NORTH NORFOLK DISTRICT COUNCIL

North Norfolk District Council

Statement of Accounts 2024/2025

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1. Introduction

1.1 The Statement of Accounts for 2024/25 on the following pages sets out the Council's income and expenditure for the year, and its financial position at 31 March 2025. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards. It comprises core and supplementary statements.

1.2 This narrative statement aims to provide the reader with information about the Council, its main objectives, strategies and the principle risks it faces and to provide a commentary on how the Council has used its resources to the desired outcomes. It also helps to explain and highlight the linkages between the information contained within the narrative statement itself and the information presented within the financial statements. The accounting policies applied in production of the accounts can be found on Pages 21 – 37.

2. Statements included within the Accounts

2.1 The accounts consist of the following main statements:

- **Expenditure and Funding Analysis** – The Expenditure and Funding Analysis (EFA) is a note to the financial statements. However, it is positioned with the core statements as it provides a link from the portfolio-based analysis of the revenue outturn presented in the Narrative Report to the analysis within the Net Cost of Services in the Comprehensive Income and Expenditure Statement The EFA shows how the funding available to the Council for the year (i.e. Government grants, rents, Council Tax and Business Rates) has been used to provide services in comparison with those resources consumed or earned under generally accepted accounting practice (GAAP). The Expenditure and Funding analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under GAAP is presented more fully in the Comprehensive Income and Expenditure Statement.

- **Comprehensive Income and Expenditure Statement** – this statement shows the accounting cost of providing services in the year in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.

- **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the Council analysed between:
  - 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and;
  - 'other reserves' which are maintained for accounting purposes.

- **Balance Sheet** – this statement shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Council. It sets out the financial position of the Council at the year-end, showing its balances, resources and long-term indebtedness, the net current assets employed in its operations, together with summarised information on the fixed assets held. The Balance Sheet is fundamental to the understanding of the Council's year-end financial position.

- **Cash Flow Statement** – this summarises all flows of cash from transactions with third parties for revenue and capital purposes. It shows the changes in cash and cash equivalents during the reporting period and how the Council generates and uses cash and cash equivalents 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 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.

- **Collection Fund** – As a billing authority the Council is responsible for the billing, collection and distribution of council tax and National Non-Domestic Rates (NNDR). In accordance with the statutory requirement contained in Section 89 of the Local Government Finance Act 1988 (amended by Local Government Finance Act 1992 and the Local Government Finance Act 2012) billing authorities are required to establish and maintain a separate fund for the collection and distribution of amounts due in relation to council tax and NNDR. This statement, known as the Collection Fund, shows the total income collected by the Council from council tax and NNDR and how this has been distributed to Central Government; the major precepting bodies of Norfolk County Council (NCC), the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and North Norfolk District Council (NNDC - which includes the local precepts for Parish and Town Councils). There will be a debtor or creditor position between the billing authority (NNDC), Central Government and the major preceptors (NCC & OPCCN) to be recognised at the end of each year. This is because the amounts paid out of the Collection Fund during the years will not exactly match the cash collected in council tax and NNDR.

- **Notes to the Accounts –** The accounts are supported by various notes to the main statements which provide additional information to that contained in the core statements themselves.

3. Organisational overview and external environment

Our district

3.2 North Norfolk District consists of 962 km^2 of beautiful countryside and 73km of coastline. The district is characterised by its strong environmental and cultural heritage. Key towns such as Cromer, Sheringham, Holt, Wells-next-the-Sea, North Walsham, and Fakenham act as economic and service hubs for the wider rural communities. Tourism plays a vital role in the local economy, drawn by the district's beaches, wildlife reserves, and attractive built heritage. The district's rural character is defined by its 121 parishes, numerous villages, and consistently low crime rate, making North Norfolk one of the most attractive and safe places to live in the UK.

3.3 North Norfolk's population is estimated to have grown from 105,600 in 2019 to approximately 109,000 by 2025. The latest forecasting shows that North Norfolk's population is expected to grow to approximately 118,000 by 2043. A large proportion of residents live in one of the market towns, with the remainder residing in rural village homes. This trend underscores gradual demographic expansion, with implications for local service planning, housing demand, and transport infrastructure to meet the needs of a subtly growing community.

3.4 Residents work predominantly in the accommodation and food sector, retail, manufacturing, and health. The largest numbers of businesses are in the agriculture, forestry and fishing sector followed by retail, construction, accommodation and food services and the professional, scientific and technical sectors.

Corporate Plan and priorities

3.5 The Council's Corporate Plan covering 2023 – 2027, along with a supporting delivery plan. The Delivery Plan shows what the Council will do to meet the needs and aspirations of residents and businesses as established within the Corporate Plan.

The Corporate Plan can be located: north-norfolk.gov.uk/media/9394/corporate-plan-2023-to-2027.pdf

The 2023 – 2027 Plan sets out the Council's priorities which are:

- Our Greener Future
- Developing Our Communities
- Meeting Our Local Housing Need
- Investing In Our Local Economy and Infrastructure
- A Strong, Responsible and Accountable Council

4. Governance

4.1 The Annual Governance Statement (AGS) is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively, this is supported by the Council's Local Code of Corporate Governance. There have been no significant changes or issues surrounding governance during the current financial year. A full copy of the Statements, AGS and the Code are available on the Council's website.

5. Risks and opportunities

5.1 There is still considerable uncertainty around future years funding forecasts and this position will not improve until the outcome from the Fair Funding Review, which will set new baseline funding allocations and responding to spending pressures and changes in service demand, and the review of the Local Retention of Business Rates, are concluded. The Comprehensive Spending Review, which sets out the expenditure limits over the coming years has been delayed, which have also resulted in single year settlements in recent years. A multi-year settlement has been lobbied for by the sector to provide greater certainty over future funding streams.

5.2 Local Authority funding from business rates is open to risks around funding fluctuations due to increases and decreases in the rateable values of non-domestic properties and successful alterations of lists and appeals against the rateable values. The Valuation Office Agency, who hear the appeals, currently have a backlog and are slow to clear outstanding appeals increasing the risk of the Council needing to pay out large refunds.

5.3 The Council currently holds £16.9m in reserves, which is a decrease in reserves compared to the prior year, some of these reserves could be made available to support service budgets in the short to medium term. Use of reserves does not represent a sustainable funding mechanism for the longer term as these are one-off resources.

5.4 The Council's Corporate Risk Register, which details the significant risks the Council faces (including financial risks), is published on its website.

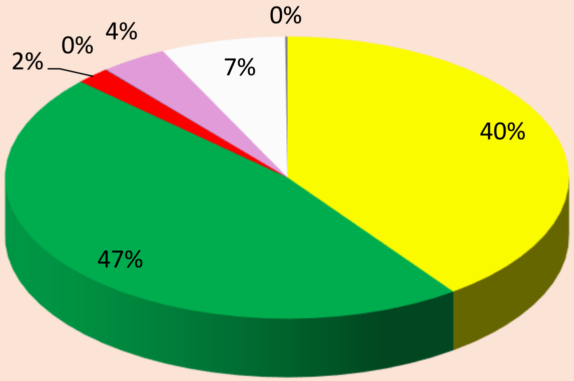
6. Financial Performance

6.1 The Council reports on its performance against its Corporate Objectives quarterly. The report covering the 2024-25 financial year can be found on the Council's website.

Revenue Activity

6.2 The following chart provides an overview of the resources available to the Council during the year along with the outturn position compared to the budget. The tables below show how the revenue activity was financed during the year, highlighting that around 13% of the net funding is from external sources, i.e. New Homes Bonus and other non-ringfenced grants, the balance of 87% comes from council tax and locally retained business rates reflecting the continuing shift from central to local funding. This position is shown net of fees and charges service income and highlighted in the tables below.

Revenue Financing 2024/25



	£000	%
Council Tax	(6,875)	40
Retained Business Rates	(8,067)	47
New Homes Bonus	(6)	-
Rural Services Delivery Grant	(657)	4
Revenue Support Grant	(336)	2
3% Funding Guarantee	(1,231)	7
Other Non-Ringfenced Grants	(23)	-
	(17,194)	**100**

6.3 The financial performance of the Council has been monitored throughout the year by officers and Members with regular reports being presented to Cabinet and Overview and Scrutiny Committee. The summary below provides an overview of the outturn position compared to the updated budget (i.e. updated for virements and approved in-year updates). The overall outturn position for the financial year against budget was reported to Cabinet on 7th July 2025.

2024/25 Subjective Analysis	**2024/25 Budget £000**	**2024/25 Outturn £000**	**Variance £000**	**%**
Employee Costs	16,618	14,969	(1,649)	(10)
Premises	4,064	3,924	(139)	(3)
Transport Related Expenditure	284	278	(5)	(2)
Supplies & Services	14,515	13,721	(794)	(6)
Transfer Payments	18,715	19,460	745	4
Capital Financing Costs	3,724	2,963	(761)	(20)
Income	(34,247)	(36,358)	(2,111)	6
Total cost of services	**23,672**	**18,957**	**(4,715)**	**(22)**

6.4 Transfers to and from reserves in the year are made in line with the Council's policy framework for earmarked reserves as approved as part of the annual budget setting process. In addition, some roll forward requests of budget underspends have been recommended for approval as part of the outturn report where there is no annual budget provision in 2025/26.

6.5 The 2024/25 outturn report covers the final budget monitoring position for the year and provides a detailed commentary covering the budget variances and the reasons behind some of these, a copy of which can be found on the September Cabinet agenda. The reasons for some of the more significant movements included in the summary above in percentage terms are as follows:

- **Employee Costs -** The majority of the variance in employee costs, totalling £1,649k, is attributed to savings arising from vacant posts alongside adjustments in current service costs for the Local Government Pension Scheme. This adjustment represents the difference between the Council's cash contributions to the Pension Fund during the year and the value of pensions accrued during the same period, as determined by the actuary. These additional costs are reversed out under net operating expenditure, resulting in no impact on the revenue outturn position. However, the increase is reflected in long-term liabilities on the Balance Sheet.

- **Premises** – The underspend in premises included an underspend of £211k relating to maintenance costs, offset by an overspend in Grounds & Maintenance of £28k, and an overspend in Premises Running Costs of £43k.

- **Transport** – Small underspend of £5k is due net differences between fewer mileage claim expenses than budgeted for, offset by additional expense in relation to the electric pooled vehicle fleet.

- **Supplies and Services** – The overall underspend is attributed to several key factors: a net underspend of £59k on Equipment Purchases & Materials; a £7k underspend on Clothing, Uniform & Laundry; a net overspend on Printing & Stationery of £154k; an increase income relating to Fees & Services of £1,026k. There was a net underspend of £86k relating to Communications & Computing; a net underspend of £17k relating to Subscriptions & Allowances; an overspend of £3k relating to Insurance; an overspend of £323k relating to Grants & Subscriptions; a net underspend of £80k relating to Other Supplies & Services.

- **Transfer Payments -** The overspend relates to the total of amount of housing benefits paid out in 2024/25 being higher than anticipated. However, this is offset by a reduction in Subsidy received from the Department for works and Pensions (DWP).

- **Capital Financing Costs** – The current General Fund position excludes the final capital adjustments; these do not have an impact on the Council's final outturn revenue position.

- **Income** – The favourable variance of £2,111k is primarily due to various underspends. Key contributors include: Other Grants & Reimbursements in which an additional £1,080k was received during the year. An additional £1,052k was received in relation to Customer & Client Receipts. The remaining movements are due to small offsetting movements in government grants £302k adverse variance, Interest which had a favourable variance of £10k, and internal charges which had a favourable variance of £270k.

Business Rates Retention

6.6 The Collection Fund Account can be found, along with the associated notes, on pages 87 to 90.

6.7 The Council has been a member in a business rates pool for the 2024/25 financial year alongside other surrounding district councils and Norfolk County Council. Being in the Pool allows growth in the business rates collected in Norfolk to be retained locally, rather than being passed to central government. The retained growth amount is paid over in the form of a levy payment to Norfolk County Council as the lead Council for the Pool.

6.8 The Council can retain all the income it receives from renewable energy schemes, provided it granted planning permission for the scheme. When completing the NNDR1 each year the Council must include the amount it anticipates it will receive. Any variation will be carried forward to the following year.

6.9 The business rate income is paid into the Collection Fund and then distributed to Central Government, the County Council and NNDC in accordance with the proportionate shares set out in the Scheme. The distribution is based on the NNDR1 return and any variances at outturn will produce a surplus or deficit on the Collection Fund which is then distributed in the following year.

7. Treasury Management and Economic Climate

7.1 The amount of surplus cash available for investment during 2024/25 was continuously lower than anticipated in the original budget. The average interest rate earned on investments was also lower than forecasted. This was largely due to the Bank of England's Monetary Policy Committee (MPC) having reduced the base rate from its 2023 highs in response to signs of easing inflation and economic stagnation. As a result, the net returns from the Council's Money Market Fund investments, used to manage day-to-day cash flow, were below the anticipated levels.

7.2 The economic climate during 2024/25 continued to reflect uncertainty on whether rates would increase or fall. Rates were influenced by subdued domestic growth, persistent cost-of-living pressures, and ongoing global volatility, including geopolitical tensions and supply chain challenges. These factors contributed to downward pressure on investment yields. Overall, the Council achieved investment income of £1.387 million for the year, representing an adverse variance of £0.478 million against the set budget of £1.865 million.

7.3 The Council holds one outstanding loan of £5 million from the Public Works Loan Board (PWLB) as at 31 March 2025. This loan was originally drawn down on 27 March 2024 for a 13 month term and matured on 28 April 2025. It was taken to support short-term cash flow requirements and to provide flexibility in the Council's capital financing arrangements. Aside from the PWLB loan, the Council utilised temporary short-term borrowing during the year to manage cash flow timing differences, all of which was repaid within the financial year.

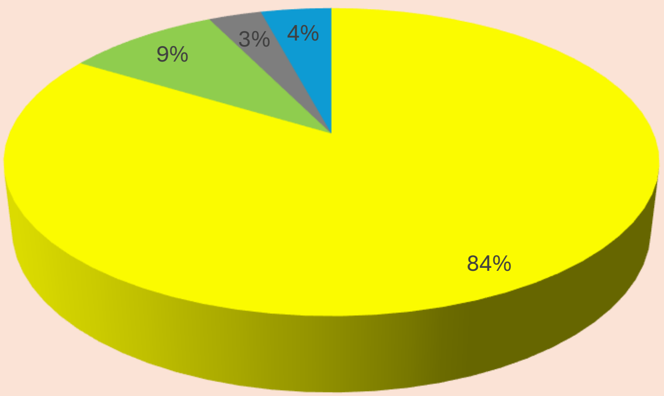
8. Capital

8.1 Capital expenditure in the year amounted to £25.7m (£13.6m in 2023/24). The areas where expenditure was incurred are shown in the table below. More detail can be found in the 2024/25 outturn report.

Capital Activity Summary 2024/25 Outturn	2024/25 Budget	2024/25 Outturn	Variance	
	£000	£000	£000	%
Our Greener Future	22,355	17,475	(4,880)	(22)
Developing Our Communities	6,285	1,606	(4,679)	(74)
Meeting our Housing Need	5,031	3,089	(1,942)	(39)
Investing in Our Local Economy & Infrastructure	5,544	3,308	(2,236)	(40)
A Strong, Responsible & Accountable Council	414	224	(190)	(46)
	39,629	**25,702**	**(13,927)**	**(35)**

8.2 The financing of the capital programme is shown in the chart below.

Capital Financing 2024/25



	£000	%
Grants	21,507	84
Other reserves	2,319	9
Internal Borrowing	805	3
Capital Receipts	1,071	4
	25,702	**100**

9. Reserves and Balances

9.1 The Council has a General Fund which is the statutory fund into which all the Council's receipts are required to be paid and out of which all Council's liabilities are to be met, except where there are statutory rules that must be applied. The recommended minimum General Fund balance is currently £2.1m. The balance was £2.7m at 31 March 2025.

9.2 The purpose of holding a general reserve is to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a contingency to help cushion the impact of unexpected events or emergencies. Each year alongside approval of the budget Members approve the policy framework for the earmarked reserves and assess the optimum level of general reserve. This is informed by a risk assessment of the budget that considers the context within which the budget has been established along with the financial risks facing the Council. This will include factors such as, sensitivity of pay and price inflation and interest rates, levels of savings anticipated, demand led budgets (spend and income), future funding fluctuations and emergencies.

9.3 In addition to the general reserve the Council holds earmarked reserves held to meet known or predicted liabilities totaling £16.5m. The reserves also provide a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists, more detail can be found in Note 9. There are earmarked reserves that have balances, yet the timing of the use of the reserve is yet to be agreed.

10. Outlook

10.1 Looking ahead beyond 31 March 2025, the Council faces a complex mix of demographic shifts, economic dependencies, funding constraints, and government-driven structural change. Some of the more significant and current risks that continue to face the Council are as follows:

- Funding - Funding arrangements for district councils beyond 31 March 2025 remain subject to change. The Government has confirmed a one-year settlement for 2025/26, continuing the recent pattern of short-term financial planning horizons. However, significant reform is anticipated from 2026/27, with the expected implementation of the Fair Funding Review. This review aims to update the formulas used to assess local authority needs and resources, potentially redistributing funding across the sector. It is also expected to include a reset of business rates baselines and the consolidation of existing grants into a reformed core settlement. While these changes may bring greater clarity and multi-year certainty in future, they also present financial risk and potential volatility for district councils. The Council will continue to monitor developments closely and ensure that its medium-term financial strategy remains flexible and responsive.

- New Homes Bonus (NHB) – The Council continues to receive ‘legacy’ payments under the current NHB scheme, and funding has been included in the 2025/26 budget. However, the scheme is expected to be phased out from 2026/27, and no clear replacement funding mechanism has been announced by the Government to date. The Council will continue to monitor developments closely and reflect any confirmed changes in future financial planning.

- Savings/income – the delivery of savings built into budget projections and income from demand led services i.e. planning, parking fees;

- Economy – Looking beyond 31 March 2025, the UK economy is expected to remain in a period of subdued growth, with the effects of previous interest rate increases continuing to influence economic activity. Forecasts suggest only gradual improvement in GDP growth over the medium term, while inflation is anticipated to return closer to the Bank of England’s target during 2025/26. However, uncertainties remain due to global economic pressures, geopolitical tensions, and potential volatility in energy markets. These factors may continue to affect local government funding, service demand, and investment plans. The Council will keep these developments under review to ensure financial resilience and adaptability in its medium-term planning.

- Inflation – The Consumer Price Index (CPI) has experienced a significant easing from its peak. It declined from 3.2% in March 2024, down to 2.6% in March 2025, before edging up to 3.5% in April 2025 and then falling back to 3.4% in May 2025. The consumer price environment is now notably closer to the Bank of England’s 2% target, easing cost pressures. However, with the current rate still above target and showing month-to-month fluctuation, the financial outlook remains cautiously optimistic - a further gradual easing is anticipated, contingent on stable external conditions and prudent monetary policy.

- Investment returns – The elevated Bank of England base rate, which remained at 5.25% throughout much of 2024–25, has continued to support a favourable environment for investment income on the Council’s cash balances. The Council maintains a prudent and risk-aware approach, guided by professional advice from its treasury management advisors. This ensures that investment decisions are grounded in sound principles, enabling a cautious but not complacent strategy aimed at protecting capital while maximising secure opportunities for return.

- Housing benefit subsidy – As a significant budget year on year this presents a risk in terms of the accuracy of the claims and subsidy recovered. This is mitigated by an earmarked reserve that the Council maintains;

- Pay – the budget has been updated to reflect the pay review undertaken by the National Joint Council (NJC) along with annual increments.

- Temporary accommodation – The Council is unable to fully recover from central government the costs relating to the housing benefit subsidy relating to temporary accommodation. The Council is currently acquiring local properties to use directly to help manage the cost of this provision. This cost is increasing year on year and placing a pressure on our budgets. we will continue to monitor the situation, however as a demand led service this is outside of the Council's control.

10.2 The Council does however have a number of work streams in place to help address these risks and also has a healthy reserve position to support in the short to medium term.

10.3 The disclosures required for the financial year ending 31 March 2025 in relation to the Council's pension scheme are detailed in Note 24 and show a Net Pension Asset of £12.4m as at 31 March 2025 (Net Liability of £3.4m at 31 March 2024). The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. At present the deficit on the scheme would be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

11. Further Information

11.1 For further information about these accounts please contact the finance team at accountancy@north-norfolk.gov.uk.

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 Council, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

Certification

I confirm that this Statement of Accounts has been approved by myself, Councillor Sarah Bütikofer, Chair of the Governance, Risk and Audit Committee on **To Be Confirmed**. Delegated authority for the Chair of the Committee to sign the Accounts in consultation with the Section 151 Officer was given at its meeting on **To Be Confirmed.**

Signed on Behalf of North Norfolk District Council

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council'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 of Practice).

In preparing this Statement of Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority code.

The Chief Finance 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.

Certificate by the Chief Finance Officer

I certify that this Statement of Accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the financial position of the Council at the reporting date and of its expenditure and income for the year ended 31 March 2025.

Dated: 18 July 2025

Karen Sly CPFA, Interim Section 151 Officer

Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Comprehensive Income and Expenditure Statement (CIES) below, to the Council's management accounts. The EFA shows how annual expenditure is used and funded from resources (Government grants, rents, council tax and business rates) by Local Authorities in comparison with those resources consumed or earned by Authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's departments.

	Net Expenditure Chargeable to the General Fund	Adjustments Between Funding & Accounting Basis	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund	Adjustments Between Funding & Accounting Basis	Net Expenditure in the CIES
		2024/25			2023/24	
	£000	£000	£000	£000	£000	£000
Corporate leadership/Executive support	499	(119)	380	567	(40)	527
Communities	8,986	(96)	8,890	10,459	676	11,135
Place and Climate Change	4,111	1,054	5,165	5,741	890	6,631
Resources	5,084	(118)	4,966	5,141	(86)	5,055
	18,680	**721**	**19,401**	**21,908**	**1,440**	**23,348**
Other Income and Expenditure	(17,712)	(20,530)	(38,242)	(18,500)	(4,814)	(23,314)
(Surplus)/Deficit on Provision of Services	**968**	**(19,809)**	**(18,841)**	**3,408**	**(3,374)**	**34**
Opening General Fund Balances	**17,843**			**21,251**		
Surplus/(Deficit) in year	(968)			(3,408)		
Closing General Fund Balances	**16,875**			**17,843**		

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services, 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.

		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
			2024/25			2023/24	
	Note	£000	£000	£000	£000	£000	£000
Corporate Leadership/Executive Support		4,008	(3,628)	**380**	2,545	(2,018)	**527**
Communities		19,995	(11,105)	**8,890**	22,174	(11,039)	**11,135**
Place and Climate Change		9,374	(4,209)	**5,165**	9,623	(2,991)	**6,631**
Resources		35,638	(30,672)	**4,966**	36,782	(31,727)	**5,055**
Cost of Services		**69,015**	**(49,613)**	**19,402**	**71,124**	**(47,775)**	**23,349**
Other Operating Expenditure	**10**			**2,928**			**2,237**
Financing and Investment Income and Expenditure	**11**			**(869)**			**(565)**
Taxation and Non-Specific Grant Income	**12**			**(40,302)**			**(24,985)**
(Surplus)/Deficit on Provision of Services	**7**			**(18,840)**			**35**
(Surplus)/Deficit on revaluation of PPE Assets	**14(a)**			**5,947**			**(12,773)**
Financial Assets	**14(b)**			**(139)**			**367**
Actuarial (Gains)/Losses on Pension Assets/Liabilities	**14(d)**			**(15,013)**			**(8,397)**
Other Comprehensive Income and Expenditure				**(9,205)**			**(20,803)**
Total Comprehensive Income and Expenditure				**(28,045)**			**(20,768)**

Movement in Reserves Statement (MIRS)

	Note	General Fund Balance	Earmarked GF Reserves	Capital Receipts Reserves	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023		**3,114**	**18,136**	**5,301**	**-**	**26,553**	**49,921***	**76,474***
Movement in Reserves during 2023/24								
Total Comprehensive Income and Expenditure		(35)	-		-	(35)	20,803	20,768
Adjustments from Income and Expenditure charged under the accounting basis to the funding basis	8	(3,375)	-	(2,489)*	-	(5,864)	5,864	-
Transfer (to)/from Earmarked Reserves	9	2,519	(2,519)		-	-	-	-
Increase/(decrease) in 2023/24		(891)	(2,519)	(2,489)*	-	(5,899)	26,667	20,768
Balance at 31 March 2024		**2,223**	**15,617***	**2,812***	**-**	**20,654**	**76,588***	**97,242**
Movement in Reserves during 2024/25								
Total Comprehensive Income and Expenditure		18,840	-	-	-	18,840	9,205	28,045
Adjustments from Income and Expenditure charged under the accounting basis to the funding basis	8	(19,809)	-	(425)	-	(20,234)	20,234	-
Transfer (to)/from Earmarked Reserves	9	1,574	(1,574)	-	-	-	-	-
Increase/(decrease) in 2024/25		606	(1,574)	(425)	-	(1,393)	29,438	28,045
Balance at 31 March 2025		**2,828**	**14,044**	**2,386**	**-**	**19,259**	**106,028**	**125,288**

***These figures have been restated to correct a prior year casting errors.**

Balance Sheet

	Note	31 March 2025 £000	31 March 2024 £000
Property, Plant and Equipment	**30**	96,088	93,659
Investment Property	**27**	1,138	1,196
Intangible Assets	**28**	635	788
Long Term Investments	**39**	19,180	19,039
Long Term Debtors	**33/39**	1,577	1,863
Net Pension Asset	**24**	12,376	-
Right of Use Assets	**26**	10,308	-
Total Long-Term Assets		**141,302**	**116,545**
Short Term Investments	**39**	-	-
Inventories		4	11
Short Term Debtors	**33**	11,963	14,237
Cash and Cash Equivalents	**18**	5,362	2,028
Assets held for sale	**32**	319	319
Total Current Assets		**17,648**	**16,595**
Bank Overdraft	**18**	(3,401)	(6,071)
Short-Term Borrowing	**39**	(7,117)	(6,791)
Short-Term Creditors	**34**	(14,830)	(10,275)
Capital Grants Receipts in Advance	**38**	(7,589)	(3,834)
Short-Term Provisions	**35**	(482)	(493)
Short-Term Lease Liabilities		(62)	-
Total Current Liabilities		**(33,481)**	**(27,464)**
Net Pension Liability	**24**	-	(3,430)
Long-Term Borrowing	**39**	-	(5,004)
Long-Term Lease Liabilities		(185)	-
Total Long-Term Liabilities		**(185)**	**(8,434)**
Net Assets		**125,284**	**97,242**

Balance Sheet

	Note	31 March 2025 £000	31 March 2024 £000
Usable Reserves:			
General Fund Balance		2,825	2,223
Earmarked Reserves	**9**	14,048	15,619
Capital Receipt Reserve		2,386	2,812
Total Usable Reserves		**19,259**	**20,654**
Unusable Reserves:	**14**		
Revaluation Reserves	**14(a)**	34,294	40,057
Pooled Fund Adjustment Account	**14(b)**	(105)	(244)
Capital Adjustment Account	**14(c)**	61,450	43,728
Pensions Reserve	**14(d)**	12,376	(3,430)
Collection Fund Adjustment Account	**14(e)**	(1,640)	(3,167)
Accumulated Compensated Absences Adjustment Account	**14(f)**	(349)	(356)
Total Unusable Reserves		**106,025**	**76,588***
Total Reserves		**125,284**	**97,242**

The Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2025. The notes on pages 20 to 86 form part of the financial statements.

Dated: 18 July 2025 Karen Sly CPFA, Interim Section 151 Officer

***This figure has been restated to correct a prior year casting error**

Cash Flow Statement

	Note	31 March 2025 £000	31 March 2024 £000
Net Surplus/(Deficit) on the provision of services	**7**	18,840	(35)
Adjustments to Net Surplus/(Deficit) on the provision of services for non-cash movements	**15**	3,658	242
Adjustments for items included in the Net Surplus/(Deficit) on the provision of services that are investing and financing activities	**15**	(23,353)	2,550
Net Cash Flows generated from Operating activities		**(854)**	**2,757**
Investing Activities	**16**	8,873	(4,914)
Financing Activities	**17**	(2,015)	(3,306
Net Increase/(Decrease) in Cash and Cash Equivalents		**6,004**	**(5,463)**
Cash and Cash equivalents at the beginning of the reporting period	**18**	**(4,043)**	**1,420**
Cash and Cash equivalents at the end of the reporting period	**18**	**1,961**	**(4,043)**

1. Accounting Policies

A. General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 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 (England) Regulations 2015. These practices primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25 supported by International Financial Reporting Standards (IFRS). 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.

A local authority's Statement of Accounts are prepared on a going concern basis, this is, the accounts should be prepared on the assumption that the Council will continue in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of the operation.

The accounting policies detailed below have been consistently applied within the Financial Statements.

B. 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 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 those services provided by employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for 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 receivable or payable for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of receivables 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 rendered or the Council incurs expenses directly on its own behalf in rendering the services.

C. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable on demand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash on the Balance Sheet date, and which are subject to an insignificant risk of change in value.

D. Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are made only when required by proper accounting practices or when 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 by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

During the year, the Council adopted IFRS 16 Leases as part of its accounting policies, in line with the CIPFA Code of Practice on Local Authority Accounting. The new standard changes the way lessee leases are accounted for, requiring recognition of most leases on the Balance Sheet as right-of-use assets with corresponding lease liabilities. The change has been applied retrospectively, and relevant prior year figures have been restated where necessary.

Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change.

In addition, some prior year figures were restated to improve accuracy and correct casting errors. These restatements also included the reclassification of balances within the notes to enhance presentation and clarity.

E. Charges to Revenue for Non-Current Assets

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

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

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations.

F. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render services to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

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 Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to either terminating 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 termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme (LGPS), administered by Norfolk County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Scheme is accounted for as a defined benefits scheme in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2011, the Local Government Pension Scheme (Administration) Regulations 2009 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2014.

- The liabilities of the Norfolk 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, using a discount rate of 5.80% (4.85% in 2023/24). This rate is based on a corporate yield curve based on the constituents of the iBoxx corporate bond index. In line with the adoption of IAS 19 – Employee Benefits, an individual discount rate is calculated for each employer, based on their own weighted average duration category. The weighted average duration is used to identify the appropriate category for each employer as shown in the table below:

Weighted Average Duration	Discount Rate Category
Less than 17 years	Short
Between 17 and 23 years	Medium
More than 23 years	Long

- The change in the net pensions liability is analysed into seven components:
  - Current service cost - The increase in the present value of the defined benefit obligation resulting from employee service in the current period.
  - Past service cost – The increase in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may either be positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).
  - Interest cost – The increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to payment.
  - Expected return on assets -The expected increase during a period in the value of assets, based on values and long term expected returns as at the start of the period.
  - Gains/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/credited to the Surplus/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. These are recognised under ‘other comprehensive income’.
  - Contributions paid to the Norfolk 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 on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. 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.

G. 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 are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes to the accounts of the nature of the events and their estimated financial effect.

H. Exceptional Items

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

I. Financial Instruments

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

J. Financial Liabilities

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

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

- Short term loans from other local authorities
- Overdrafts with Barclays bank
- Lease payables
- Trade payables for goods and services received

K. Financial Assets

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

<u>Amortised Cost</u> comprising:

- Cash in hand
- Bank current and deposit accounts with Barclays bank
- Loans to other local authorities
- Loans to small companies and housing associations
- Covered bonds issued by banks and building societies
- Trade receivables for goods and services provided

<u>Fair value through profit and loss</u> (all other financial assets) comprising:

- Money market funds
- Pooled bond, equity and property and multi-asset funds

Where loans are advanced at below market rates, they are classed as 'Soft Loans' and specific accounting requirements apply to them. The Council has a very small number of car loans to employees and other loans to voluntary organisations to encourage leisure activities and economic development. The impact of accounting fully for the losses on these loans is considered to be immaterial and the special accounting requirements have not been applied.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

L. 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 Account until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of 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 payables. When conditions are satisfied, the grant or contribution is credited to the relevant service line (for attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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 Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

Where general (non-ring fenced) revenue grants are allocated to the Council by Central Government these are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

M. Intangible Assets

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

Intangible assets are initially measured at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

N. Inventory and Work in Progress

Inventories including bar stock are included in the Balance Sheet at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

O. Investment Properties

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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

P. Leases

A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Authority recognises a right-of-use asset and a corresponding lease liability at the lease commencement date for all leases, except for those where the lease term is 12 months or less (short-term leases) or where the underlying asset is of low value.

<u>The Council as Lessee</u>

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

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 relevant line in the Comprehensive Income and Expenditure Statement (i.e. Surplus/Deficit on trading undertakings). Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period).

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. At the commencement of the lease, 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. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset in the Balance Sheet. Expected residual values of finance leases are reviewed every 5 years.

Lease rentals receivable are apportioned between:

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

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

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

Q. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

R. 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.

A de-minimis level of £10,000 is applied to expenditure on assets.

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
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

- Infrastructure, community assets and assets under construction - depreciated historical cost
- Surplus assets – fair value, determined by the measurement of the highest and best use value of the asset
- All other assets - fair value, determined by the amount that would be paid for the asset in its existing use (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 is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are re-valued 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 five years. Valuations are carried out either by an internal or external qualified valuer.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service.

Where decreases in value are identified, the revaluation loss is 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 insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

<u>Impairment</u>

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

Where impairment losses are identified, they are accounted for 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 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.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

Assets Held for Sale are:

- immediately available for sale;
- where the sale is highly probable;
- actively marketed;
- expected to be sold within 12 months.

The asset is re-valued 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.

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

Amounts received for a disposal in excess of £10,000 are generally 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. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

Depreciation

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

Deprecation is calculated on the following bases:

- Buildings - straight-line allocation over the useful life of the property as estimated by the valuer (typically 30 to 100 years);
- Vehicles, plant and equipment - a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. The maximum useful life is 10 years and the minimum 4 years typically most assets have a useful life of 5 years;
- Infrastructure – straight line allocation over 20 years.
- Community and Surplus assets – The land element of these is not depreciated, any property is depreciated over its useful life.

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.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant (i.e. more than 30%) in relation to the total cost of the item, the components are depreciated separately. Componentisation is considered for all new valuations, enhancement expenditure and acquisition expenditure carried out on or after 1 April 2011. Where a component is replaced or restored (i.e. enhancement expenditure) the carrying amount of the old component shall be de-recognised before reflecting the enhancement.

The Council recognises the following levels of components:

- Substructure
- Superstructure
- Internal services
- External works

Componentisation is not applicable to land as land is non-depreciable and is considered to have an infinite life.

S. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation but where there is uncertainty around the timing.

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 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. Where the obligation is expected to be settled within 12 months of the Balance Sheet date the provision is recognised as a Current Liability in the Balance Sheet. Other provisions are recognised as Long Term Liabilities.

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 and 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.

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. Provisions for bad and doubtful debts are maintained in respect of possible losses from non-collection of amounts owing to the Council. This includes council tax, business rates and other income. The provisions are recalculated each year based on age and category of outstanding debt at the end of the financial year, reflecting historical collection patterns, and are included in the Balance Sheet as an adjustment to receivables.

Contingent Liabilities

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

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

T. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service and included against the Surplus/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, financial instruments and retirement benefits and that do not represent usable resources for the Council - these Unusable Reserves are explained elsewhere within the Accounting Statements.

U. Revenue Expenditure Fund from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but 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.

V. VAT

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.

W. Council Tax and Non-domestic Rate Income

Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council tax and Non-Domestic Rates (NDR). In its capacity as a Billing Authority, the Council acts as an agent collecting and distributing Council tax and NDR income on behalf of the major preceptors and itself. From 1 April 2009, the Council has been required to show Council tax income in the Comprehensive Income and Expenditure Account as accrued income. From 1 April 2013, the Council has been required to show Non-Domestic Rate income in the Comprehensive Income and Expenditure Account as accrued income.

The Council's share of Collection Fund income and expenditure is recognised in the Comprehensive Income and Expenditure Statement in the Taxation and Non-Specific Grant Income and Expenditure section.

X. Fair Value Measurement

The Council measures some of its non - financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 uses a combination of internal and external Valuers to provide valuations for its assets and liabilities in line with the highest and best use definition within the accounting standard. They are therefore using the same assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. This would take into account the markets 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 at its highest and best use.

The Valuers have used 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 Council 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.

2. Accounting Standards That Have Been Issued But Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the UK 2024-25 ("the Code") has introduced the following changes in accounting policy, which will need to be adopted fully by the Council in the 2025-26 financial statements from 1 April 2025.

The Council is required to disclose information relating to the impact of the accounting changes on the financial statements as a result of the adoption by the Code of a new standard that has been issued but is not yet required to be adopted by the Council. The Council is required to make disclosure of the estimated effect of the new standard in these financial statements.

The following accounting standards have changes next year, but these are either not relevant to the Council or the changes are expected to be minor and are not expected to make any change to the reported information in the accounts and will therefore not have a material effect:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) - issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable
- IFRS 17 Insurance Contracts - issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

  The following accounting standards have changes under the Code next year, and the impact of these will be assessed once the Code is issued and more details are available.

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

3. Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for Local Government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- Asset Categorisation - The Code classifies assets according to certain criteria. For example investment properties are classified as those assets that are held primarily to generate rental income or for capital appreciation, surplus assets are those assets that are surplus to service needs and do not meet the criteria for investment property or assets held for sale. Assets held for sale is usually restricted to property that is expected to be sold in 12 months.
- NNDR ratings list alterations- are estimates made for the expected loss of income as a result of alterations of ratings lists following the Check,

Challenge, Appeal process. This based on currently outstanding checks, challenges and appeals and as well as expected further ones based on historical values.

4. 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 that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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

Item	Uncertainties	Effect if actual results differ from assumptions
Property Plant and Equipment	Asset valuation in the current economic climate is subject to significant stress. Impairment reviews by the Council of its asset base have been undertaken in a robust way to reflect the changes in its asset values. Depreciation charges are related to the useful life of the assets and dependant on the level of repairs and maintenance that will be incurred in relation to individual assets.	It is important that the asset values in the Balance Sheet are kept under review. If the useful lives of the assets are reduced depreciation increases and the carrying value of the assets falls. Whilst there is a risk in any valuation exercise changes to useful lives and depreciation do not impact the Council's useable reserves as depreciation charges do not fall on the tax payer.
Fair Value Measurements	Where the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs) their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or, the discounted cash flow). Where possible these inputs are based on observable data, but where this is not possible judgement is required in establishing fair values. This will typically include considerations such as uncertainty and risk. However, changes to the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council has used relevant experts to identify the most appropriate valuation technique to determine fair value.	The Council uses the discounted cash flow (DCF), and 'market approach' (as defined in paragraphs B5 to B7 of IFRS 13) to measure the fair value of its assets. The inputs to this latter technique constitute Level 2 inputs, which are observable for the asset either directly or indirectly. If there were to be significant unobservable inputs, this could result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

Pensions Liability	Estimation of the net 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. Actuaries are employed by the pension schemes administrators to provide expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured, for example a 0.1% decrease in the real discount rate assumption would result in an increase of 2% in the pension liability which is approximately £1,567k. (i) A one year increase in member life expectancy would result in an increase of approximately 4% in the pension liability, the pension liability would increase by approximately £3,710k. (ii) If salaries were to increase by 0.1% more than anticipated, the pension liability would increase by approximately £667k. (iii) If pensions payable were to increase by 0.1% more than anticipated, the pension liability would increase by 2%, approximating to £1,543

5. Events After The Balance Sheet Date

The Statement of Accounts were authorised for issue by the interim Section 151 Officer on 18 July 2025. Events taking place after the accounts are authorised for issue are not reflected in the Financial Statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There were no subsequent events that required an adjustment to the financial statements and the notes.

6. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2024/25.

	Adjustments for Capital Purposes £000 2024/25	Net Change for the Pensions Adjustments £000 2024/25	Other Differences £000 2024/25	Total Adjustments £000 2024/25	Adjustments for Capital Purposes £000 2023/24	Net Change for the Pensions Adjustments £000 2023/24	Other Differences £000 2023/24	Total Adjustments £000 2023/24
CLT/Corporate	22	(112)	(29)	(119)	(22)	44	18	40
Communities	100	(216)	20	(96)	(808)	137	(5)	(676)
Place and Climate Change	1,256	(188)	(14)	1,054	(1,011)	112	9	(890)
Resources	278	(412)	16	(118)	(288)	394	(20)	86
Net Cost of Services	**1,656**	**(928)**	**(7)**	**721**	**(2,129)**	**687**	**2**	**(1,440)**
Other Income and Expenditure	(19,137)	135	(1,528)	(20,530)	5,180	(546)	181	4,815
Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(17,481)**	**(793)**	**(1,535)**	**(19,809)**	**3,051**	**141**	**183**	**3,375**

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for;

Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for these assets;

Financing & Investment Income & Expenditure – the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices;

Taxation and non-specific grant income and expenditure **–** capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with the capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change in Pension Adjustments – this column is the net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer's pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs. For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences – this column relates to other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute. Also included within this column is the charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the code. This timing difference as any difference will be brought forward in future surpluses and deficits on the Collection Fund.

7. Expenditure and Income Analysed by Nature

	2024/25 £000	2023/24 £000
Expenditure		
Employee Benefits Expenses	15,106	15,875
Other Service Expenses	22,754	24,904
Support Service Recharges	13,255	12,879
Depreciation, Amortisation, Impairment, DRF	3,527	4,210
Interest Payments	316	424
Precepts and Levies	3,657	3,354
Gain on disposal of assets	(201)	(639)
Total Expenditure	**58,414**	**61,007**
Income		
Fees, Charges and Other Service Income	(16,946)	(15,786)
Interest and Investment Income	(1,387)	(1,552)
Income from Council Tax, Non-Domestic Rates, District Rate Income	(38,050)	(22,992)
Government Grants and Contributions	(20,872)	(20,641)
Total Income	**(77,255)**	**(60,971)**
(Surplus)/Deficit on the Provision of Services	**(18,841)**	**36**

8. Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in unusable Reserves	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in unusable Reserves
	2024/25				2023/24			
	£000	£000	£000	£000	£000	£000	£000	£000
Adjustments to Capital Adjustment Account								
Reversal of items debited or credited to the CIES								
Depreciation & Impairment of Non-Current Assets	(2,838)	-	-	2,838	(2,579)	-	-	2,579
Revaluation gain/(loss) on PPE	(3,347)	-	-	3,347	(556)	-	-	556
Movement in Investment Property Market Value	(115)	-	-	115	-	-	-	-
Amortisation of intangible assets	(279)	-	-	279	(282)	-	-	282
Capital Grants & Contributions	22,383	-	-	(22,383)	4,541	-	-	(4,541)
Revenue Expenditure Fund from Capital Under Statute	(327)	-	-	327	(794)	-	-	794
Written off Non-Current Assets on sale or disposal	(422)	-	-	422	(2)	-	-	(2)
Insertion of items not debited or credited to the CIES								
Statutory Provision for the Financing of Capital Investment	570	-	-	(570)	475	-	-	(475)
Capital Expenditure Charged Against the General Fund	1,077	-	-	(1,077)	1,607	-	-	(1,607)
Adjustments to Capital Receipts Reserves								
Transfer of the disposal sales proceeds recorded in CIES	644	(644)	-	-	641	(641)	-	-
Use of Capital Receipts Reserve to finance capital expenditure	-	1,069	-	(1,069)	-	3,130	-	(3,130)
Adjustments to Pooled Fund Adjustment Account								
Pool Fund fair value gain/loss debited or credited to CIES	-	-	-	-	-	-	-	-
Adjustments to Pensions Reserve								
Pension Costs (transferred to/from the pensions reserve)	793	-	-	(793)	140	-	-	(140)
Adjustments to Collection Fund Adjustment Account								
Council Tax & NNDR (transfers to/from the Collection fund)	1,545	-	-	(1,545)	181	-	-	(181)
Adjustments to Accumulating Compensated Absences Adjustment Account								
Holiday pay	(7)	-	-	7	2	-	-	2
Total Adjustments	**19,677**	**425**	**-**	**(20,102)**	**3,374***	**2,489***		**(5,863)***

***This figure has been restated to correct a prior year casting error.**

General Fund Balance - The General Fund is the statutory fund into which all the receipts of a 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.

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 yet to be applied for these purposes.

Capital Grants Unapplied – The Capital Grants Unapplied Account holds grants and contributions received towards capital projects from which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

9. Movement in Reserves Statement – Transfers to/from Earmarked Reserves

	Balance at 1 April 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance at 31 March 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance at 31 March 2025 £000
Asset Management	847	(245)	-	602	(175)	-	427
Benefits	727	-	-	727	-	-	727
Building Control	224	(78)	-	146	(41)	-	105
Business Rate Retention	1,829	(7)	131	1,952	(652)	384	1,684
Capital Project Reserve	556	(71)	-	485	(10)	-	475
Coast Protection	467	(225)	-	242	(22)	-	220
Communities	406	(106)	-	300	(132)	-	168
Delivery Plan Reserve	3,124	(903)	-	2,221	(1,104)	-	1,117
Economic Development & Regeneration	233	(54)	-	179	-	-	179
Election Reserve	186	(183)	60	63	-	60	123
Enforcement Board	61	(15)	-	46	(6)	-	40
Environmental Health	494	(35)	83*	543*	-	126	669
Environment	150	-	-	150	-	-	150
Grants	2,620	(17)	84	2,687	(19)	51	2,719
Grassed Area Deposits	371	-	-	371	-	-	371
Housing	2,275	(985)	132	1,422	(244)	373	1,551
Innovation Fund	-	(100)	572*	472*	(17)	137	592
Land Charges	337	-	-	339	(89)	-	250
Legal	93	(5)	-	88	(36)	-	52
Major Repairs Reserve	588	(130)	-	458	(2)	-	456
Net Zero Reserve	500	(28)	-	472	(88)	-	384
New Homes Bonus	223	(76)	-	147	(28)	-	119
Organisational Development	155	(43)	-	111	(13)	-	98
Pathfinder	90	-	-	90	-	-	90
Planning – Revenue	417	(179)	50	288	(87)	77	278
Restructuring and Invest to Save	664	-	53	715	(56)	39	698
Treasury Reserve	500	(200)	-	300	-	-	300
Total	**18,137**	**(3,685)**	**1,165**	**15,617**	**(2,821)**	**1,247**	**14,043**
Total transfers out during the year		**(3,685)**			**(2,821)**		
Total transfers in during the year		**1,165**			**1,247**		
Net Movement in Earmarked Reserves		**(2,520)**			**(1,574)**		

The purpose of each earmarked reserves is explained below:

Asset Management - To support improvements to our existing assets as identified through the Asset Management Plan.

Benefits - To mitigate any claw back by the Department of Works and Pensions following final audited subsidy determination.

Building Control – Ring- fenced to cover any future deficits on the building control service.

Business Rates Retention – To be used to mitigate the impact of final claims and appeals in relation to business rates retention scheme.

Capital Projects Reserve - To provide funding for capital projects. This includes the VAT shelter income that is received in the year and not yet spent on projects.

Coast Protection - To support the on-going coast protection maintenance programme.

Common Training - To deliver the corporate training and development programme.

Communities – To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. This is funded from the return of the second homes funding from Norfolk County Council.

Economic Development and Regeneration: Service underspends rolled forward that relate to one off projects or expenditure not budgeted for in future years, including learning for everyone.

Election Reserve - Established to meet costs associated with district council elections, to smooth the impact between financial years.

Environmental Health - Earmarking of underspends and additional income to meet Environmental Health.

Grants – Earmarking of grants received in the year for which expenditure is yet to be incurred, for example due to the timing of the receipt.

Grassed Area Deposits - To finance ongoing commitments in relation to grounds maintenance contracts.

Housing – Includes Community Housing Fund grant received from the Ministry of Housing, Communities and Local Government (MHCLG) This is to support community led housing schemes and assisting in the delivery of affordable housing within the area.

Land Charges – To mitigate the impact of potential income reductions for the service.

Legal – Includes funding for Compulsory Purchase Order (CPO) work and other one-off work.

Local Strategic Partnership – Ring fenced from the former Local Strategic Partnership, earmarked for ongoing liabilities.

LSVT Reserve – To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.

New Homes Bonus (NHB) – Established for supporting communities with future growth and development and Plan review.

Organisational Development - To provide funding for organisation development to create capacity within the organisation, including the support of apprenticeship and intern programmes.

Pathfinder - To help coastal communities adapt to coastal changes. The balance represents grant funding that has been received that has been fully allocated to projects to deliver the Pathfinder objectives but has not yet been spent.

Planning – Additional Planning Income earmarked for Planning Initiatives including Plan Business Process Review.

Property Investment Fund – To provide funding for the acquisition and development of new land and property assets

Property Company – To fund potential housing development and property related schemes

Restructuring and Invest to Save - To be used for restructuring costs including one-off redundancy and pension strain costs and invest to save projects that will deliver efficiency savings.

Sports Hall Equipment and Sports Facilities - To support renewals for sports hall equipment. Transfers in the year represents over or under achievement of income target.

10. Comprehensive Income and Expenditure Statement – Other Operating Expenditure

	2024/25 £000	2023/24 £000
Parish Council Precepts	3,129	2,876
Gain on the Disposal of Non-Current Assets	(201)	(639)
Total	**2,928**	**2,237**

11. Comprehensive Income and Expenditure Statement – Financing Investment Income and Expenditure

	2024/25 £000	2023/24 £000
Interest Expense	334	441
Pension Interest Cost and Expected Return on Pensions Assets	144	546
Interest Income	(1,387)	(1,552)
Fair Value changes of Investment Properties	41	-
Total	**868**	**(565)**

12. Comprehensive Income and Expenditure Statement – Taxation and Non-Specific Grant Income

	2024/25 £000	2023/24 £000
Council Tax Income	(10,317)	(9,747)
Non-Domestic Rates	(8,596)	(8,691)
Other Non-Ringfenced Government Grant	(2,252)	(1,993)
Capital Grant and contributions	(19,137)	(4,554)
Total	**(40,302)**	**(24,985)**

13. Balance Sheet – Usable Reserves

Movements in the Council’s usable reserves are detailed in the Movement in Reserves Statement and Note 8 and Note 9.

14. Balance Sheet – Unusable Reserves

	2024/25 £000	2023/24 £000
Revaluation Reserve	37,305	40,057
Pooled Fund Adjustment Account	(105)	(243)
Capital Adjustment Account	58,439	43,728
Financial Instruments Adjustment Account	-	-
Pensions Reserve	12,376	(3,430)
Collection Fund Adjustment Account	(1,640)	(3,167)
Accumulated Compensated Absences Adjustment Account	(349)	(356)
Total	**106,026**	**(76,589)**

14(a) Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

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

	2024/25 £000	2023/24 £000
Balance at 1 April	**(40,057)**	**(27,762)**
Upward revaluation of assets	(1,312)	(14,488)
Downward revaluation of assets and impairments losses not charged to the Surplus/Deficit on Provision of Services	7,259	1,742
Difference between Fair Value Depreciation and Historical Cost Depreciation	(184)	451
Balance at 31 March	**(34,294)**	**(40,057)**

14(b) Pooled Fund Adjustment Account

The Pooled Fund Adjustment Account contains the gains made by the Council arising from increases in the value of its investments in pooled funds and are therefore accounted for under IFRS 9 at fair value through profit and loss. A statutory override currently applies enabling gains or losses to be transferred to this unusable reserve, thereby protecting the Council Tax payer from changes in fair value on these investments. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised

	2024/25 £000	2023/24 £000
Balance at 1 April	**243**	**124**
Upward/(Downward) Revaluation of Investments Charged to the Surplus/Deficit on the Provision of Services.	(139)	(367)
Balance at 31 March	**104**	**(243)**

14(c) Capital Adjustment Account

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

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

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

Note 8 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2023/24 £000
Balance at 1 April	**43,728**	**37,564**
Reversal of items relating to capital expenditure posted to the CIES		
Charges for Depreciation and Impairment on Non-Current Assets	(2,838)	(2,579)
Revaluation losses on Property, Plant and Equipment	(42)	(556)
Amortisation of Intangible Assets	(279)	(281)
Revenue expenditure funded from capital under statute	(327)	(793)
Non-Current Assets written off on disposal to the CIES	(422)	(2)
	39,820	**33,353**
Adjusting amounts written out of the revaluation reserve	(184)	451
Net written out amount of the cost of non-current assets consumed in the year	**39,636**	**33,804**
Capital Financial Applied in the year:		
Use of capital receipts reserve to finance new capital expenditure	1,069	3,130
Capital Grants and contributions credited to the CIES that have been applied to capital financing	19,137	4,712
Statutory provision for the financing of capital investment charged against the General Fund balance	570	475
Capital Expenditure charged against the General Fund balance	1,079	1,607
	61,491	**43,728**
Movements in the market value of investment properties debited or credited to the CIES	(41)	-
Balance at 31 March	**61,450**	**43,728**

The revenue expenditure funded from capital under statute (REFCUS) grant funding has been applied to the REFCUS line of the CAA note above. Please refer to Note 31 - Capital Expenditure and Capital Financing for the gross balances.

14(d) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the

Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The deficit on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £000	2023/24 £000
Balance at 1 April	**(3,430)**	**(11,827)**
Actuarial gains/(losses) on pensions assets and liabilities	15,013	8,265
Reversal of Items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(2,241)	(2,901)
Employer's pension contributions and direct payment to pensioners payable in the year	3,034	3,033
Balance at 31 March	**12,376**	**(3,430)**

14(e) Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Business Rate income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Business Rate payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2024/25 £000	2023/24 £000
Balance at 1 April	**(3,167)**	**(2,978)**
Amount by which Council Tax and Business Rate Income credited to the CIES is different from Council Tax and Business Rate income calculated for the year in accordance with statutory requirements	1,527	(189)
Balance at 31 March	**(1,640)**	**(3,167)**

14(f) Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences, e.g. annual leave, earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25 £000	2023/24 £000
Balance at 1 April	**(356)**	**(354)**
Settlement or cancellation of an accrual made at the end of the preceding year	356	354
Amounts accrued at the end current year	(356)	(354)
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	7	(2)
Balance at 31 March	**(349)**	**(356)**

15. Cash Flow Statement – Arising from Operating Activities

	2024/25 £000	2023/24 £000
Interest received	25	1,552
Interest paid	22	(441)
Net cash flows from operating activities	**47**	**1,111**
The surplus or deficit on the provision of services has been adjusted for the following		
Depreciation	2,838	2,579
Impairment and downward valuations	83	,556
Amortisation	279	282
Increase/(decrease) in creditors	250	(3,450)
Increase in Interest and Dividend Debtors	-	-
(Increase)/decrease in debtors	521	(484)
(Increase)/decrease in inventories	7	(4)
Movement in pension liability	(793)	799
Carrying amount of non-current assets, and non-current assets held for sale, sold or derecognised	422	2
Movement in Investment Property Values	51	(38)
	3,658	**242**
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities		
Capital grants credited to surplus or deficit on the provision of services	-	-
Net adjustment from the sale of short term and long term investments	-	3,191
Proceeds from the sale of property, plant and equipment, investment property, and intangible assets	-	-
Fair value pooled funds	(644)	(641)
Other items for which the cash effects are investing or cash flows	(22,709)	-
	23,353	**2,550**

16. Cash Flow Statement – Investing Activities

	2024/25 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	(18,031)	(13,622)
Purchase of short-term and long-term investment	-	-
Proceeds from sale of property, plant and equipment, investment property and intangible assets	644	(249)
Proceeds from short-term and long-term investments	-	-
Other receipts from investing activities	26,260	8,957
Net cash flows from investing activities	**8,873**	**(4,914)**

17. Cash Flow Statement – Financing Activities

	2024/25 £000	2023/24 £000
Cash receipts of short-term and long-term borrowing	14,900	18,700
Other receipts from financing activities	50	-
Repayments of short-term and long-term borrowing	(19,600)	(21,000)
Other payments for financing activities	2,636	(1,006)
Net cash flows from financing activities	**(2,014)**	**(3,306)**

18. Cash Flow Statement – Cash and cash equivalents

	2024/25 £000	2023/24 £000
Cash held by officers	4	3
Bank current accounts	(3,401)	(6,071)
Investments in liquidity money market funds	5,358	2,024
Total cash and cash equivalents	**1,962**	**(4,044)**

19. Trading Operations

The Council currently operates three general produce markets on two car park sites in Sheringham and Cromer. They are provided to meet local demands and to promote tourism. The trading objective is to minimise the deficit relating to the service.

The Council lets a total of 20 industrial units and self-occupies 1 over 4 sites in Catfield, North Walsham and Fakenham. The Catfield and Cornish Way, North Walsham sites offer starter units which were developed jointly with EEDA, to provide opportunities for local business start-ups and developments. 3 larger brand-new units at Hornbeam Road, North Walsham were acquired in December 2020. The trading objective is to minimise the deficit relating to the service.

Trading operations are incorporated into the CIES. Some are an integral part of one of the Council's services to the public (e.g. refuse collection), whilst others are support services to the Council's services to the public. The expenditure of these operations is allocated or recharged to the relevant service area within the CIES Cost of Services.

The surplus is due to higher income from both market traders and rental income at the industrial units.

	2024/25 £000	2023/24 £000
General Produce Markets		
Turnover	(31)	(32)
Expenditure	73	70
Deficit/(Surplus)	42	38
Industrial Units		
Turnover	(67)	(94)
Expenditure	99	102
Deficit/(Surplus)	31	8
Total (Surplus)/Deficit on trading operations	**73**	**46**
Services to the public including expenditure of continuing operations	73	46
Support Services recharged to expenditure of continuing operations	(2)	(2)
Net (Surplus)/Deficit included within operating expenditure	**71**	**44**

20. External Audit Costs

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

	2024/25 £000	2023/24 £000
Fees payable for external audit services carried out by the appointed auditor for the year	164	150
Fees payable for the certification of grant claims and returns for the year	21	21
Additional fees in respect of the prior year audit	-	68
Total	**185**	**239**

21. Members Allowances

The Council paid the following amounts to Members of the Council during the year. Full details can be obtained by writing to:

Information Services, Holt Road, Cromer, Norfolk, NR27 9EN.

	2024/25 £	2023/24 £
Allowances	366,539	344,649
Expenses	9,828	11,056
Total	**376,367**	**355,705**

22. Officers' Remuneration

The following table sets out the remuneration paid to the Council's senior officers. A senior officer is defined as being a statutory chief officer as defined in the Local Government and Housing Act (LGHA) 1989 section 2(6); a non-statutory Chief officer as defined in the LGHA 1989 section 2(7); or someone with responsibility for the management of the Council, being able to direct or control its major activities, whether solely or collectively.

For the period 1 April 2023 to 31 March 2025:

Job Title	Year	Salary, Fees and Allowance	Bonuses	Expenses Allowances	Compensation for loss of office	Sub-Total	Pension Contribution	Total
		£	£	£	£	£	£	£
1 April 2024 to 31 March 2025								
Chief Executive	2024/25	121,541	-	963	-	122,504	16,616	**139,120**
Director for Communities	2024/25	97,266	-	963	-	98,229	14,104	**112,333**
Director for Resources & Section 151 Officer	2024/25	94,636	-	963	-	95,599	13,722	**109,321**
Director for Place & Climate Change	2024/25	97,266	-	963	-	98,229	13,173	**111,402**
Monitoring Officer	2024/25	72,348	-	963	-	73,311	10,491	**83,801**
1 April 2023 to 31 March 2024								
Chief Executive	2023/24	118,576	-	963	-	119,539	15,991	**135,530**
Director for Communities	2023/24	94,893*	-	963	-	95,826	13,759	**109,615**
Director for Resources & Section 151 Officer	2023/24	89,555	-	963	-	90,518	12,985	**103,503**
Director for Place & Climate Change	2023/24	94,893*	-	963	-	95,826	13,203	**109,059**
Monitoring Officer	2023/24	69,127	-	963	-	70,090	10,023	**80,113**

The number of employees not falling into the category of senior officers shown above whose remuneration, excluding pension contributions was £50,000 or more in bands of £5,000 were:

Renumeration Band	2024/25 Number of Employees	2023/24 Number of Employees
£50,000 - £54,499	7	11
£55,000 - £59,999	10	6
£60,000 - £64,499	3	1
£65,000 - £69,999	4	3
£70,000 - £74,499	-	1

***These figures have been restated to correct prior year typing errors**

23. Exit Packages

The number of exit packages agreed with the total cost per band and total cost of the compulsory and other are set out in the table below.

	2024/25				2023/24			
Bandings	**Compulsory Redundancies Number of Employees**	**Other Departures Number of Employees**	**Total Employees**	**Total Amount £**	**Compulsory Redundancies Number of Employees**	**Other Departures Number of Employees**	**Total Employees**	**Total Amount £**
£0 - £20,000	1	-	1	14,231	-	1	1	11,055
£20,001 - £40,000	-	-	-	-	-	1	1	35,385
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,000 - £100,000	-	-	-	-	-	-	-	-
	1	**-**	**1**	**14,231**	**-**	**2**	**2**	**46,440**

24. Defined Benefit Pension Schemes

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 the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post- employment schemes:

- The Local Government Pension Scheme, administered locally by Norfolk County Council - this was a funded defined benefit final salary scheme up to 31/03/2014 then replaced with a Career Average Revalued Earnings (CARE) scheme from the 01/04/2014, The Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

- Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit final arrangement; under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet the pension's liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Transactions relating to post-employment benefits

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

Comprehensive Income and Expenditure Statement	Local Government Pension Scheme 2024/25 £000	Local Government Pension Scheme 2023/24 £000
Cost of Services		
Current service cost	2,080	2,355
Past service costs loss	17	-
Financing and Investment Income and Expenditure		
Interest Cost	5,122	5,009
Expected return on scheme asset	(4,978)	(4,463)
Total post-employment benefit charged to the surplus/deficit on the provision of services	**2,241**	**2,901**
Other post-employment benefit charged to the Comprehensive Income and Expenditure Statement		
Actuarial gains/(losses)	15,013	8,265
Total post-employment benefit (credited)/charged to the CIES	(17,254)	(11,116)
Movement in Reserves Statement:		
Reversal of net charges made to the surplus/deficit for the provision of services for post-employment benefits in accordance with the code	(2,241)	(2,901)
Actual amount charged against the general fund balance for pensions in the year		
Employers' contribution payable to the scheme	**3,034**	**3,033**

Assets and liabilities in relation to post-employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Pension Scheme Funded Liabilities Local Government*	**2024/25**	**2023/24**
	£000	**£000**
Opening balance at 1 April	(106,458)	(106,095)
Current service cost	(2,080)	(2,355)
Interest cost	(5,122)	(5,009)
Contributions by scheme participants	(727)	(746)
Actuarial (gains)/losses	17,237	3,334
Benefits paid	4,161	4,160
Unfunded benefits paid	253	253
Past service costs	(17)	-
Closing Balance at 31 March	**(92,753)**	**(106,458)**

Reconciliation of fair value of the scheme (plan) assets:

Local Government Pension Scheme	**2024/25**	**2023/24**
	£000	**£000**
Opening balance at 1 April	103,028	94,268
Expected rate of return	4,978	4,463
Actuarial gain/(loss)	(2,224)	4,931
Employers' contributions	2,781	2,780
Contributions by scheme participants	727	746
Contributions in respect of Unfunded Benefits	253	253
Benefits paid	(4,161)	(4,160)
Unfunded benefits paid	(253)	(253)
Closing Balance at 31 March	**105,129**	**103,028**
Net pension asset/(liability)	**12,376**	**(3,340)**

***To ensure consistency and improve comparability across reporting periods, prior year figures have been restated to present certain amounts as negatives in line with the current year's financial statement presentation. This adjustment aligns the presentation format of income, expenses, assets, and liabilities between periods. The restatement does not affect the previously reported net results or financial position.**

Fair Value of Employer Assets

Asset Category	2024/25 Quoted price in active markets	2024/25 Quoted price not in active markets	2024/25 Total	2024/25 Percentage of total assets	2023/24 Quoted price in active markets	2023/24 Quoted price not in active markets	2023/24 Total	2023/24 Percentage of total assets
	£000	£000	£000	£000	£000	£000	£000	£000
Equity Securities:								
Consumer	-	-	-	0%	-	-	-	0%
Manufacturing	-	-	-	0%	-	-	-	0%
Energy & Utilities	-	-	-	0%	-	-	-	0%
Financial Institutions	-	-	-	0%	-	-	-	0%
Health & Care	-	-	-	0%	-	-	-	0%
Information Technology	-	-	-	0%	-	-	-	0%
Other	-	`-	-	0%	-	`-	-	0%
Debt Securities:								
Corporate Bonds (Investment Grade)	-	-	-	0%	-	-	-	0%
Corporate Bonds - Non-Investment Grade	-	-	-	0%	-	-	-	0%
UK Government	1,980	-	1,980	2%	2,575	-	2,575	2%
Other	-	-	-	0%	-	-	-	0%
Private Equity:								
All	-	13,363	13,363	13%	-	12,972	12,972	13%
Real Estate								
UK Property	-	6,658	6,658	6%	-	7,709	7,709	7%
Overseas Property	-	979	979	1%	-	1,163	1,163	1%
Investment & Unit Trusts								
Equities	58,345	-	58,345	56%	43,819	-	43,819	43%
Bonds	7,884	-	7,884	8%	19,641	-	19,641	19%
Infrastructure		11,672	11,672	11%	-	11,748	11,748	11%
Other	-	-	-	0%	-	-	-	0%

Fair Value of Employer Assets (continued)

Asset Category	2024/25 Quoted prices in active markets £000	2024/25 Quoted prices not in active markets £000	2024/25 Total £000	2024/25 Percentage of total assets £000	2023/24 Quoted prices in active markets £000	2023/24 Quoted prices not in active markets £000	2023/24 Total £000	2023/24 Percentage of total assets £000
Derivatives:								
Foreign Exchanges	60	-	60	0%	1,834	-	1,834	2%
Other					-	-	-	0%
Cash & Cash Equivalents:								
All	3,511	-	3,511	3%	1,567	-	1,567	2%
Total	**71,870**	**32,672**	**104,452**	**3,571**	**69,435**	**33,593**	**103,028**	**100%**

Basis for estimating assets and liabilities

Liabilities 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, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 1 April 2022. In relation to the Commutation Adjustment, an allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The principal assumptions used by the actuary have been:

Mortality Assumptions	Local Government Pension Scheme 2024/25	Local Government Pension Scheme 2023/24
Longevity at 65 for Current Pensioners:		
Men	22.0	22.1
Women	24.4	24.5
Longevity at 65 for Future Pensioners:		
Men	22.7	22.8
Women	26.0	26.0
Pension Increase Rate (CPI)	2.75%	2.75%
Rate of Increase in Salaries	3.45%	3.45%
Rate of Discounting Scheme Liabilities	5.80%	4.85%

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2024/25 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2025.

	2025	2024	2023	2022	2021
	%	%	%	%	%
Difference between the expected and actual return on assets	(2.0)	4.8	(3.9)	6.1	17.8
Experience gains and losses on liabilities	(1.2)	3.1	0.1	3.0	(0.7)

25. Related Parties

This disclosure note has been prepared using the Council's Register of Members' Declarations of interest in addition to a specific declaration obtained in respect of related party transactions from Members and Chief Officers.

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

Central Government

Central Government has effective control over the general operations of the Council - it is responsible for providing the statutory framework, within which the Council operates, provides most of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council tax bills, housing benefits). Grants received from Government departments are set out in the expenditure and income analysed by nature in Note 7. Grant receipts outstanding at 31 March 2025 are shown in Note 38.

Members & Officers

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 21. During 2024/25, works and services to the value of £5,279,249 were commissioned from companies in which 25 members had an interest. Contracts were entered into in full compliance with the Authority's standing orders.

The most significant total values for general expenditure were:

- £4,918,751 linked to Norfolk County Council in which five Members had an interest.
- £113,917 linked to the University of East Anglia in which one Member had an interest.
- £181,741 linked to Victory Leisure Centre in which one Member had an interest.

In addition, the Authority paid grants totalling £1,490,171 to voluntary organisations in which 10 members had declared an interest. In all instances, the grants were made with proper consideration of declarations of interest. There were no material expenditure transactions involving Chief Officers.

The most significant total values for grant expenditure were:

- £1,490,171 linked to Norfolk County Council

Income totalling £3,235,203 was received from entities in which 22 Members and 1 Director had an interest.

There was one significant value for general income:

£3,160,780 linked to Norfolk County Council in which 5 Members had an interest.

The relevant persons linked to the above transactions did not take part in any discussion or decision relating to the expenditure/income. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Council Offices during office hours.

26. Leases

Council as Lessee

The table below shows the change in the value of right of use assets held under leases by the authority:

Right of Use Assets	Other Land and Buildings	Vehicles, Plant and Equipment	Total
	£000	£000	£000
Balance at 1 April 2024	**10,381**	**11**	**10,392**
Additions	186	34	220
Revaluations	(100)	-	(100)
Depreciation & Amortisation	(187)	(17)	(204)
Disposals	-	-	-
Balance at 31 March 2025	**10,280**	**28**	**10,308**

Transactions under leases

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

Comprehensive Income and Expenditure Statement	2024/25
	£000
Interest expense on lease liabilities	9
Expense relating to short term leases	9
Expense related to exempt leases of low-value items	7
Variable lease payments not included in the measurement of lease liabilities	-
Income from subletting right of use assets	-
Total cash outflow for leases	25

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

Lease Liabilities	2024/25
	£000
Not Later than one year	(74)
Later than one year and not later than five years	(175)
Later than five years	(41)
Total undiscounted liabilities	**(290)**

Council as Lessor

Operating Leases

The Council leases out properties under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses

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

	31 March 2025 £000	31 March 2024 £000
Not Later than one year	(312)	(410)
Later than one year and not later than five years	(1,068)	(1,144)
Later than five years	(1,355)	(1,592)
	(2,735)	**(3,552)**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

27. Investment Properties

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

	31 March 2025 £000	31 March 2024 £000
Rental income from investment property	(150)	(149)
Direct operating expenses from investment property	247	36
Net (gain)/loss	**97**	**(112)**

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

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

	31 March 2025 £000	31 March 2024 £000
Opening Balance	1,195	1,195
Additions:		
Purchases	-	-
Disposals	-	-
Transfers	-	-
Net gains/(losses) from fair value adjustments	(57)	-
Closing Balance	**1,138**	**1,195**

The changes identified in the table above are as a result of the properties being revalued in year. No further transfers, additions or disposals have taken place.

Fair Value hierarchy

The Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes (see Accounting Policies for an explanation of the fair value levels).

Valuation Techniques Used to Determine Level 2 Fair Values for Investment Properties

The fair value of investment property has been measured using a market approach, which takes into account either direct or indirect observable inputs for the asset. These inputs took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

These assets have been revalued as at 31 March 2025, by Wilks Head & Eve. There has been no change in the valuation techniques used during the year for investment properties.

28. Intangible Assets

The Council accounts for its software as intangible assets, to the extent that 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. Intangible assets would include both purchased licenses and internally generated software – the Council does not currently have any internally generated intangible assets.

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 all software currently used by the Council is 5 years. The carrying amount of intangible assets is amortised on a straight-line basis. The movement on intangible asset balances during the year is as follows:

	2024/25			2023/24		
	Internally Generated Assets	Other Assets	Total	Internally Generated Assets	Other Assets	Total
	£000	£000	£000	£000	£000	£000
Opening Balance:						
Gross Carrying Amounts	-	3,369	3,369	-	3,211	3,211
Accumulated Amortisation	-	(2,581)	(2,581)	-	(2,299)	(2,299)
Net Carrying amount at start of year	**-**	**788**	**788**	**-**	**912**	**912**
Additions:						
Purchases	-	126	126	-	158	158
Derecognition	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Amortisation for the period	-	(279)	(279)	-	(282)	(282)
Closing Balance	**-**	**635**	**635**	**-**	**788**	**788**

No significant contracts have been entered into during the financial year 2024/25.

29. Impairment Losses

An impairment review was undertaken for the financial year 2024/25. The review identified that due to the type and use of properties and taking into consideration their location with Norfolk and the Eastern region, that any economic changes during the year would not result in any economic impairment of assets.

30. Property, Plant and Equipment

Movement in 2024/25:	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property Plant and Equipment
Cost or Valuation:	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 April 2024	73,481	21,930	18,718	3,007	1,266	7,944	126,346
Additions	2,148	364	1,936	228	-	16,798	21,474
Donations	-	-	-	-	-	-	-
Revaluation increase/(decrease) recognised in the revaluation reserve	(3,790)	-	-	(14)	-	-	(3,804)
Revaluation increase/(decrease) recognised in the provision of services	(327)	-	-	(1,126)	-	-	(1,453)
Derecognition – disposals	(326)	-	-	-	-	(29)	(354)
Derecognition – other	(10,635)	-	-	-	-	-	(10,635)
Assets reclassified (to)/from held for sale	-	-	-	-	-	-	-
Other movements in cost or valuation	166	3,323	-	-	-	(3,490)	-
At 31 March 2025	**60,720**	**22,294**	**23,978**	**2,095**	**1,266**	**21,223**	**131,574**
Accumulated Depreciation							
At 1 April 2024	**2,717**	**16,299**	**13,334**	**305**	**31**	**-**	**32,686**
Depreciation charge	509	1,566	558	1	-	-	2,634
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-
Depreciation written out to the surplus/deficit on the provision of services	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the revaluation reserve	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	166	-	-	-	-	-	166
Derecognition	-	-	-	-	-	-	-
Eliminated on reclassification to assets held for sale	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-
At 31 March 2025	**3,393**	**17,865**	**13,892**	**306**	**31**	**-**	**35,486**
Net Book Value							
At 31 March 2025	**57,327**	**4,429**	**10,085**	**1,790**	**1,235**	**21,223**	**96,088**
At 31 March 2024	**70,764**	**5,631**	**5,384**	**2,702**	**1,235**	**7,944**	**93,660**

Movement in 2023/24:	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property Plant and Equipment
Cost or Valuation:	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 April 2023	58,214	20,587	19,098	2,925	507	3,619	104,950
Additions	2,822	1,343	14	547	-	3,929	8,655
Donations	-	-	-	-	-	-	-
Revaluation increase/(decrease) recognised in the revaluation reserve	12,451	-	-	(465)	759	-	12,745
Revaluation increase/(decrease) recognised in the provision of services	(556)	-	-	-	-	-	(556)
Derecognition – disposals	(2)	-	-	-	-	-	(2)
Derecognition – other	-	-	-	-	-	-	-
Assets reclassified (to)/from held for sale	552	-	-	-	-	-	552
Other movements in cost or valuation	-	-	(394)	-	-	396	2
At 31 March 2024	**73,481**	**21,930**	**18,718**	**3,007**	**1,266**	**7,944**	**126,346**
Accumulated Depreciation							
At 1 April 2023	2,070	14,983	12,769	262	31	-	30,115
Depreciation charge	647	1,316	565	43	-	-	2,571
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-
Depreciation written out to the surplus/deficit on the provision of services	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the revaluation reserve	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	-	-	-	-	-	-	-
Derecognition	-	-	-	-	-	-	-
Eliminated on reclassification to assets held for sale	-	-	-	-	-	-	-
Other movements in depreciation and impairment	-	-	-	-	-	-	-
At 31 March 2024	**2,717**	**16,299**	**13,334**	**305**	**31**	**-**	**32,686***
Net Book Value							
At 31 March 2024	**70,764**	**5,631**	**5,384**	**2,702**	**1,235**	**7,944**	**93,660**
At 31 March 2023	**56,144**	**5,604**	**6,329**	**2,663**	**476**	**3,619**	**74,835**

***This figure has been restated to correct a prior year casting error.**

Capital Commitments

The major commitments relate to the following Schemes:

	31 March 2025 £000	31 March 2024 £000
Splash Reprovision	253	263
Fakenham Urban Extension	-	1,581
Cromer Coastal Defence Scheme	846	10,371
Mundesley Coastal Defence Scheme	1,277	5,792
Public Conveniences - Albert Street, Holt	55	-
Cromer 3G Football Facility	979	-
Backstage Refurbishment - Pier Pavillion Theatre	17	-
	3,427	**18,007**

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. During the intervening years reviews are undertaken to ensure the carrying value of assets are not materially different from their fair values. Impairment reviews are also carried out annually to ensure that the carrying value of assets is not overstated. For the 2024/25 accounts the programme of valuations were carried out by Wilks Head & Eve. 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.

Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the asset condition. Further details regarding the valuations are provided within the Statement of Accounting Policies which starts on page 10.

All revaluations have been undertaken as at 31 March 2025.

	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	4,429	10,085	278	1,235	21,223	37,250
Valued at fair value as at:							
31 March 2025	26,037	-	-	1,512	-	-	27,549
31 March 2024	12,207	-	-	-	-	-	12,207
31 March 2023	19,083	-	-	-	-	-	19,083
Total	**57,327**	**4,429**	**10,085**	**1,790**	**1,235**	**21,223**	**96,089**

31. Capital Expenditure and Capital Financing

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

	2024/25 £000	2023/24 £000
Opening Capital Financing Requirement	15,137	15,162
Capital Investment:		
Property, plant and equipment	21,367	8,837
Intangible assets	126	158
Revenue expenditure funded from capital under statute	3,898	746
ROU Assets	310	-
Sources of finance:		
Capital receipts	(1,070)	(3,130)
Government grants and other contributions	(22,709)	(4,554)
Direct revenue contributions	(1,079)	(1,607)
Minimum revenue provision	(570)	(475)
Closing Capital Financing Requirements	**15,411**	**15,137**
Explanations of movements in the year:		
Increase in underlying need to borrow (unsupported by government financial assistance)	274	(25)
Capital receipts applied in lieu of minimum		
Increase in Capital Financing Requirement	**274**	**(25)**

32. Assets Held for Sale

During the financial year, there have been no changes in classification within Assets Held for sale, and none have been sold.

	2024/25 £000	2023/24 £000
Balance brought forward	**320**	**698**
Assets newly classified as Held for Sale:		
Property Plant and Equipment	-	(552)
Assets sold	-	-
Other movements	-	174
Balance carried forward	**320**	**320**

33. Receivables

Receivables represent the amounts owed to the Council at 31 March 2024 and are analysed below. This figure is split between long term -amounts not falling due within 1 year, and Short Term - amounts falling due within 1 year of the Balance Sheet date.

The Council makes an allowance for outstanding amounts for which recovery of receivables is not anticipated (bad debt provision). Receivables are shown net of the bad debt provision within the Balance Sheet.

	Long Term		Short Term	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£000	£000	£000	£000
Central government bodies	-	-	2,597	4,538
Other local authorities	-	-	4,162	718
NHS bodies	-	-	-	-
Other entities and individuals*	1,576	1,863	6,163	10,142
	1,576	**1,863**	**12,922**	**15,398**
Less: Bad debt provision				
General Fund	-	-	(803)	(938)
Collection Fund	-	-	(156)	(223)
	-	**-**	**(959)**	**(1,161)**
	1,576	**1,863**	**11,963**	**14,237**

*** Breakdown of Short-Term Receivables - significant entries within the other entities and individual's category are shown below**

	2024/25	2023/24
	£000	£000
Council tax and NNDR	1,016	1,006
Housing benefit overpayments recoveries	813	899
Treasury Debtors – Principal Payments	1,368	5,351
Right to buy receipts	620	383
Loans falling due within 1 year	293	287
VAT invoices awarded	152	160
Capital Contributions not yet received	316	54
Recycling Credit Income	178	183
Other smaller receivables	1,406	1,819
	6,163	**10,142**

34. Payables

	2024/25 £000	2023/24 £000
Central government bodies	(10,299)	(5,789)
Other local authorities	(4,480)	(2,423)
Other entities and individuals	(7,639)	(5,898)
	(22,418)	**(14,110)**
Less Capital Receipts in advance:		
Central government bodies	7,589	3,835
Other local authorities	-	-
Other entities and individuals	-	-
	7,589	**3,835**
	(14,829)	**(10,275)**

Breakdown of significant entries within the other entities and individuals category

	2024/25 £000	2023/24 £000
Waste and recycling contract payments	(352)	(554)
Rent allowance payments to benefit claimants	(341)	(13)
Council tax and NNDR	(846)	(641)
Planning developer contributions receipts in advance	(3,166)	(2,599)
NNDC employee accumulated absences provision	(349)	(356)
Capital creditors	(207)	(422)
Audit Accruals	(375)	(268)
Other smaller payables	(2,003)	(1,045)
	(7,639)	**(5,898)**

35. Provisions

The Council has set aside a provision for potential liabilities as a result of alternations to Business Rates rateable values. The total liability is shared in accordance the Business Rate Retention Scheme proportionate shares applicable for the Council, Central Government and Norfolk County Council. The Council has no other outstanding legal cases in progress or other potential liabilities that require provisions to be made.

	1 April 2024	Provisions made in 2024/25	Used in 2024/25	31 March 2025
	£000	£000	£000	£000
NNDC Rating List Changes – Total Collection Fund	(1,232)	24	-	(1,208)
Proportionate percentage	40%	40%	40%	40%
NNDC Share	**(493)**	**10**	**-**	**(483)**

36. Contingent Liabilities

At 31 March 2025, the Council had the following material contingent liabilities:

(a) **Housing Stock Transfer** - As part of the legal agreements associated with the transfer of the housing stock to the Victory Housing Trust in 2006/07, the Council provided a number of environmental and non-environmental warranties, guarantees and indemnities to the Trust and its Lenders.

The risks associated with these warranties and indemnities have been assessed following professional advice and where appropriate the Council has, or is making, arrangements to transfer some of the potential risks. Specifically, insurance has been arranged in respect of the environmental warranties. To the extent that claims have to be met some time in the future beyond those covered by the environmental warranty insurance and the pension bond, the Council discloses a contingent liability.

(b) **Benefits** - There is a risk of potential claw back from the Department of Works and Pensions following the final audit and sign off the year end subsidy claim. To mitigate the impact of any claw back there is an earmarked reserve for which the balance stood at £727k at 31 March 2025.

37. Contingent Assets

In accordance with IAS 37 Provisions, Contingent Liabilities & Contingent Assets the Council has identified the following contingent assets:

(a) **Freehold Reversions for Shared Equity Dwellings –** The Council has acquired a share in the freehold reversions for shared equity dwellings. The Council does not benefit from any ongoing rental income in relation to these properties and will not realise the equity share unless the properties owners buy the Council out of the agreement. As the value of these properties to the Council is contingent upon this action the assets have not been recognised within the financial statements.

38. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure accounts in 2024/25.

	2024/25	2023/24
<u>Credited to Taxation and Non Specific Grant Income:</u>	**£000**	**£000**
Revenue Support Grant	(336)	(290)
Business Rates	(8,580)	(8,700)*
New Homes Bonus	(6)	(31)
Rural Services Delivery Grant	(679)	(698)
Capital Grants and Contributions	(19,137)	(4,554)*
3% Funding Guarantee	(1,231)	(974)
Total	**(29,968)**	**(15,247)**
<u>Credited to Services:</u>		
DWP – New Burdens Funding	(73)	(79)
Dept for Business, Energy & Industrial Strategy	-	(27)
Dept. for Environment, Food & Rural Affairs (DEFRA)	(30)	(28)
East Suffolk Council	(72)	-
Environment Agency	(22)	-
Department for Levelling Up, Housing & Communities (DLUCH)	(2,670)	(3,388)
Ministry of Housing, Communities and Local Government (MHCLG)	(1,326)	-
Norfolk County Council	(2,400)	(646)
Sport England	-	(5)
Historic England	-	(14)
Rural England	(1,093)	(364)
Other Grants & Contributions	(580)	(1,015)
Total	**(8,266)**	**(5,566)**
Total Revenue Grants Received	**(38,235)**	**(20,813)**

***These figure has been restated to correct a prior year error relating to grant income**

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	2024/25	2023/24
Capital Grant Receipts in Advance	**£000**	**£000**
Disabled Facilities Grant	(911)	(1,114)
Cromer West Prom	(50)	(50)
Mundesley cd refurbishment	(839)	(839)
Cromer CP scheme 982	(200)	(87)
Coastwise Grant	(3,076)	(1,410)
Climate Change Coastal tool	(22)	(22)
Changing places toilets	-	-
DLUC - LAHF Fund	(312)	(312)
Waste Vehicles	(1,098)	-
Fakenham Leisure And Sports Hub	(1,081)	-
	(7,589)	**(3,834)**

39. Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Liabilities	**2024/25**		**2023/24**	
	Long Term £000	**Current £000**	**Long Term £000**	**Current £000**
Loans – Principal sum borrowed	-	(7,000)	(5,000)*	(7,700)*
Loans – Accrued interest	-	(117)	(4)*	(91)*
Total Borrowing	**-**	**(7,117)**	**(5,004)***	**(7,791)***
Bank Overdraft	-	(3,401)	-	(6,071)
Total Cash Overdrawn	**-**	**(3,401)**	**-**	**(6,071)**
Trade payables	-	(4,010)	-	(3,840)
Finance leases		-	-	-
Included in Creditors	**-**	**(4,010)**	**-**	**(3,840)**
Total Financial Liabilities	**-**	**(14,528)**	**(5,004)***	**(17,702)***

The debtors and creditors lines on the Balance Sheet include £3,494k short term debtors and £6,395k short term creditors that do not meet the definition of a financial instrument as they are non-exchange transactions.

***These figures have been restated to correct a prior year classification error, and resulting casting changes**

Financial Assets	2024/25		2023/24	
	Long Term £000	Current £000	Long Term £000	Current £000
Investments at fair value through profit & loss:				
Accrued interest	-	26	-	23
Fair value	19,154	-	19,015	-
Total Investments	**19,154**	**26**	**19,015**	**23**
Fair value	5,358	-	-	2,024
Total Cash & Cash Equivalents	**5,358**	**-**	**-**	**2,024**
Trade receivables	-	9,084	-	10,105
Loans made for service purposes	2,150	-	2,322	-
Included in Debtors	**2,150**	**9,084**	**2,322**	**10,105**
Total Financial Assets	**27,328**	**9,110**	**21,337**	**12,152**

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset against each other where the Council has a legally enforceable right to offset and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet. The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

	31 March 2025			31 March 2024		
	Assets £000	Liabilities £000	Net balance sheet position £000	Assets £000	Liabilities £000	Net balance sheet position £000
Financial Assets						
Bank accounts in hand	51	(51)	-	109	(109)	-
Financial liabilities						
Bank overdrafts	51	(3,451)	(3,401)	109	(6,181)	(6,072)

Income, Expense, Gains and Losses

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

	2024/25				
	Financial liabilities	Financial Assets			2023/24
	Amortised Cost	Amortised Cost	Fair Value through Profit & Loss	Total	Total
	£000	£000	£000	£000	£000
Interest expense	327	-	-	327	441
Interest payable and similar charges	**327**	**-**	**-**	**327**	**441**
Interest income	-	(71)	(278)	(349)	(428)
Dividend income	-	-	(1,038)	(1,038)	(1,123)
Gains from changes in fair value	-	-	105	105	-
Losses from changes in fair value	-	-	-	-	244
Interest and investment income	**-**	**(71)**	**(1,211)**	**(1,282)**	**(1,307)**
Net impact on surplus/deficit on provision of services	**327**	**(71)**	**(1,211)**	**(955)**	**(866)**
Impact on other comprehensive income	**-**	**-**	**-**	**-**	**-**
Net (gain)/loss for the year	**327**	**(71)**	**(1,211)**	**(955)**	**(866)**

Fair values of Assets and Liabilities

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

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025. The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

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

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

	Balance Sheet 31 March 2025 £000	Fair Value 31 March 2025 £000	Balance Sheet 31 March 2025 £000	Fair Value 31 March 2024 £000
Financial liabilities at amortised cost:				
Liabilities for which fair value is not disclosed	(21,397)	(17,867)	(21,397)	(17,867)
Total Financial Liabilities	**(21,397)**	**(17,867)**	**(21,397)**	**(17,867)**
Recorded on the balance sheet as:				
Short-term borrowing	(11,795)	(11,795)	(11,795)	(11,795)
Short-term creditors	(3,530)	(3,530)	(3,530)	(3,530)
Bank Overdraft	(6,072)	(6,072)	(6,072)	(6,072)
Total Financial Liabilities	**(21,397)**	**(21,397)**	**(21,397)**	**(21,397)**

	Fair value level	Balance Sheet 31 March 2025 £000	Fair Value 31 March 2025 £000	Balance Sheet 31 March 2025 £000	Fair Value 31 March 2024 £000
Financial assets held at fair value:					
Money Market Funds	1	2,010	2,010	2,010	2,010
Pooled Fund	1	19,017	19,017	19,017	19,017
Total		21,027	21,027	21,027	21,027
Assets for which fair value is not disclosed		12,464	12,464	12,464	12,464
Total financial assets		**33,491**	**33,491**	**33,491**	**33,491**
Recorded on the balance sheet as:					
Long-term investments		19,017	19,017	19,017	19,017
Long-term debtors		2,322	2,322	2,322	2,322
Short-term investments		23	23	23	23
Short-term debtors		10,105	10,105	10,105	10,105
Cash and Cash equivalents		2,024	2,024	2,024	2,024
Total Financial Assets		**33,491**	**33,491**	**33,491**	**33,491**

40. Nature and Extent of Risks Arising From Financial Instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

To comply with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year which sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage those risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with Central Government's Investment Guidance to Local Authorities. The guidance defines a prudent investment policy as having the two objectives of security (protecting the capital sum from loss) and then liquidity (keeping adequate funds readily available for expenditure when needed). The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

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

- credit risk - the possibility that other parties might fail to pay amounts due to the Council
- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments
- market risk - the possibility that unplanned financial loss might arise for the Council as a result of changes in such measures as interest rates, market process etc.

Credit Risk - Treasury Investments

The Council manages this risk by ensuring that investments are placed with counterparties which have a high credit rating and for the maximum periods and amounts set out in the Treasury Management Strategy.

The security and liquidity of the funds invested are the primary objective of the Council's treasury management activities. The Council selects countries and the institutions within them as suitable counterparties for investment after analysis and careful monitoring of credit ratings and a range of economic indicators and financial information are taken into account.

The table below shows the credit criteria exposures of the Council's investment portfolio by credit rating.

Financial Instruments – Balances by credit risk:

Credit Rating	Long Term 31 March 2025 £000	Short Term 31 March 2025 £000	Long Term 31 March 2024 £000	Short Term 31 March 2024 £000
AAA	-	5,317	-	2,010
AA+	-	-	-	-
AA	-	-	-	-
AA-	-	-	-	-
A+	-	-	-	-
A	-	-	-	-
A-	-	-	-	-
Unrated	-	-	-	-
Total	**-**	**5,317**	**-**	**2,010**
Credit Risk not applicable	**20,000**	**-**	**20,000**	**-**
Total Investments	**20,000**	**5,317**	**20,000**	**2,010**

Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

The Council has no historical experience of counterparty default, and the Council does not anticipate any losses from default in relation to any of its current investments. No credit limits were exceeded in the financial year.

None of the above were identified as past due during the year.

Loss allowances on treasury investments have been calculated by reference to historic default data. A delay in cash flows is assumed to arise in the event of a default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit impaired when awarded a “D” credit rating or equivalent. At 31 March 2025, £0 (2024: £0) of loss allowances related to treasury investments.

Credit Risk – Loans

The Council’s has an exposure to credit risk through a loan to a housing association. This is collateralised by charges secured on residential property which are owned by the housing association. The value of the collateral is greater than 110% of the carrying value of the loan. The Council assessed the credit quality of the housing association prior to advancing the loan and it was satisfactory. The Council managed the credit risk inherent in its loans for service purposes in line with its published Investment Strategy.

Loss allowances on loans for service purposes have been calculated by reference to indicative interest rates adjusted for current economic conditions. They are determined to have suffered a significant increase in credit risk where the counterparty has dropped by two or more rating notches, and the new rating is below investment grade. They are determined to be credit impaired when receiving a “D” indicative rating.

Financial Instruments – Loans:

Loan No.	Description	Exposure Type	Balance Sheet 31 March 2025 £000	Risk Exposure 31 March 2025 £000	Balance Sheet 31 March 2024 £000	Risk Exposure 31 March 2024 £000
LN0001	Broadland Housing Association	Loan at market rates	1,625	1,624	1,750	1,750
LN0002-4	Home for Wells	Loan at market rates	239	239	254	254
			2,004	**2,004**	**2,004**	**2,004**

Credit Risk - Receivables

In addition to treasury investments, the Council is exposed to credit risk from its customers. However, the Council has put in place appropriate debt recovery procedures to manage this risk and minimise any loss.

The age analysis of trade receivables which are past due date but are not impaired is shown below.

	31 March 2025 £000	31 March 2024 £000
Less than three months	13	159
Three months to one year	44	136
More than one year	57	47
	114	**342**

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies.

There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council does not currently have any long-term debt and therefore does not have any maturing liabilities for which funds would be required.

Time to Maturity Years	Liabilities 31 March 2025	Assets 31 March 2025	Net Assets 31 March 2025	Liabilities 31 March 2024	Assets 31 March 2024	Net Assets 31 March 2024
	£000	£000	£000	£000	£000	£000
Less than 10 years	(3,451)	5,317	1,886	(6,181)	2,010	(4,171)
Over 10 years	-	51	51	-	109	109
No fixed maturity	-	19,819	19,819	-	19,016	19,016
	(3,451)	**25,187**	**21,736**	**(6,181)**	**21,135**	**14,954**

Market risk

Interest rate risk

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

- Investments at variable rates – the interest income will rise.
- Investments at fixed rates – the fair value of the assets will fall.
- Borrowings at fixed rates – the fair value of the liabilities will fall
- Borrowings at variable rates – the interest expense will rise.

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

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. The money markets and interest rate forecasts are monitored to adjust exposures to fixed and variable rates appropriately. For example, during periods of falling interest rates fixed rate investments may be made for longer periods to secure better returns.

If interest rates had been 1% higher (with all other variables held constant) the financial effect would be £272k (£317k in 2023-24).

Price risk

The market prices of the Council's bond investments and its units in pooled funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk. The Council invests in funds with underlying assets in property, equity and bonds. A 1% rise in interest rise will reduce the fair value of pooled funds that invest in bonds by £137k; a 5% fall in the price of equity would result in a £273k fall in fair value and a 5% fall in the price of property would result in a £401k fall. These changes would result in a charge to Profit and Loss but would currently be reversed out to the Pooled Fund Adjustment Account due to the Statutory Override in place. This is a time limited adjustment.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and therefore there is no exposure to loss arising from movements in exchange rates.

41. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (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 carrying out its assessment that this basis is appropriate, made for the going concern period to 31st July 2026 management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

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

Date	General Fund	Earmarked reserves
31/03/25	£2.84m	£14.04m

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing (other than to support the capital programme or for short periods for cashflow purposes which are both consistent with our plans and normal practice).

The key assumptions within this forecast included;

- Assumptions around spending levels for both revenue and capital purposes;
- Assumptions around internally and locally driven income levels, such as car parking, planning fees and investment returns;
- A council tax increase of £4.95 for a Band D property for both the financial years 2023/24 and 2024/25 and council tax income included at the level calculated for the budget for each year.
- Business Rates income included at the level determined in the NNDR1 for both years.
- All known grant income included at the level notified to the Council.

The final Financial Settlement figures for 2025/26 were announced in good time to include in the final Budget reports to full Council each year. So all central government funding figures are now known.

Financial risk management is also routinely considered which is documented within the 2025/26 Cabinet budget papers_for the Cabinet meeting on 3 February 2025.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances for the Council and its subsidiaries throughout the going concern period, and no expectation of any additional external borrowing to fund day to day operations.

Additionally, the general reserves are projected to remain above the minimum level of £2.1 million required in the short-term.

On this basis, the Council is satisfied that it can continue to operate without any financial difficulties, and it has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period will be able to maintain the provision of its services. For this reason, alongside the statutory guidance, the Council continues to adopt the going concern basis in preparing these financial statements.

Collection Fund

	Notes	2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000	2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000
Opening Balance (Surplus)/Deficit		**(2,105)**	**8,991**	**6,886**	**(840)**	**8,667**	**7,827**
Income:							
Council Tax	**4 & 5**	(94,715)	-	(94,715)	(89,079)	-	(89,079)
Business Rates	**2**	-	(26,453)	(26,453)	-	(27,076)	(27,076)
Contributions to Previous Year Estimated Deficit:							
- North Norfolk District Council		-	(2,389)	(2,389)	-	(123)	(123)
- Norfolk County Council		-	(1,912)	(1,912)	-	(31)	(31)
- Central Government		-	(478)	(478)	-	(154)	(154)
- Norfolk Police and Crime Commissioner		-	-	-	-	-	-
Total Income		**(94,715)**	**(31,232)**	**(125,947)**	**(89,079)**	**(27,384)**	**(116,463)**
Expenditure							
Precepts and Demands:	**3**						
- North Norfolk District Council		10,125	-	10,125	9,598	-	9,598
- Norfolk County Council		69,396	-	69,396	65,435	-	65,435
- Norfolk Police and Crime Commissioner		13,110	-	13,110	12,446	-	12,446
Proportionate Shares:							
- North Norfolk District Council		-	10,241	10,241	-	10,391	10,391
- Norfolk County Council		-	2,560	2,560	-	2,597	2,597
- Central Government		-	12,802	12,802	-	12,989	12,989
Disregarded Amounts:							
- Designated Area Growth		-	399	399	-	-	-
- Enterprise Zone Growth		-	-	-	-	345	345
- Renewable Energy		-	1,658	1,658	-	1,259	1,259
Distribution of Prior Year Estimated Surplus:	**3**						
- North Norfolk District Council		108	-	108	16	-	16

- Norfolk County Council		739	-	739	73	-	73
- Central Government		141	-	141	-	-	-
- Norfolk Police and Crime Commissioner		-	-	-	21	-	21
Change in allowance for impairment	7	340	(107)	233	225	(54)	171
Allowance for cost of collection		-	275	275	-	278	278
Appeals Charge to Collection Fund		-	(1,293)	(1,293)	-	(326)	(326)
Change in Provision for appeals		-	1,267	1,267	-	229	229
Total Expenditure		**93,959**	**27,802**	**121,761**	**87,814**	**27,708**	**115,522**
Movement in Collection Fund Balance		**(756)**	**(3,430)**	**(4,186)**	**(1,265)**	**324**	**(941)**
Closing (Surplus)/Deficit	6	**(2,861)**	**5,561**	**2,700**	**(2,105)**	**8,991**	**6,886**

1. General

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the Billing Authority in relation to the collection from taxpayers of Council tax and National Non-Domestic Rates (NNDR) and its distribution to Local Government bodies and Central Government. The Collection Fund is consolidated with the other accounts of the billing authority for Balance Sheet purposes.

2. Income from Business Ratepayers

The Council collects NNDR from ratepayers based on local rateable values provided by the Valuation Office Agency, multiplied by a uniform Business Rate in the £ set nationally by Central Government. The total rateable value for the District was £90,859,629 on 31 March 2025 (£90,911,468 on 31 March 2024). The national multipliers for 2024/25 were 49.9p for qualifying Small Businesses (49.9p in 2023/24), and the standard multiplier was set at 54.6p for all other businesses (51.2p in 2023/24).

The net income from Business Rate payers was £25.131m (£24.105m in 2023/24) after £1.36m of transitional protection payments due from Central Government (£2.972m in 2023/24). The transitional protection scheme provided protection to ratepayers from large changes in their bills following revaluations of their business by phasing in changes gradually. This meant that a billing authority collected more or less rates than would otherwise be the case, and Government Regulations make provision for adjusting payments to be made to or from billing authorities.

3. Precepts and Demands

	Precept/ Demand 2024/25 £000	Collection fund Surplus 2024/25 £000	Net Payment 2024/25 £000	Precept/ Demand 2023/24 £000	Collection fund Surplus 2023/24 £000	Net Payment 2023/24 £000
North Norfolk District Council	10,125	108	10,233	9,597	16	9,613
Norfolk County Council	69,395	739	70,134	65,435	73	65,508
Norfolk Police & Crime Commissioner	13,110	141	13,251	12,446	21	12,467
	92,631	**988**	**93,618**	**87,478**	**110**	**87,588**

4. The Council Tax Base for 2024/25

Therefore each £1 of Council Tax set was calculated to produce income of £41,501 (£41,356 in 2023/24).

Valuation Band	Number of Chargeable Dwellings Adjusted for Discounts		Equivalent Number of Band D dwellings		Equivalent Number of Band D Dwellings adjusted for Non-Collection allowance	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
A	5,404	5,371	5,388	5,298	5,291	5,156
B	8,804	8,793	8,873	8,837	8,714	8,638
C	9,007	9,018	9,077	9,083	8,914	8,870
D	8,096	8,095	8,151	8,171	8,004	7,977
E	5,627	5,593	5,682	5,646	5,580	5,486
F	3,265	3,236	3,283	3,271	3,224	3,165
G	1,651	1,636	1,658	1,660	1,628	1,599
H	146	144	149	148	146	140
Total Tax Base	**42,000**	**41,885**	**42,262**	**42,114**	**41,501**	**41,031**

5. Band D Tax Rate

For 2023/24, the Council set a Council tax rate of £2,231.98 for a band D dwelling (£2,129.18 in 2023/24). This consisted of; £1,672.11 (£1,592.64 in 2023/24) for Norfolk County Council, £315.90 (£302.94 in 2023/24) for the Office of the Police & Crime Commissioner for Norfolk and £168.57 (£163.62 in 2023/24) for the District's requirements as the District Council Tax was frozen. The average amount of Parish Council Tax was £75.40

(£69.98 in 2023/24). The actual sums for Parish Council ranged from £nil to £159.32 (£nil to £149.45 in 2023/24) were charged for parish and town council requirements.

The calculation of the District's Council tax is made by dividing its demand on the Collection Fund by the equivalent number of Band D dwellings in the area (the Tax Base). An adjustment is made to the Tax Base to take into account the anticipated non-collection of amounts due.

Discounts are given for empty and other properties, in respect of students, disabled people, single occupiers and those in receipt of support under the Local Council Tax Support Scheme. Since 2004/05 the Council has implemented the provisions of the Local Government Act 2003 and exercised its discretionary powers to reduce or eliminate discounts on certain empty properties and second homes. Further reforms in the Local Government Finance Act 2012 gave the Council new flexibilities to vary Council tax on second homes and empty dwellings, and to apply a premium on empty properties.

6. Balances

The total balance is attributed as follows:

	31 March 2025			31 March 2024		
	Council Tax £000	Business Rates £000	Total £000	Council Tax £000	Business Rates £000	Total £000
North Norfolk District Council	*(198)*	419	221	(151)	2,891	2,740
Norfolk County Council	(1,715)	132	(1,583)	(642)	883	241
Norfolk Police & Crime Commissioner	(323)	-	(323)	(120)	-	(120)
Central Government	-	1,393	1,393	-	3,466	3,466
	(2,236)	**1,944**	**(292)**	**(913)**	**7,240**	**6,327**

7. Bad Debt Provision

The Collection Fund account provides for bad debts on arrears based on historical experience of non-payment and the age of debt.

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Glossary of Terms

Accruals
The accounting treatment that requires expenditure and income to be recognised in the period it is incurred or earned, not when the money is actually paid or received.

Amortisation
The process of spreading a cost to revenue over a number of years. For example Intangible Assets are amortised to revenue over their useful life.

Bad Debts
Amounts owed to the Council which are considered unlikely to be recovered. An allowance is made in the accounts for this possibility.

Balance Sheet
The Council's financial position at the year end. It summarises what the respective assets and liabilities are.

Business Rates
Business or National Non-Domestic Rates are collected from occupiers of business properties based upon a rateable value and a nationally set rate. They are collected by each authority and nationally determined proportionate shares are paid to the Government and Norfolk County Council with a share retained by the authority.

Capital Adjustment Account
An account which reflects the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them. The balance represents the balance of capital resources set aside to finance capital expenditure (e.g. capital receipts, revenue contributions) awaiting consumption of resources e.g. from depreciation and impairment.

Capital Expenditure
Spending on the purchase or enhancement of significant assets which have an expected life of over a year - for example major improvements to the Council’s housing or construction of a car park.

Capital Financing Requirement (CFR)
The Capital Financing Requirement represents the Council’s underlying need to borrow for capital purposes.

Capital Receipts
Money received from the sale of assets. This can be used to finance capital expenditure or repay debt.

Collection Fund
The account which contains all the transactions relating to community charge, council tax and business rates together with the payments to this Council, Norfolk County Council and Norfolk Police Authority to meet their requirements.

Contingent Assets
A Contingent Assets is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Council's control.

Corporate and Democratic Core
Costs relating to the Council's status as a multi-functional, democratic organisation.

Contingent Liabilities
A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

Deferred Capital Receipts
Representing the amounts that are not available as cash. They arise from Council house sales on mortgage to the Council, and where repayments of principal sums due are received over a number of years.

Depreciation
A measure of the financial effect of wearing out, consumption or other reduction in the useful life of a fixed asset.

Earmarked Reserve
Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

Financial Instruments
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities. Examples of financial assets include bank deposits, equity instrument of another entity, e.g. shares, contractual right to receive cash or another financial asset from another entity, such as a trade receivable. Financial liabilities include for example, contractual obligations to deliver cash or another financial asset.

Fixed Assets
Representing, as fixed assets, the value of what the Council owns in terms of property, land etc. and what is owed to the Council in respect of debt.

General Fund
The account which summarises the revenue costs of providing services, which are met by the Council's demand on the Collection Fund.

Impairment
Reduction in the value of a fixed asset below its amount included in the Balance Sheet.

Infrastructure
A classification of fixed assets which have no market value and which exist primarily to facilitate transportation and communication requirements (e.g. roads, street lighting).

Intangible Assets
Intangible Assets are non-financial fixed assets that do not have a physical substance and include for example software licences.

International Accounting Standard 19 (IAS 19)
The requirement for Local Authorities to include the forecast cost of future pensions in the accounts on a notional basis.

International Financial Reporting Standards (IFRS)
A set of international accounting standards stating how particular types of transactions and other events should be reported in Financial Statements. IFRS are issued by the International Accounting Standards Board.

Large Scale Voluntary Transfer (LSVT)
The process of transferring Council House stock from a local Council to a Registered Social Landlord. North Norfolk District Council transferred its housing stock to North Norfolk Housing Trust in February 2006.

Leasing
A method of acquiring items such as vehicles and computer equipment by payment of a lease charge over a period of years. There are two types of lease.

A finance lease is where the Council effectively pays for the cost of an asset (it counts as Capital expenditure for control purposes and is included on our Balance Sheet). A primary lease period is that period for which the lease is originally taken out and a secondary period relates to any extension.

An operating lease (a long-term hire) is subject to strict criteria and the cost can be charged as a running expense. The item leased must be worth at least 10% of its original value at the end of the lease and does not appear on the Balance Sheet.

Liabilities
This shows what the Council owes for borrowing, payables etc. at the Balance Sheet date.

Minimum Revenue Provision
The minimum amount which must be charged to the revenue account each year and set aside as a provision to meet the rest of credit liabilities for example borrowing

National Non-Domestic Rate (NNDR)
NNDR is set by the Government and collected by each authority and nationally determined proportionate shares are paid to the Government and Norfolk County Council with a share retained by the Council.

Non Distributed Costs
The cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable on non-operational properties.

Payables
Amounts which the Council owes to others for goods and services received before the year end of 31 March but which were not paid until after 1 April.

Precepts
The amount which the Norfolk County Council and Norfolk Police Authority require us to collect, as part of the Council tax, to pay for their services is called a precept. Town and Parish Councils also precept on the District Council to pay for their expenses.

Provisions
An amount set aside for potential liabilities which may arise or will be incurred, where there is uncertainty as to the amounts concerned or the dates on which these liabilities may arise.

Prudential Code
Professional code of practice developed by CIPFA which came into effect from the 1 April 2004 to ensure Local Authorities Capital investment plans are affordable, prudent and sustainable. 'The code allows authorities to undertake borrowing to finance capital expenditure as long as they can demonstrate affordability.'

Receivables
Sums which at the 31 March are owing to the Council.

Reserves
Accumulated balances built up from excess of income over expenditure or sums that have been specifically identified for a particular purpose which are known as earmarked reserves.

Revaluation Reserve
Net unrealised gains from the revaluation of fixed assets recognised in the balance sheet. Introduced in the 2007 SORP from 1 April 2007.

Revenue Contribution to Capital (or Direct Revenue Financing)
Use of revenue resources to finance capital expenditure.

Revenue Expenditure
The day to day running expenses on the services provided.
Revenue Expenditure Funded from Capital Under Statute
Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a fixed asset has been charged as expenditure to the relevant service revenue account in the year.

Revenue Income
Amounts receivable for such items as rents and charges for services and facilities.

Revenue Support Grant (RSG)
Grant paid by central government to aid Local Council services in general as opposed to specific grants which may only be used for a specific purpose.

Soft Loans
Loans which are made at less than market rates or interest free. A Council will sometimes make soft loans to achieve a policy or service objective. For example an interest free loan to a voluntary organisation to provide upfront funding or car loans to employees.

Support Services
Activities of a professional, technical and administrative nature which are not Local Authority services in their own right, but support main front-line services.

Temporary Loan
Money borrowed on a short-term basis as part of the overall borrowing strategy.

VAT Shelter
A procedure agreed by the MHCLG and HM Revenues and Customs to ensure that following a housing stock transfer there is no impact on taxation. Had the Council retained the housing stock and carried out the necessary works on the properties the VAT would have been reclaimed by the Council, however the Housing Trust are unable to recover the VAT and the VAT shelter arrangement allows the VAT to be recovered and shared between the Council and Victory Housing Trust.

Glossary of Acronyms

CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
IAS	International Accounting Standards
ICT	Information Communication Technology
IFRS	International Financial Reporting Standard
LSVT	Large Scale Voluntary Transfer
MRP	Minimum Revenue Provision
NNDC	North Norfolk District Council
REFCUS	Revenue Expenditure Funded from Capital Under Statute
RSG	Revenue Support Grant
SERCOP	Service Reporting Code of Practice
SORP	Statement of Recommended Practice
TIC	Tourist Information Centre
UK GAAP	United Kingdom - Generally Accepted Accounting Principles