehensive Income and Expenditure Statement. However, they are not permitted to have an impact on the General Fund Balance, so the gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement.

x. Property, Plant and Equipment

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

Recognition: Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council does not have a fixed de minimis level for the recognition of capital expenditure, but recognises expenditure as capital where appropriate.

Measurement: Assets are initially measured at cost, comprising the purchase price and 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. Assets are carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – fair value
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use value (EUV).

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every ten years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2009 only, the date of its formal implementation.

Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Where impairment losses are identified, they are accounted for as follows:

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

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction). For the 2024/25 opening SoRP accounts, asset revaluations and associated depreciation have been calculated by expert valuers.

In subsequent years depreciation is calculated on the following bases:

- buildings – not depreciated if adequate preplanned maintenance and regular refurbishment works maintain a predicted remaining useful economic life in excess of 100 years; otherwise, straight-line allocation over the remaining useful life of the property as estimated by a suitable qualified officer. vehicles, plant and equipment – straight line allocation over the useful life of each class of assets in the balance sheet, as advised by a suitably qualified officer. The useful lives vehicles, plant and equipment is generally between 5 to 20 years

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from 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).

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing.

xi. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at the highest and best use. Properties held for sale are not depreciated but revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an

impact on the General Fund Balance and are therefore reserved out in the Movement in Reserves Statement.

xii. Charges to Revenue for Non-Current Assets

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

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

xiii. Revenue Expenditure Funded from Capital Under Statute

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

xiv. 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

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as a gain or loss on disposal.

Lease rentals receivable are apportioned between:

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement.

xv. Financial Instruments and Financial Liabilities

The Council currently has no financial instruments.

xvi. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value.

xvii. Interest in companies and other entities

The Council has no interest in any companies.

The Council is the sole trustee of the Lower Bemerton Recreation Ground and Endowment Fund Trust, which has responsibility for caring for this public amenity.

xviii. Exceptional Items

When items of income and expense are material, their nature and amount is 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.

xix. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents form an integral part of the Council's cash management.

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

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

The Council's accounting policies were developed in order to produce its first SoRP-compliant accounts for 2024/25. They were derived as best practice from those adopted by Wiltshire Council.

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

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xxi. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events 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 are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

xxii. Non-Compliance with Code of Practice

For operational reasons, the accounts do not fully comply with the Code of Practice on minor points. The main non-compliance is in relation to debtors and creditors. Whilst the accounts are maintained on an accruals basis, i.e. all sums due to or from the Council are included whether or not the cash has actually been received or paid in the year, exceptions are made for quarterly utilities payments based on meter reading dates. Since these policies are applied consistently year-on-year, they have no material effect on any one year's accounts.

xxiii. Fair value measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

xxiv. Accounting for Agency / Principal relationships

The Council acts as Principal where it acts on its own behalf and as Agent where it acts as an intermediary. Where it acts as principal, transactions are included in the financial statements in full. Where it acts as agent, only the cash collected and or expenditure incurred are included in the council's statements, with the creation of a debtor or creditor and any cash being shown in the council's cash flow statement under financial activities. An example of such an agent relationship is where the council sells theatre and bus company tickets on behalf of those other organisations for a modest commission.