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Royal Borough of Windsor & Maidenhead

Royal Borough of Windsor & Maidenhead 2025-26 Financial Statements

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Narrative Statement

Statement of the Executive Director of Resources

Our vision places people and communities at the heart of everything we do—whether that is delivering essential services, supporting our most vulnerable residents, fostering economic growth, or creating opportunities for young people across the borough. Strong and effective financial management is fundamental to achieving this vision and underpins all council activities.

These financial statements set out the council's performance over the past year. The council delivered within its budget for 2025/26 and has strengthened its financial resilience through the rebuilding of essential reserves. However, the overall financial position remains extremely challenging. The existing funding gap has been further impacted by the introduction of Fair Funding 2.0, which resulted in a significant redistribution of grant funding away from the council. Consequently, the medium-term financial plan indicates an ongoing reliance on Exceptional Financial Support (EFS) in future years.

Despite these pressures, the council remains committed to its ambitious programme of savings and service transformation. We continue to focus on delivering high-quality services that matter most to residents, while reshaping how those services are designed and provided. The Finance team plays a critical role in enabling this transformation, supported by a comprehensive finance service transformation programme that has now entered its second year. Progress is already evident in the improved outturn position for 2025/26, though further work remains, and we are fully committed to delivering it.

These financial statements form an important part of our commitment to transparency and accountability, ensuring residents and stakeholders are informed about how public funds are managed and used.

Rachel Howard, BA (Hons), CPFA
Executive Director of Resources (Section 151 Officer)

Our borough

The Royal Borough of Windsor and Maidenhead covers an area of 76.6 square miles. Located in the heart of the Thames Valley, the borough is rich in areas of natural beauty and green space. The River Thames flows through the borough for 25 miles, forming a significant landscape feature and wildlife corridor. Distinct towns and villages, each with their own identity and character but all related by an attractive countryside, create a high-quality environment in which to live, work and visit. Our unique and long association with the Crown has also gifted the borough with a rich portfolio of heritage assets, attractions, and world-class events.

Situated less than 30 miles west of Central London, and close to Heathrow Airport, the borough is on the M4 corridor and is served by rail services including the Elizabeth Line. Our location is a key factor in attracting businesses to invest in the borough, and we are part of a dynamic regional economy. The borough is home to an impressive range of local, national, and international businesses and our residents are able to take advantage of employment opportunities across the Thames Valley region and in the capital.

What we do

The council delivers essential services to the community every day. Services range from those that we are required to carry out by law (statutory duties) such as street cleaning, waste collection, planning and building control, education, and social care, through to discretionary services, such as sport and leisure, tailored to local priorities and needs.

Children's services are managed on our behalf by Achieving for Children (AFC). Optalis continues to be a significant provider of care for the council following the insourcing of care management and adults commissioning in 2024/25. This has re-established a clear distinction between commissioner and provider of such services. Optalis continues to be a significant provider of care services to the council.

Everything we do has to be provided in the context of reduced central funding to local government and increasing demand on service areas as the population grows and ages. Outside of London the council has one of the lowest levels of Council Tax in England for a unitary authority. This presents challenges to service provision which are considered later in this section.

Council Plan (2024-2028)

The plan, initially adopted by the council in April 2024, has an overall vision to achieve "A borough of safer, greener and cleaner communities, with opportunity for all".

In order to ensure that the plan remains relevant and reflects borough priorities, it is refreshed on an annual basis. In April 2026, the council adopted the refreshed version of the Council Plan for 2026-2028, after reviewing the previous year's progress towards the plan's aims and priorities and any changes in the economic, environmental and social context. It maintains the initial five strategic aims:

- Put the council on a strong financial footing to increase resilience and serve the borough effectively.
- A cleaner, greener, safer and more prosperous borough.
- Children and young people have a great start in life and opportunities through to adulthood.
- People live healthy and independent lives in supportive communities.
- A high-performing council that delivers for the borough.

The refreshed plan maintains the focus on achieving financial stability, whilst delivering the priorities shaped through engagement with residents (including young people), council colleagues, councillors, parishes, voluntary and community sector partners.

Performance

The Council Plan 2025–26 demonstrates solid overall performance at year end.

Of the 81 indicators, 69 are target-based. 36 (54%) have achieved or exceeded targets (green), 14 (21%) are just below target (amber), and 17 (25%) are below target (red). The are two further indicators where outturn data is not yet available.

Figure 1: 2025/26 key performance indicators by status

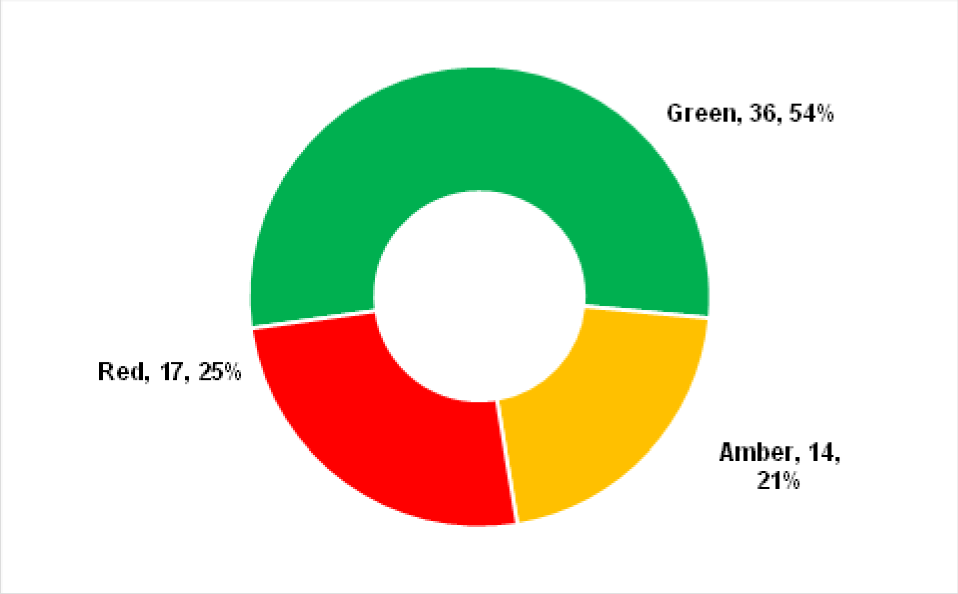
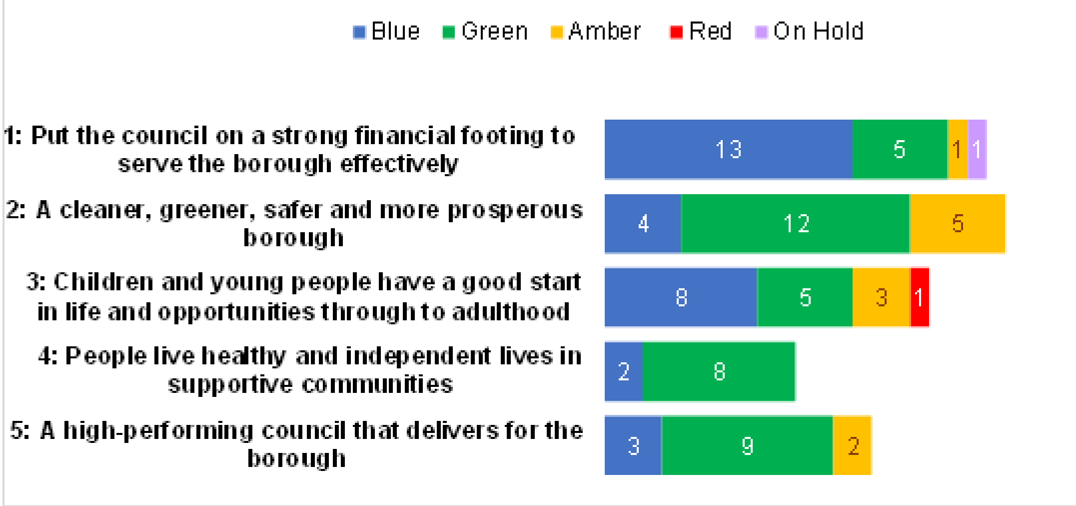


Figure 2: 2025/26 Council Plan deliverables by status



Delivery of the Council Plan remains strong. A high majority (85%) of deliverables were either completed or on track, including 37% completed (blue) and 48% progressing as planned (green). A small proportion (13%) were at low to medium risk of not being delivered (amber), 1% at high risk of not being delivered (red) and 1% on hold.

Overall performance was broadly stable, with positive outcomes across key services. Admissions to adult social care remained below target, reflecting effective prevention and community-based support, alongside improved workforce stability reducing reliance on agency staff. The Joint Health and Wellbeing Strategy was approved, positioning the council strongly for preventative health outcomes.

Financial resilience and governance continued to improve, with a significant amount of aged debt recovered, a finance transformation programme established, and improvements to budget setting, financial planning, contract management processes and contract register accuracy.

Children's services continued to improve outcomes, with lower referral rates, strengthened kinship and permanence arrangements, and delivery of key programmes including a new case management system and in borough residential provision (notably, a new children's home opened), increasing local placement capacity. Workforce stability also improved, with more permanent social worker posts and reduced use of agency staff.

In housing, the number of households in temporary accommodation has reduced, reflecting increased supply of social housing. Place services continued to perform strongly, with planning application processing consistently on target, environmental services meeting timescales for graffiti and fly-tipping removal and grass cutting, and leisure attendances significantly exceeding targets. As well as the near completion of the decarbonisation at Windsor Leisure Centre with over £5m of external funding represents a further key achievement.

Risks

Risk is a normal part of business. The understanding and management of risks is an integral part of the corporate governance framework. The council's strategic risk register identifies the following highest priority risks:

- The financial sustainability of the council, particularly given the reductions in funding indicated in the government's Fair Funding Review 2.0.
- The current deficit on the Dedicated Schools Grant budget, which is held separate to the council's General Fund. This statutory override is due to end in March 2028 and government have commited to fund 90% of the accumulated deficit at 31 March 2026, subject to the successful adoption of a SEND reform plan. However, there has been no indication of how the deficit that will continue to accumulate between March 2026 and March 2028 will be met.
- Workforce recruitment and retention, particularly in areas such as planning and finance.
- Housing shortages and the increasing demand from homeless households, and the impact this can have on care leavers and key workers.
- The Royal County of Berkshire Pension Fund deficit, which places a continuing pressure for the medium term on the council's budget. This deficit is reflected on the council's balance sheet as a negative reserve, in line with local government accounting conventions.
- Growth in demand for social care and an increasing complexity of this care, both in older and younger people.

The current geo-political situation presents potential new risks not currently recorded on the register. If the current increase in inflation proves to be more than a short-term issue, this could adversely impact on the council's finances.

Climate matters

The council declared an environmental and climate emergency in June 2019 and the council's first Environment and Climate Strategy 2020-2025 was approved in December 2020. The council has developed a refreshed Environment and Climate Strategy, to cover the next period of 2026-2035. The strategy sets out the approach to tackling the climate and environment emergency and supporting the councils' vision of a cleaner, greener, safer and prosperous borough – a key strategic priority within our Council Plan.

Governance

Further information on council governance can be found in the Annual Governance Statement.

The financial context and outlook

Local government finances at a national level are under severe pressure. In 2025/26, 30 councils required EFS to balance their budgets. This support usually takes the form of a capitalisation directive, allowing councils to treat revenue spend as capital. The impact of this is that day-to-day operational costs above funding levels are being met through borrowing. This extra borrowing is spread over the next 20 years via a statutory charge called the Minimum Revenue Provision.

As reported last year, demands on services are outstripping the level of funding available. However, for 2026/27 onwards the level of future funding the council receives has also been significantly reduced. During the year the government finalised a review of local government financing and the distribution of government grants, a process called Fair Funding Review 2.0. The outcome for this was a reduction of funding of

£30million for the council over the coming three years (2026/27 to 2028/29).

The council commenced the 2025/26 financial year with agreement from government to apply a capitalisation directive of up to £41m to balance the in-year budget. This is in addition to the £62m already applied in prior years. The council was also allowed flexibility to increase council tax by 8.99% in 2025/26, 4% above the referendum limit of 4.99%. For 2026/27, the council has been allowed flexibility to increase council tax by 7.49% and a further capitalisation direction of £48.754m.

Meeting operational costs through borrowing is clearly not a sustainable solution. The 2026/27 budget included a refreshed Medium Term Financial Plan that considered the impact of Fair Funding Review 2.0. The headlines of this plan are set out in the table below and show that, without significant changes to funding, the costs of servicing debt relating to EFS is forecast to increase to over £30m by 2030/31.

Table 1: Medium Term Financial Plan

	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m
Expenditure	175.000	194.000	206.000	215.000	222.000
EFS Financing	10.000	12.000	17.000	24.000	32.000
Funding	(136.000)	(139.000)	(135.000)	(143.000)	(150.000)
Gap	**49.000**	**67.000**	**88.000**	**96.000**	**104.000**

Financial performance

The outturn for 2025/26 against budget is set out below. Cost pressures mainly related to the demand led services of social care and temporary accommodation. In both Adults and Children's Social Care, the council is finding increasing complexity of needs and the ability to access health funding are the main drivers of this pressure. For temporary accommodation (which is within the Place directorate), it is the increasing number of households combined with a limited supply of accommodation that is driving up costs. Both social care and temporary accommodation are national issues and pressures facing the local government sector more generally, rather than being specific to our borough.

Table 2: 2025/26 financial outturn

	Budget £m	Outturn £m	Over (under) spend £m
Adult Social Care & Health	58.415	59.252	0.837
Children's Services	44.609	46.883	2.275
Place	20.673	20.579	(0.094)
Resources	16.217	15.614	(0.603)
Chief Exec Department	1.340	1.252	(0.088)
Corporate and contingency	5.851	1.120	(4.732)
Total for services	147.105	144.7	(2.405)
Other budgets & funding	(111.693)	(112.367)	(0.674)
Total before EFS	35.412	32.333	(3.079)
EFS 2025/26	(35.412)	(34.162)	1.251
EFS: planned increase in general fund	(5.000)	(5.000)	0.00
(Surplus) / Deficit	**(5.000)**	**(6.829)**	**(1.828)**

Despite the pressures, the council has been able to contain spend with the budget envelope for 2025/26. As a result, the General Fund has been strengthened as planned to give the council increased resilience to unforeseen, short-term, shocks. Due to the strong performance against budget, £1.251m less EFS has been applied than anticipated.

Fixed Assets

Most of the council's fixed assets are operational properties, such as office accommodation, libraries, leisure centres and community centres. The council owns investment property worth £26.839m (£25.727m 2024/25 restated to £24.892m). For 2025/26 the council has commissioned a complete review of all asset values except those that are held at historic cost. These values are reflected in the balance sheet within these financial statements.

Borrowing
Net council borrowing at the end of the financial year was £210.470m (£223.709m in 2024/25).

In usual circumstances, the council is only allowed to borrow for capital purposes and cannot do so for day to day operational spend. The council only borrows when cashflow demands it and internally borrows wherever possible (internal borrowing refers to the early receipt of cash, for example government grants, being legitimately used to reduce the need to borrow).

The underlying need to borrow is expressed through the capital financing requirement which is £285.401m (£211.584m in 2024/25). The primary reason for the large increase in the Capital Financing Requirement is EFS, which is expanded on below. The capital financing requirement is used to calculate an annual charge to revenue for the cost of borrowing, which is called the Minimum Revenue Provision.

Financial Reserves
An analysis of reserves can be found in the notes to the financial statements, along with explanations of the purpose of each reserve. Reserves are split into usable and unusable reserves. Unusable reserves are those that cannot be used to fund services and are often created through specific accounting requirements.

Usable reserves are subdivided between the General Fund, earmarked reserves, school reserves and capital reserves. The council's General Fund stands at a surplus of £16.778m (£10.044m in 2024/25).

The Dedicated Schools Grant reserve has a deficit balance, statutory overrides allow overspends on school funding to be ringfenced and carried forward as a negative unusable reserve. This override is in place until March 2028. Currently the deficit on this reserve is £8.624m (£4.514m in 2024/25). As detailed above under risks, there is an indication that a large proportion of this deficit will be taken on by central government, mitigating the risk to the council. Further detail in other earmarked reserves is provided in the financial statements. See capital below for further information on capital reserves.

Capital
The capital programme has been reduced to essential and grant funded projects given the financial situation. Total capital spend in 2025/26 was £23.670m though most of this was grant funded (mainly schools related), leaving £3.794m council funded.

Capital reserves include £8.676m (£5.877m in 2024/25) of Community Infrastructure Levy, and £36.794m (£9.854m in 2024/25) of capital grants yet to be applied. The increase in capital grants is due to £25m grant from the Department of Health for the Ascot Health Hub. Capital receipts yet to be applied stands at £5.423m (£6.208m in 2024/25).

Exceptional Financial Support (EFS)
The Ministry of Housing, Communities and Local Government granted the council, along with 29 other councils, EFS in February 2025. A maximum amount of £41.000m related to 2025/26 but the actual amount applied was £39.162m. This appears as a credit to General Fund reserves in the Movement in Reserves Statement and an increase in the Capital Adjustment Account reserve. The impact of this us to increase the Capital Financing Requirement, which in turn increases the Minimum Revenue Charge in future years. It is perhaps simplest to think of Exceptional Financial Support as being allowed to borrow to fund day-to-day activities, something that is not allowed under the usual local government accounting framework. Advice to section 151 officers is that the facility to obtain EFS means that a section 114 notice is not required on the basis that after allowing for EFS, planned expenditure does not exceed available resources.

Significant commercial activities
The council does not have any significant commercial activities. The functions of the council-owned property company were reduced in 2024/25, with staff transferring back the council. It remains as a holding company for a small number of revenue generating assets.

Statement of Responsibilities

The Council’s Responsibilities

The council is required to prepare annual Financial Statements by the Accounts and Audit Regulations 2015 which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Financial Statements is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The council is also required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Executive Director of Resources and Section 151 Officer) has responsibility for the administration of those affairs.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- Approve the Financial Statements.

The responsibilities of the Executive Director of Resources

The Executive Director of Resources is responsible for the preparation of the Financial Statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (‘the Code’).

I was appointed Executive Director of Resources and Section 151 Officer on 8 September 2025.

I am satisfied, based on the available assurances provided, that sufficient evidence is available to support the overall balance sheet and the overall year-end position on the General Fund Balances and Reserves.

In preparing the 2025/26 statement of accounts, I have received assurances around:

- Selecting suitable accounting policies and then applied them consistently.
- Making judgements and estimates that were reasonable and Fprudent.
- Compliance with the Code.
- Keeping proper accounting records which were up to date.
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Assessing the council’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Using the going concern basis of accounting, on the assumption that the functions of the council and the Group will continue in operational existence for the foreseeable future.
- Maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Certification by the Section 151 officer

Within the context of the statement above, I therefore certify that to the best of my knowledge and belief so far as is possible in the circumstances, that this statement of accounts presents a true and fair view of the overall financial position of the council and the income and expenditure for the year ended 31March 2026.

Rachel Howard

Rachel Howard, BA (Hons), CPFA
Executive Director of Resources and Section 151 Officer
Date: 26th June 2026

Main Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation.

2024/25					2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
91,434	(36,015)	**55,419**	Adults & Health		90,719	(31,372)	**59,347**
1,042	(43)	**999**	Chief Executive		1,059	(11)	**1,048**
148,699	(111,638)	**37,061**	Children's Services		159,747	(113,929)	**45,818**
593	(27)	**566**	Contingency & Corporate		1,289	(168)	**1,121**
68,345	(39,505)	**28,840**	Place		77,403	(46,199)	**31,204**
43,727	(27,546)	**16,181**	Resources		36,978	(21,880)	**15,098**
353,840	**(214,774)**	**139,066**	**Total Cost of Services**		**367,195**	**(213,559)**	**153,636**
		49,194	Other Operating Expenditure	9			**37,506**
		11,288	Financing and Investment Income and Expenditure	10			**8,710**
		(131,331)	Taxation and Non- specific Grant Income	11			**(203,629)**
		68,217	**Deficit on Provision of Services**				**(3,777)**
			Other Comprehensive Income and Expenditure				
		(8,968)	Deficit/(Surplus) on revaluation of Property, Plant and Equipment				(114,216)
		(774)	Remeasurement of the net defined benefit liability/(asset)	36			(3,568)
		(9,742)	**Total Other Comprehensive Expenditure/ (Income)**				(117,784)
		58,475	**Total Comprehensive Expenditure/ (Income)**				**(121,561)**

Movement in Reserves Statement

This Statement shows the movement in the year in the different reserves held by the council, analysed into 'usable reserves', that is those that can be applied to fund expenditure or reduce local taxation, and other reserves.

2025/26	Total General Fund Reserves £000	Schools Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total council Reserves £000
Balance at 31 March 2025	(16,891)	(1,386)	(6,208)	(15,731)	(40,216)	(231,928)	(272,144)
Movement in Reserves during 2025/26							
Total Comprehensive Income and Expenditure	(3,777)				(3,777)	(117,784)	(121,561)
Adjustments between accounting basis and funding basis under regulations (note 9)	(13,087)	0	785	(29,700)	(42,003)	42,003	0
Net Increase/Decrease for year	(16,865)	0	785	(29,700)	(45,780)	(75,781)	(121,561)
Transfers to/from School Revenue Balances	(1,301)	1,301			0		0
(Increase)/Decrease in 2025/26	(1,301)	1,301	0	0	0	0	0
Balance at 31 March 2026	**(35,057)**	**(85)**	**(5,423)**	**(45,431)**	**(85,996)**	**(307,709)**	**(393,705)**

2024/25	Total General Fund Reserves £000	Schools Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total council Reserves £000
Balance at 31 March 2024	25,690	(2,547)	(10,041)	(22,770)	(9,668)	(320,951)	(330,620)
Movement in Reserves during 2024/25							
Total Comprehensive Income and Expenditure	68,217				68,217	(9,742)	58,745
Adjustments between accounting basis and funding basis under regulations (note 9)	(109,637)		3,833	7,039	(98,765)	98,765	0
Net Increase/Decrease for year	(41,420)	0	3,833	7,039	(30,548)	89,023	58,745
Transfers to/from School Revenue Balances	(1,161)	1,161			0		0
(Increase)/Decrease in 2024/25	(1,161)	1,161	0	0	0	0	0
Balance at 31 March 2025	**(16,892)**	**(1,386)**	**(6,208)**	**(15,731)**	**(40,216)**	**(231,928)**	**(272,144)**

Balance Sheet

The Balance Sheet shows the value, at the Balance Sheet date, of the assets and liabilities recognised by the council.

31 March 2025 original	31 March 2025 restated £000		Note	31 March 2026 £000
353,479	353,553	Property, Plant & Equipment	13	521,984
92,080	92,080	Infrastructure assets	13	96,846
573	5,038	Heritage Assets	14	4,680
25,727	24,892	Investment Property	15	26,839
2,606	2,606	Intangible Assets	16	2,223
3,396	6,201	Long-term Investments	10	6,201
6,080	6,080	Long-term Debtors	18	0
483,941	**490,450**	**Long-term Assets**		**658,773**
13,864	13,864	Short-term Investments	10	13,576
114,526	114,451	Assets held for sale	13	30,728
54,201	58,957	Short-term Debtors	18	65,124
20,807	20,807	Cash and Cash Equivalents	19	18,623
203,398	**208,079**	**Current Assets**		**128,051**
(63,207)	(63,207)	Short-term Borrowings	35	(96,281)
(62,031)	(62,856)	Short-term Creditors	20	(53,727)
(3,568)	(3,568)	Short-term Provisions	21	(5,527)
(128,806)	**(129,631)**	**Current Liabilities**		**(155,535)**
(162)	(162)	Long-term Creditors	20	(162)
(202,679)	(202,679)	Long-term Borrowing	10	(156,393)
(81,776)	(81,776)	Pension Liabilities	36	(65,225)
(12,137)	(12,137)	Grant Receipts in Advance		(15,804)
(296,754)	**(296,754)**	**Long-term Liabilities**		**(237,584)**
261,779	**272,144**	**Net Assets**		**393,705**
(40,216)	(40,216)	Usable Reserves	22	(85,996)
(221,563)	(231,928)	Unusable Reserves	23	(307,709)
(261,779)	**(272,144)**	**Total Reserves**		**(393,705)**

Certification by the Section 151 Officer

I certify that to the best of my knowledge and belief so far as is possible in the circumstances, that this statement of accounts presents a true and fair view of the overall financial position of the authority and the income and expenditure for the year ended 31 March 2026.

Rachel Howard

Rachel Howard, BA (Hons), CPFA
Executive Director of Resources and Section 151 Officer
Dated: 26th June 2026

Cashflow Statement

The Cashflow Statement shows the changes in cash and cash equivalents of the council during the reporting period.

31 March 2025 £000		Notes	31 March 2026 £000
(68,217)	Net (deficit)/ surplus on the provision of services		3,776
68,311	Adjustment to surplus or deficit on the provision of services for non-cash movements	24	125,517
(13,199)	Adjust for items included in the net surplus or deficit on the provision of services that are investment and financing activities	24	(49,796)
(13,105)	**Net Cash flows from Operating Activities**		**79,497**
(31,829)	Net Cash flows from Investing Activities	25	(68,469)
59,584	Net Cash flows from Financing Activities	26	(13,212)
14,650	**Net increase in cash and cash equivalents**		**(2,184)**
6,157	Cash and cash equivalents at the beginning of the period	16	20,807
20,807	**Cash and cash equivalents at the end of the reporting period**		**18,623**
	Net figure made up of:		
20,807	Cash and cash equivalents		18,623

Notes to the Financial Statements

Note 1 Accounting Policies

Accounting Policy (AP) 1. General Principles

The statement of accounts summarises the council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The council is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the statement of accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Statement of Accounts has been prepared on a going concern basis; this assumes that the council's functions and services will continue in operational existence for the foreseeable future.

AP 2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not 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 services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue (which includes Council Tax and National Non-Domestic Rates income) and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

AP 3. Cash and Cash Equivalents

- Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

AP 4. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the comprehensive income and expenditure statement (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the council's financial performance.

AP 5. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

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

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

AP 6. 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 property, plant & equipment's 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 property, plant & equipment attributable to the service.
- impairment losses or amortisations.

The council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue, known as MRP (Minimum Revenue Provision).

The MRP is a charge that councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme.

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g., buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through the annual MRP, which was previously determined under Regulation, and is now determined by Guidance.

The Local Government Act 2003 requires the council to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

AP 7. Employee Benefits

<u>7.1 Benefits Payable During Employment</u>

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and some non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the council.

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

year, being the period in which the employee takes the benefit.
The accrual is charged to surplus or deficit on the provision of services but then reversed out through the movement in reserves statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

7.2 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 (CIES) when the council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund (GF) 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 (MIRS), appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

7.3 Post-Employment Benefits

Employees of the council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Teachers' Pensions.
- The Local Government Pensions Scheme, administered for Berkshire by the council.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the balance sheet. The Corporate and contingency service line in the CIES is charged with the employer's contributions payable to Teachers' Pensions in the year.

7.4 The Local Government Pension Scheme

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

- The liabilities of the Royal County of Berkshire 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 set by the Actuary.
- The assets of the Berkshire pension fund attributable to the council are included in the balance sheet at their fair value:
    - quoted securities- current bid price.
    - unquoted securities - professional estimate
    - unitised securities - current bid price
    - property - market value

7.5 Accounting for Pensions

The change in the net pensions' liability is analysed into the following components:

- Service cost comprising:
    - Current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked.
    - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to

the Surplus or Deficit on the Provision of Services in the CIES as part of Non-distributable Costs.

- Net Interest on the defined liability (asset) – i.e., net interest expense for the council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the defined benefit liability (asset) – charged to the Pensions Reserve as other comprehensive income and expenditure.
- 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 – charged to the Pensions Reserve as other comprehensive income and expenditure.
- Contributions paid to the Royal County of Berkshire Pension Fund – cash paid as employer's contributions to the Fund in settlement of liabilities; not accounted for as an expense.

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

<u>7.6 Discretionary Benefits</u>

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

AP 8. 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.
- the statement of accounts is not adjusted to reflect such events for those that are indicative of conditions that arose after the reporting period. However, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

AP 9. Financial Instruments

<u>9.1 Financial Liabilities</u>

Financial liabilities are recognised on the balance sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the council has, this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Revaluation Reserve in the Movement in Reserves Statement.

9.2 Financial Assets

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

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

9.3 Financial Assets measured at amortised cost.

Financial assets are measured at amortised cost when the associated cashflows are solely payments of principal and interest and it is intended to hold the assets until maturity. These are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

9.4 Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets are measured at FVOCI when the associated cashflows are solely payments of principal and interest and it is intended to collect those cashflows and sell the asset. Any gains and losses that arise on such assets are credited or debited to the Other Comprehensive Income line in the Comprehensive Income and Expenditure Statement.

9.5 Financial Assets Measured at Fair Value through Profit or Loss

If a financial asset does not meet the criteria to be measured at amortised cost or FVOCI it will be measured at Fair Value through Profit or Loss. They are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

9.6 Expected Credit Loss Model

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

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

9.7 Fair Value Measurement

The council measures some of its financial instruments such as borrowings at fair value at each reporting date. Fair value is the price that would be received to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to transfer the liability takes place either:

- In the principal market for the liability, or
- In the absence of a principal market, in the most advantageous market for the liability.

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

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

The inputs to the valuation techniques in respect of 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 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 liability, either directly or indirectly
- Level 3 – unobservable inputs for the liability.

9.8 Investments

The CIPFA Code of Practice for Treasury Management in Local Authorities, which governs the way in which surplus cash is invested, has been adopted. The council's surplus cash is invested with other local authorities, approved banks and building societies, as authorised in the council's Treasury Management Strategy.

Investments that mature in no more than three months from the date of acquisition, and that are readily convertible to known amounts with insignificant risk of a change in value, are categorised as cash equivalents in the financial statements.

AP 10. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the council when there is reasonable assurance that:
- the council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income (non-ring-fenced revenue grants and all capital grants) in the CIES. Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the movement in reserves statement.

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

AP 11. Heritage Assets

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental, and historical associations.

Recognition and measurement

Assets have been valued at cost or insurance valuation if this information is readily available. Where neither is obtainable at a cost commensurate with the benefits of doing so the assets are not recognised on the Balance Sheet.
The council's museums are included and accounted for as operational assets within Property, Plant and Equipment.

AP 12. Intangible Assets

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

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the council's goods or services.
Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the council can be determined by reference to an active market. In practice, no intangible asset held by the council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired, any losses recognised are posted to the relevant service line(s) in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the CIES.

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 (CAA) and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve (CRR).

AP 13. Long-term Contracts

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods and services transferred to the service recipient during the financial year.

AP 14. Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, based on the price which would be received from the sale of the property in an orderly transaction between market participants at the measurement date. 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 line 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.

AP 15. Interests in Companies and Other Entities

The council has one wholly owned subsidiary and two joint ventures. The subsidiary is the Asset Holding Company Ltd. The first joint venture is Optalis Ltd, jointly owned by Wokingham Borough Council and council. The company provides adult social care services, the council joined the group in 2016/17.

The second joint venture is Achieving for Children (AfC), which is a community interest company (CIC) jointly owned with the London Borough of Richmond and The Royal Borough of Kingston Upon Thames. The company provides children's services. The company commenced trading on 1 April 2014 and council joined the group in August 2017.

The performance of the two joint venture companies, representing the council's ownership share are consolidated into the group accounts of the council using the equity method. The Asset Holding Company Ltd is classified as a subsidiary by the council but is not consolidated into the group accounts due to materiality, as their activities were reduced during 2025/26 with operations transferring back to the council.

The council records the name, business, shareholding, net assets and results of operations and other financial transactions of any related companies in note 39.

AP 16. Jointly Controlled Operations and Assets

Jointly controlled operations are activities undertaken by the council in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The council recognises on its balance sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the council and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The council accounts for only its share of the jointly controlled assets, the liabilities, and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

AP 17. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used, the full cost of overheads and support services are shared between users in proportion to the benefits received.

AP 18. 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.

The freehold and lease hold properties which comprise the council's portfolio are appraised and valued by professionally qualified valuers, who:

- Hold a recognised and relevant professional qualification.
- Have sufficient current local and national knowledge of the market, and
- Have the skills and understanding to undertake the valuations competently.

<u>Recognition</u>

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.

<u>Measurement</u>

Property Plant and Equipment is valued on the bases recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS).

Operational properties and other operational assets are carried in the Balance Sheet using the following measurement bases:

- Depreciated Replacement Cost (DRC) for specialised properties
- Open Market Value (OMV) for non-specialised properties.

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 does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the CIES, they are reversed out of the General Fund balance to the CAA in the movement in reserves statement.

Assets are then carried in the balance sheet using the following measurement bases:

- infrastructure, community assets (which do not have an indefinite life) and assets under construction - depreciated historical cost.
- Dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

The CIPFA code has been updated for 2025/26, requiring asset classes of other land and buildings, VPE and surplus assets to be revalued once every five years or on a five-year rolling basis, supported by indexation in intervening years. Alternatively, a desktop valuation in year three in cases where no index is available.

The council will be completing an on-site valuation of investment assets, other land and buildings, community assets, assets held for sale and surplus assets for 2025/26. Indexation or a desktop valuation as appropriate will be applied in future years in the intervening years before the next five year revaluation.

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

Assets included in the balance sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

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

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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 CAA.

Impairment

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

Where impairment losses are identified, they are accounted for in the following ways:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

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

Depreciation

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

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings (30 to 50 years)
- Vehicles, Plant, Furniture & Equipment (4 to 10 years)
- Infrastructure (1 to 40 years)

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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 CAA.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously loss recognised in the surplus or deficit on provision of services.

Depreciation is not charged on assets held for sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES 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 CAA.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the CRR and can then only be used for new capital investment or set aside to reduce the council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the movement in reserves statement.
The written-off value of disposals is not a charge against Council Tax, as the cost of property, plant & equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the CAA from the General Fund balance in the movement in reserves statement.

Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (for example, bridges), street lighting, street furniture (for example, illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

AP 19. Provisions, Contingent Liabilities and Contingent Assets Provisions

Provisions

- Provisions are made where an event has taken place on or before the balance sheet date: that gives the council a legal or constructive obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

For instance, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. If it is not clear whether an event has taken place on or before the balance sheet date, it is deemed to have given rise to a present obligation if taking account of all available evidence it is more likely than not.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

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

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

<u>Contingent Liabilities and assets</u>

A contingent liability and/or asset arises where an event has taken place that gives the council a possible obligation/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 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 and assets are not recognised in the balance sheet but disclosed in a note to the financial statements.

AP 20. Accounting for Council Tax and National Non-Domestic Rates (NNDR)

Council tax and Business Rates (NNDR) income included in the CIES is the accrued income for the year. However, regulations determine the amount of Council Tax and NNDR that must be included in the council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the council's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, allowances for doubtful debts and appeals, overpayments and prepayments, and arrears.

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

AP 21. Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring 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 in that year in the CIES. The reserve is then transferred back into the General Fund balance so that there is no net charge against Council Tax for the expenditure.
Certain reserves are kept for accounting entries for non-current assets, financial instruments, local taxation, retirement, and employee benefits and do not represent usable resources for the council, these reserves are explained in the relevant policies.

AP 22. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES 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 CAA then reverses out the amounts charged so that there is no impact on the level of Council Tax.

AP 23. Fair Value measurement for non-financial assets

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or liability

The council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

The council uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns.

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

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

AP 24. Accounting for Schools

The Code confirms that the balance of control for maintained schools lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the council's financial statements (and not the group accounts).

Therefore maintained schools' transactions, cash flows and balances are recognised in each of the financial statements of the council as if they were transactions, cash flows and balances of the council. Maintained school carry forward of surpluses and deficits are held as usable earmarked reserves in the financial statements and are committed to be spent on schools.

AP 25. VAT

Income and expenditure excludes any amounts of VAT, as all VAT collected is payable to HMRC and all VAT paid is recoverable from it.

AP 26. Leases

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

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

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

26.1 The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease inception. The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

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

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the assets estimated useful life (where ownership of the asset does not transfer to the council at the end of the lease period).

The council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

26.2 The Council as Lessor

Finance Leases

Where the council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal. 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, matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt.

Operating Leases

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained on the Balance Sheet. Rental Income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments e.g. there is a premium paid at the start of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as rental income.

Note 2 Accounting Standards Issued, not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) formalises the requirements for including information in the Statement of Accounts about IFRSs that have been issued but not yet adopted.

There are no substantial changes planned in the 2026/27 Code that should require detailed disclosure in this statement of accounts.

Note 3 Critical Judgements in Applying Accounting Policies

In applying accounting policies, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in this statement of accounts are:

Interest in companies and other entities

An assessment of all the council's interests has been carried out to determine whether a group relationship between the council and other entities exists. Depending on the council's ability to influence control, different accounting treatments are applied.

The council had interests in six companies at 31 March 2026. Details regarding these companies and their assessments are disclosed in the group financial statements and in disclosure note 39.

Schools' assets

The council makes a judgement as to whether to account for schools' assets as if they are owned (on balance sheet) or not owned (off balance sheet). This is an assessment based on the level of control and decision-making. The council has assessed that all maintained schools are included on the balance sheet, this is because the council benefits from the service provision within the building and the flow of economic benefits.

There are assets included in land and buildings within property, plant, and equipment figure on the balance sheet, also see disclosure note 13. Free schools and academy schools are not included on the balance sheet.

Property Plant and Equipment valuation uncertainty

The council makes use of professional external valuation experts to undertake revaluation of its investment and non-investment land and building assets, in compliance with arrangements for valuation set out in the CIPFA Accounting Code of Practice. These valuations are subject to uncertainty with regard to future economic conditions as well as operational and strategic factors within construction markets which have continued during 2025/26.

Note 4 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimates that are based upon assumptions made by the council regarding the future or events 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 full certainty, actual results could be materially different from the original assumptions and estimates.

The items in the council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Valuations of Property, Plant and Equipment	Land and Property asset valuations have been subject to ongoing market review and these effects may theoretically be variable between valuation methods and assumptions. For specialised assets valued using the Depreciated replacement Cost (DRC) method, a valuation impairment/increase may be relevant within the financial year to 31 March 2026. The council has appointed Wilks Head and Eve as its independent valuers for the financial year.	Property valuation will be based upon the RICS BCIS Cost guides and componentised valuations and based on Gross Value; this could impact for assets valued using the DRC methodology on a +/- 1% variation.
Pension Liability	Estimation of the net liability to pay pension costs falling due is driven by a series of complex accounting judgements, including the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, life expectancy assumptions and unexpected returns on Pension Fund assets. The council has engaged Barnett Waddingham as Actuary to provide expert advice regarding the assumptions to be applied.	The effects on the net pension liability of changes to individual assumptions can be measured. The sensitivity analysis from the Actuary is detailed in disclosure note 36.
National Non-Domestic Rates (NNDR) Appeals	The council has established a provision within the collection fund to manage the impact of successful appeals decreasing the net rates payable. The council increased the appeals provision during 2025/26, based upon the work of independent expert, Rates Plus Rating. The estimation took evidence from the local area and data and reports available from the Valuation Office Agency.	National Non-Domestic Rates form part of the Collection Fund. The income from the collection fund is collected on an agency basis with other preceptors which are Central Government and the Berkshire Fire and Rescue Service. The council's share of the provision and any fluctuations in rates income is 49%. For more details on the provisions made within the Collection Fund please refer to the Collection Fund statements and disclosure notes.

Note 5 Material Items of Income and Expense

A material item is an item of expenditure or income that is unusual in scale and non-recurring. For 2025/26, the items of this nature are listed below:

- As required by the CIPFA Code of Practice the council has previously undertaken the valuation of its non-current assets on the basis of a 5-year rolling programme. To resolve some previous year uncertainties and in recognition of the Code’s changes on valuation and indexation, the council has valued its full portfolio of non-current assets as at 31st March 2026. See disclosure note 10 for more details.
- The council was granted approval of Exceptional Financial Support from the Ministry of Housing, Communities and Local Government and this support is reflected in these financial statements. Further details are included on pages 6,7 and 9 of the Narrative Statement and in disclosure note 22.
- Some prior year comparator figures for 2024/25 have been restated and/or corrected throughout in the statements and disclosure notes, these do not change the overall reported financial position of the council. Where a correction or restatement has been made, an explanatory note has been added to the foot of the table by way of explanation.

Note 6 Events After the Reporting Period

Events after the reporting period are those that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue.

There are two types of events;

- Those that provide evidence of conditions at the end of the reporting period, which are adjusted in the accounts; and
- Those that relate to conditions after the reporting period, which are not adjusted in the accounts, and disclosed in the notes to the statements

Adjusting events

There are no material adjusting events that have occurred after the reporting period.

Non-adjusting events

There are no material non-adjusting events that have occurred after the reporting period.

Note 7 Expenditure and Funding Analysis

This analysis shows how annual expenditure is used and funded from resources (government grants, rents, Council Tax and NNDR) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates.

2025/26		Adjustments between the Funding and Accounting Basis				
	Net Expenditure in CIES	Capital	Pensions	Other Differences	Total Adjusts	Net Expenditure Chargeable to General Fund Balance
	£000	£000	£000	£000	£000	£000
Adults & Health	59,347	(1,106)	1,125	(80)	(61)	59,286
Chief executive	1,048	0	193	10	203	1,251
Children's Services	45,818	(3,856)	4,949	(4,228)	(3,135)	42,683
Corporate & Contingency	1,121	0	0	(1)	(1)	1,120
Place	31,204	(12,607)	2,008	(16)	(10,615)	20,589
Resources	15,098	(1,602)	2,181	32	611	15,709
Cost of Services	**153,636**	(19,171)	**10,456**	(4,283)	(12,998)	140,638
Other income and expenditure	(157,413)	(7,840)	2,527	5,223	(90)	(157,503)
(Surplus) or Deficit	**(3,776)**	(27,011)	**12,983**	940	(13,088)	(16,865)
Opening General Fund Balances (Includes Earmarked Reserves)	**(18,277)**					
Plus Surplus/(Deficit) on General Fund in Year	(16,865)					
Closing General Fund Balances	(35,142)					

2024/25	Net Expenditure in CIES (Restated)	Adjustments between the Funding and Accounting Basis Capital	Pensions	Other Differences	Total Adjusts	Net Expenditure Chargeable to General Fund Balance
	£000	£000	£000	£000	£000	£000
Adults, Commissioning & Health	55,419	(1,736)	518	21	(1,197)	54,222
Chief Executive	999	(1)	122	(5)	116	1,115
Children's Services	37,061	(2,979)	5,893	(3,084)	**(170)**	36,891
Contingency & Corporate	566	0	0	0	0	566
Place	28,840	(10,219)	1,692	52	(8,475)	20,365
Resources	16,181	(1,086)	2,091	81	1,086	17,267
Cost of Services	**139,066**	**(16,021)**	**10,315**	**(2,934)**	**(8,640)**	**130,426**
Other income and expenditure	(70,849)	(92,515)	(3,495)	(4,986)	(100,996)	(171,845)
(Surplus) or Deficit	**68,217**	**(108,536)**	**6,820**	**(7,920)**	**(109,636)**	**(41,419)**
Opening General Fund Balances (Includes Earmarked Reserves)	**23,141**					
Plus Surplus/(Deficit) on General Fund in Year	(41,419)					
Closing General Fund Balances	**(18,278)**					

Capital Adjustments

This column adjusts for depreciation, impairment and revaluation gains and losses in the service lines. The other income and expenditure line has adjustments for the following:

- Capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- The statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue and capital grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year.

Pensions Adjustments

This column includes the removal of employer pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income in the service lines.
The other income and expenditure line has an adjustment for the net interest on the defined benefit liability which is charged to the Comprehensive Income and Expenditure Statement.

Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are as follows:
The change in the total value of the accrual for accumulated absence (holiday pay) is not chargeable under generally accepted accounting practices and removed in the service lines.

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. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Transfers to / from Earmarked Reserves are shown on a separate line in the other differences column. The details of reserve movements are shown in note 8.

Reconciliation from Out-turn to Consolidated Income & Expenditure Account

2025/26	Net expenditure for internal reporting	Adjustments. for reserve movements and audit adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000
Adults & Health	59,285	62	59,347
Chief Executive Department	1,252	(204)	1,048
Children’s Services	46,795	(977)	45,818
Corporate & Contingency	1,120	1	1,121
Place	20,546	10,658	31,204
Resources	15,662	(564)	15,098
	144,660	**8,976**	**153,636**

2024/25	Net expenditure for internal reporting	Adjustments. for reserve movements and audit adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000
Adults & Health	53,888	1,531	55,419
Chief Executive Department	918	81	999
Children's Services	35,632	1,429	37,061
Corporate and Contingency	566	0	566
Place	17,906	10,934	28,840
Resources	15,163	1,018	16,181
	124,073	**14,993**	**139,066**

Note 8 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year in accordance with proper accounting practice to the resources available to the Group to meet future expenditure.

2025/26	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Usable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:				
Charges for depreciation and impairment of non- current assets	(15,406)	0	0	**(15,406)**
Revaluation movements and impairments of non-current assets charge to the CIES	(16,288)	0	0	**(16,288)**
Movements in the market value of investment properties	3,354	0	0	**3,354**
Amortisation of intangible assets	0	0	0	**0**
Capital grants and contributions applied	11,991	0	0	**11,991**
Revenue expenditure funded from capital under statute	(3,765)	0	0	**(3,765)**
Revenue expenditure capitalised under exceptional financial support	(39,162)	0	0	**(39,162)**
Amounts of non-current assets written off on disposal or sale as part of the (gain)/loss on disposal to the CIES	(14,929)	0	0	**(14,929)**
Statutory provision for the financing of capital investment	9,599	0	0	**9,599**
Capital Expenditure Charged against Revenue Balances	89	0	0	**89**

Adjustments involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the CIES	38,291	(38,291)	0	**0**
Application of grants to capital financing transferred to the Capital Adjustment Account	0	8,591	0	**8,591**
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the CIES	829	0	(829)	**0**
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	0	**0**
Use of the Capital Receipts Reserve to finance transformation projects	(1,614)	0	1,614	**0**
Transfer from the Deferred Capital Receipts Reserve on receipt of cash	0	0	0	**0**
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or (credited) to the CIES	12,983	0	0	**12,893**
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which Council Tax income credited to the CIES is different from Council tax income calculated for the year in accordance with statutory requirements	5,248	0	0	**5,248**
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from that charged in the year in accordance with statutory requirements	(172)	0	0	**(172)**
Adjustments primarily involving the financial instrument adjustment account				
Fair value adjustments for financial instruments	(26)	0	0	**(26)**
Adjustments primarily involving the Dedicated Schools Grant:				
Amount by which DSG related expenditure charged to the CIES is different to that chargeable in the year in accordance with statutory requirements	(4,110)	0	0	**(4,110)**
Total Adjustments	(13,088)	(29,700)	785	(42,003)

2024/25	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Usable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:				
Charges for depreciation and impairment of non- current assets	(13,917)	0	0	**13,917**
Revaluation movements and impairments of non-current assets charge to the CIES	0	0	0	**0**
Movements in the market value of investment properties	0	0	0	**0**
Amortisation of intangible assets	0	0	0	**0**
Capital grants and contributions applied	6,362	0	0	**(6,362)**
Revenue expenditure funded from capital under statute	(2,104)	0	0	**2,104**
Revenue expenditure capitalised under exceptional financial support	(62,000)	0	0	**62,000**
Amounts of non-current assets written off on disposal or sale as part of the (gain)/loss on disposal to the CIES	(50,540)	0	0	**50,540**
Statutory provision for the financing of capital investment	6,286	0	0	**(6,286)**
Capital Expenditure Charged against Revenue Balances	0	0	0	**0**
Adjustments involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the CIES	5,820	0	(5,820)	**0**
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	12,859	**(12,859)**
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the CIES	3,415	(3,415)	0	**0**
Use of the Capital Receipts Reserve to finance new capital expenditure	0	5,020	0	**(5,020)**
Use of the Capital Receipts Reserve to finance transformation projects	(2,227)	2,227	0	**0**
Transfer from the Deferred Capital Receipts Reserve on receipt of cash	0	0	0	**0**
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or (credited) to the CIES	6,820	0	0	**(6,820)**
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which Council Tax income credited to the CIES is different from Council tax income calculated for the year in accordance with statutory requirements	(4,985)	0	0	**4,985**
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from that charged in the year in accordance with statutory requirements	479	0	0	**(479)**
Adjustments primarily involving the financial instrument adjustment account				
Fair value adjustments for financial instruments	0	0	0	**0**
Adjustments primarily involving the Dedicated Schools Grant:				

Amount by which DSG related expenditure charged to the CIES is different to that chargeable in the year in accordance with statutory requirements	(3,414)	0	0	**3,414**
Total Adjustments	**(110,005)**	**3,833**	**7,039**	**99,134**

Note 9 Other Operating Expenditure

2024/25 £000	Other Operating Expenditure	2025/26 £000
2,092	Parish Council Precepts	2,392
166	Levies (Environment Agency)	167
445	(Gains)/Losses on the disposal of non-current assets	34,948
2,703	**Total Other Operating Expenditure**	**37,507**

Note 10 Financing and Investment Income and Expenditure

2024/25 £000	Financing and Investment Income and Expenditure	2025/26 £000
10,189	Interest Payable and similar charges	12,640
3,495	Net interest on the net defined benefit liability	2,044
(2,280)	Interest Receivable and similar income	(2,646)
0	Dividends Receivable	0
0	Changes in the fair value of investment properties	(3,354)
(117)	Changes in Fair value of investments	26
11,287	**Total**	**8,710**

Note 11 Taxation and Non-Specific Grant Income

2024/25 £000	Taxation and Non-Specific Grant Income	2025/26 £000
(96,080)	Council tax income	(104,753)
(33,330)	NNDR income	(46,094)
33,120	Business Rates tariff	33,125
(9,282)	Business Rates S31 Reliefs	(6,939)
(12,743)	Non-ringfenced Government grants	(18,243)

(13,016)	Capital grants and contributions	(60,725)
(131,331)	**Total**	**(203,629)**

Note 12 Expenditure and Income analysed by Nature

This analysis provides detail of the expenditure and income of the council on a subjective basis.

2024/25 £000		2025/26 £000
	Expenditure	
79,695	Employee benefits expenses	76,485
260,194	Other service expenses	272,116
13,917	Depreciation, amortisation, impairment & other capital charges	39,175
10,190	Interest payments	12,630
3,495	Net Interest on the net defined benefit liability	2,044
2,258	Precepts and levies	2,558
46,911	Net Loss on the Disposal of Assets	10,083
416,660	**Total Expenditure**	**415,091**
	Income	
(56,979)	Fees, Charges, and other service income	(65,028)
0	Movement in the value of Investment Properties	(3,354)
(2,280)	Interest and Investment Income	(2,646)
(96,345)	Income from Council Tax & NDR	(117,745)
(192,839)	Government Grants & Contributions	(230,094)
0	Net Gain on Disposal of Assets	0
(348,443)	**Total Income**	**(418,867)**
68,217	**Deficit on the Provision of Services**	**(3,776)**

Note 13 Property, Plant and Equipment

Movements in 2025/26	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total £000
Cost or Valuation						
At 1 April 2025	**306,583**	**29,281**	**7,845**	**9,652**	**0**	**353,361**
Adjustment to opening balance	(109)			188		**79**
Additions	8,439	578	32		512	**9,561**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	102,848			(404)		102,444
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,578)		15,788	(5,099)		7,111
Derecognition – disposals						
Derecognition – other	(4,724)	(8,131)	(2,242)			(15,097)
Asset reclassifications*	813	(6,805)	871	70,693	1,694	67,266
Other movements in cost or valuation	(73)	20				(53)
At 31 March 2026	**410,199**	**14,943**	**22,294**	**75,030**	**2,205**	**524,672**
Depreciation						
Accumulated Depreciation and Impairment						
At 1 April 2025	**15,035**	**(14,586)**	**(365)**	**(845)**		**(761)**
Depreciation charge	(6,825)	(2,120)		(243)		(9,188)
Depreciation written out to the Revaluation Reserve						
Depreciation written out to the Surplus/Deficit on the Provision of Services						
Derecognition	81	5,853	41			5,975
Asset reclassifications	(1,711)	2,436	534	101	34	1,394
Other Adjustments	6	(42)				(36)
At 31 March 2026	**6,586**	**(8,459)**	**209**	**(987)**	**34**	**(2,616)**
Net Book Value						
At 31 March 2026	**416,785**	**6,484**	**22,503**	**74,043**	**2,171**	**522,056**
At 31 March 2025	322,481	14,713	7,479	8,807	0	353,480

Remedial work has been done on the Fixed Asset Register to determine the existence of assets, identify parent and component assets, correct asset categorisation and align useful economic lives for depreciation. This remedial work has resulted in derecognising assets from the balance sheet with a net book value of £12.799m across all asset categories. This has a net nil impact on the General Fund.

Assets have been reclassified to reflect their updated categories and to correct misclassifications. The majority of these are reclassified as surplus assets from assets held for sale as they do not meet the criteria of expecting to sell within 12 months.

Revaluations

CIPFA has introduced a new valuation cycle in the 2025/26 update to the Code. A full valuation of all fixed assets is required at least every five years. To begin the cycle, all RBWM land and buildings, community assets, surplus assets, assets held for sale and investment assets have been valued. Valuations of land and buildings were carried out in accordance with the methodologies and bases of estimation set out in the professional standards of the Royal Institution of Chartered Surveyors' Red Book. Valuations were completed by an independent qualified valuer, Wilks Head and Eve LLP, appointed by the council and valuations were provided for property assets dated 31st March 2026.

Assets held for sale

2024/25 £000		2025/26 £000
0	**Balance at 1 April**	**114,525**
0	**Adjustment to opening balance**	(75)
17,234	Additions	0
0	Derecognition - Disposals	(800)
0	Derecognition - other	(1,046)
(5,391)	Revaluation increases/(decreases) recognised in the Revaluation Reserve	(12,137)
102,682	Asset reclassifications	(69,739)
114,525	**Balance at 31 March**	**30,728**

Infrastructure assets

In accordance with the Temporary Relief offered by the Update to the Code on Infrastructure Assets, this note does not include disclosure of gross cost and accumulated depreciation for Infrastructure Assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

Where the council replaces a component of its Infrastructure Assets, it assumes that the component replaced has reached the end of its useful economic life and has a carrying amount of nil, as allowed for in The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022. The expected useful economic life of some Infrastructure Assets may be up to 40 years and information on cost and the date of recognition from the time of acquisition may not be known with certainty and there may be some assets replaced that have not reached the end of their useful economic lives.

2024/25 £000		2025/26 £000
88,700	Net Book Value at 1 April	92,080
(833)	Adjustment to opening balance	0
(1,224)	Reclassifications*	2,545
9,955	Additions	9,983
0	De-recognition	(1,984)
(4,518)	Depreciation charge	(5,772)
0	Other adjustments	(6)
92,080	**Net Book Value 31 March**	**96,846**

*Reclassifications and derecognitions were made to align finance system to the Fixed Asset Register. See note from PPE table.

Note 14 Heritage Assets

The Windsor & Royal Borough Museum is a registered small local history museum situated at the Guildhall in Windsor. The collection relates to the history of Windsor, and the other towns and villages across the Borough in East Berkshire. The collection is looked after by the Museum & Collections Officer, with the help of a Museum Assistant. The museum is supported by the Friends of Windsor & Royal Borough Museum, which includes a team of museum volunteers who assist with caring for and researching the collection.

The collection comprises approximately 11,000 objects including pre-historic tools, Bronze Age, Roman and Saxon artefacts, maps, textiles, books, paintings, prints and photographs, together with objects and ephemera from before Victorian times up to World War II, the 1950s and the present day.

The value of the collection has not been reported in the Balance Sheet. To undertake the work to capitalise all items could take up to a year by in-house staff and volunteers. To improve the accuracy of these valuations it would be necessary to commission an external valuer. The council cannot justify this level of outlay in financial and staff resources, which it considers is disproportionate to the benefit that users would obtain from the additional disclosure information.

The heritage assets shown on the balance sheet relate mainly to paintings, prints, silverware and regalia.

2024/25 £000		2025/26 £000
2,227	**Balance at 1 April**	**573**
0	Adjustment to Balance b/f	4,465
0	Derecognition of assets	(573)
(1,654)	Reclassification of asset category	192
0	Impairment	(43)
573	**Balance at 31 March**	**4,614**

Note 15 Investment Properties

2024/25 £000		2025/26 £000
81,809	**Balance at 1 April**	**25,727**
(16,847)	Adjustment to opening balance from 23/24 fair value adjustments	(835)
0	Additions	195
(36,514)	Reclassification of assets	(1,602)
279	Net gains/(losses) from fair value adjustments	3,354
(3,000)	Derecognition - Disposals	0
0	Impairments recognise in the Provision of services	0
25,727	**Impairments recognise in the Provision of services**	**26,839**

The fair value of investment property has been measured using the Investment Method of Valuation. The valuers have used a desktop valuation relying on data provided by the council. Valuations have taken account of the following factors: existing lease terms and rentals taken from the tenancy schedule and independent research into market evidence including market rentals and yields.

In estimating the fair value of the council's investment properties, the highest and best use of the properties is deemed to be their current use. The investment property portfolio was valued at 31 March 2026 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution for Chartered Surveyors. The assets were valued by Wilks Head and Eve LLP.

The council uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- Level 1 - quoted prices.
- 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.

Note 16 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. The intangible assets include purchased licenses. 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 the major software suites used by the council is seven years.

Movements in 2025/26	Intangible Assets £000
Cost or Valuation	
At 1 April 2025	**2,621**
Adjustment to opening balance	0
Additions	131
Derecognition – disposals	0
Derecognition – other	(256)
Asset reclassifications*	14
Other movements in cost or valuation	0
At 31 March 2026	**2,510**
Amortisation	
Accumulated Amortisation	
At 1 April 2025	(16)
Amortisation for the period	(447)
Derecognition	182
Asset reclassifications	(8)
Other Adjustments	0
At 31 March 2026	**(289)**
Net Carrying Amount at the End of Year	
At 31 March 2026	**2,221**
At 31 March 2025	2,606

Note 17 Financial Instruments

Financial Instruments – Classifications

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

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the council and can be represented by a contractual obligation to deliver cash or financial assets, or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the council. All of the council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders.
- short-term loans from other local authorities.
- lease payables detailed in Note 21.
- trade payables for goods and services received.

Financial Assets

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

- Amortised cost (where cash flows are solely payments of principal and interest, and the council's business model is to collect those cash flow) comprising:
    - cash in hand,
    - bank current and deposit accounts with Lloyds Bank,
    - fixed term deposits with Debt Management Office,
    - loans to Achieving for Children and Asset Holding Company (previously RBWM Property Company) made for service purposes,
    - trade receivables for goods and services provided.
- Fair value through profit and loss comprising:
    - money market funds managed by Aberdeen Standard, Insight Investments, Legal & General, Invesco, Aviva and Federated Hermes fund managers.
    - equity investments in Optalis Ltd, Achieving for Children and Asset Holding Company.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the council.

Financial Instruments – Balances

The financial liabilities disclosed in the balance sheet are:

	Long-term 2024/25 £000	Long-term 2025/26 £000	Short-term 2024/25 £000	Short-term 2025/26 £000
Bank overdraft	-	-	-	(1,866)
Loans at amortised cost	(202,679)	(156,393)	(63,207)	(96,281)
Trade payables at amortised cost	-	-	(32,324)	(26,379)
Total Financial Liabilities	**(202,679)**	**(156,393)**	**(95,531)**	**(124,526)**

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

	Long-term 2024/25 £000	Long-term 2025/26 £000	Short-term 2024/25 £000	Short-term 2025/26 £000
At amortised cost:				
- Loans	1,208	1,208	9,710	13,776
At fair value through profit and loss:				
- Equity Investments	4,993	4,993	-	-
Total Investments	**6,201**	**6,201**	**9,710**	**13,776**
At amortised cost:				
- Cash and Cash Equivalents	-	-	20,807	18,623
Total Cash and Cash Equivalents	**-**	**-**	**20,807**	**18,623**
At amortised cost:				
- Trade receivables	-	-	22,537	18,565
Included in debtors*	**-**	**-**	**22,537**	**18,565**
Total Financial Assets	**6,201**	**6,201**	**53,054**	**52,338**

*The debtors lines on the Balance Sheet include amounts that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

Financial Instruments - Fair Values

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

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

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March, using the following methods and assumptions:

- Loans borrowed by the council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for "Lender's Option Borrower's Option" (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

	Balance Sheet	Fair Value	Balance Sheet	Fair Value
	2024/25	2024/25	2025/26	2025/26
	£000	£000	£000	£000
Financial liabilities held at amortised cost:				
Long-term loans from PWLB	189,679	188,098	119,107	136,130
Long-term LOBO loans	13,000	12,048	8,000	8,222
Other long-term loans			10,000	8,740
Total Financial Liabilities held at amortised cost	**202,679**	**200,146**	**137,107**	**153,092**

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

The fair value of financial liabilities held at amortised cost is lower than their balance sheet carrying amount as the council's portfolio of loans includes a number of loans where the interest rate payable is lower than the current rates available for similar loans as at the Balance Sheet date.

	Balance Sheet	Fair Value	Balance Sheet	Fair Value
	2024/25	2024/25	2025/26	2025/26
	£000	£000	£000	£000
Financial assets held at fair value:				
Money market funds	19,000	19,000	19,250	19,250
Financial assets held at amortised cost				
Long-term loans to companies	1,208	1,535	1,208	1,593
Total	**20,208**	**20,535**	**20,458**	**20,843**

The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount. The fair value of financial assets held at amortised cost is higher than their balance sheet carrying amount because the interest rate on similar investments is now lower than that obtained when the investment was originally made.

Financial Instruments – Income, expense, gains losses

	Balance Sheet	Fair Value
	2024/25	2025/26
	£000	£000
Interest received from assets measures at amortised cost	(1,357)	(1,911)
Investment income from assets measured at fair value through profit and loss	(828)	(800)
Fees paid	143	44
Interest expense	9,822	12,055
Total	**7,780**	**9,388**

Note 18 Debtors

The table below shows the amounts owed to the council at the end of the year. The amounts owed have been analysed by type of debtor.

2024/25 £000		2025/26 £000
	Long-term Debtors	
6,080	Deferred Capital receipts	0
6,080	**Total long-term debtors**	**0**
	Short-term Debtors	
22,537	Trade receivables	19,939
3,575	Prepayments	1,351
29,819	Collection Fund	30,311
0	Deferred Capital receipts	6,080
3,025	Other	7,443
58,957	**Total short-term debtors**	**65,124**

Note 19 Cash and Cash Equivalents

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

2024/25 £000		2025/26 £000
12	Cash held by the council	11
1,032	Bank current accounts	(0)
431	School bank accounts	431
19,332	Short-term deposits	20,047
0	Bank overdraft (current liability)	(1,866)
20,807	**Total Cash and Cash Equivalents**	**18,623**

The council manages its current accounts so that they are always in credit. The bank current account deficit in 2025/26 reflects the timing difference between the authorisation of payments and their release from the bank account.

Note 20 Creditors

The table below shows amounts owed by the council at the end of the year. The amounts due have been analysed by type of creditor.

2024/25 £000		2025/26 £000
	Long-term Creditors	
(162)	Lease Liabilities	(162)
(162)	**Short-term Creditors**	**(162)**
	Short-term creditors	
(32,324)	Trade Payables	(26,379)
(1,121)	Receipts in advance	(1,360)
(23,633)	Collection Fund	(20,291)
(5,778)	Other	(5,697)
(62,836)	**Total Short-term Creditors**	**(53,727)**

Note 21 Provisions, Contingent Liabilities and Contingent Assets

	Balance at 01 April 2025 £000	Additional Provisions made £000	Amounts Used £000	Transfers between current and non-current provisions £000	Balance at 31 March 2026 £000
Short-term					
Insurance	(381)	(137)	0	0	**(518)**
Appeal provision for collection fund (NDR)	(2,973)	(3,683)	2,892	0	**(3,764)**
Adult Social Care Provision	(214)	(1,141)	109	0	**(1,246)**
Total Short-Term Provision	**(3,568)**	**(4,961)**	**3,001**	**0**	**(5,528)**
Long-term	0	0	0	0	0
Total Long-Term Provision	**0**	**0**	**0**	**0**	**0**

Appeal Provision for National Non-Domestic Rates - The provision is required to cover the loss of income that may result from appeals by NNDR payers against the 2010, 2017 and 2023 valuation lists that have been made in 2025/26 and previous years.

Contingent Liabilities

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events.

Municipal Mutual Insurance (MMI) was an insurance company which insured 90-95% of local authorities, including the former Berkshire County Council and the council. Insolvency in 1992 meant it ceased to write new or renew any insurance business. In 2012 the potential liability to pay claims exceeded funds available and liability transferred to those authorities that formed the mutual. It remains possible that the remaining exposure will eventually be called upon by further levies, but this won’t be known for many years.

Contingent Assets

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

The Government has committed to fund 90% of the accumulated Dedicated Schools Grant deficit (see note 31) at 31 March 2026 by way of a High Need Stability grant, subject to the successful adoption of a SEND reform plan. The council has submitted its SEND reform plan and is awaiting approval and anticipates payment of this grant during 2026/27.

Note 22 Usable Reserves

Movements in the council's usable reserves are detailed in the Movement in Reserves Statement and the Earmarked Reserves note below.

31 March 2025 £000		31 March 2026 £000
(10,044)	General Fund	(16,778)
(6,848)	Earmarked Reserves	(18,279)
(1,385)	Schools' revenue balances	(85)
(6,208)	Capital receipts reserve	(5,423)
(15,731)	Capital Grants unapplied	(45,431)
(40,216)	**Total Usable Reserves**	**(85,996)**

Earmarked Reserves

Details of the Earmarked Reserves that have been set aside by the council are set out below.

Earmarked Reserves	Balance at 31 March 2024 £000	Net movement £000	Balance at 31 March 2025 £000	Net movement £000	Balance at 31 March 2026 £000
Ascot Health Hub retained interest	**0**	0	**0**	997	**997**
Better Care Fund	**603**	(147)	**456**	(356)	**100**
Business Rates Section 31 Grant Reserve	**462**	(462)	**0**	0	**0**
Collection Fund Volatility Reserve	**1,594**	860	**2,454**	4,472	**6,926**
Community Provision Reserve	**0**	0	**0**	500	**500**
Council Tax Support	**0**	0	**0**	500	**500**
Dedworth leisure centre	**29**	49	**78**	0	**78**
Development management fees	**0**	0	**0**	750	**750**
Early Years Supplementary Reserve	**143**	(20)	**123**	0	**123**
Election costs reserve	**0**	0	**0**	310	**310**
Essential Health & Safety	**0**	0	**0**	500	**500**
Good Cause Lottery	**3**	9	**12**	8	**20**
Grant funded future commitments reserve	**611**	568	**1,179**	1,982	**3,161**
Homes for Ukraine	**1,277**	(1,069)	**208**	(20)	**188**

Earmarked Reserves	Balance at 31 March 2024	Net movement	Balance at 31 March 2025	Net movement	Balance at 31 March 2026
	£000	£000	£000	£000	£000
Inflation Risk Reserve	**0**	0	**0**	1,500	**1,500**
Insurance Reserve	**608**	0	**608**	0	**608**
Local Plan Budget Reserve	**0**	0	**0**	225	**225**
NNDR S31 Reserve	**0**	462	**462**	(462)	**0**
Planning Appeals	**0**	0	**0**	160	**160**
Planning Performance Agreements	**0**	0	**0**	160	**160**
Property Reserve	**127**	(127)	**0**	0	**0**
Public Health Fund	**663**	(146)	**517**	170	**687**
S278 Commuted Sums	**213**	377	**590**	(3)	**587**
Schools Forum De Delegated School Reserves	**134**	(134)	**0**	57	**57**
SELMS Consortium	**63**	(37)	**27**	3	**30**
Sensory Consortium Service	**134**	0	**134**	(22)	**112**
Total	**6,664**	**184**	**6,848**	**11,431**	**18,279**

Ascot Health Hub retained interest

Interest earned on the government grant for the ICB health hub, on which restrictions apply.

Better Care Fund (BCF)

The Section 75 agreement with the Integrated Care Board specifies that any net underspend on planned projects at the year-end may be used by the council to contribute towards the cost of adult social care services, which have a health benefit. The Section 75 agreement states that should the council use net underspends in this way, then it must contribute an equivalent sum into the BCF in future.

Business Rates Section 31 Grant Reserve

Section 31 grants are paid by the Government in relation to the Business Rates Retention scheme. In response to the coronavirus pandemic the existing relief scheme was expanded to provide a number of reliefs from National Non-Domestic Rate bills for businesses falling into certain categories such as retail, hospitality and leisure etc. This reserve allows the council to smooth the financial effects of the time differences between statutory estimates and the final audited outturn figures for a particular financial year, which can take up to two years to pay over or reclaim.

Collection Fund Volatility Reserve

The reserve contains surpluses from previous years arising from NNDR or Council Tax income for use against potential future Collection Fund deficits.

Council Tax Support Reserve

To fund additional council tax support costs.

Dedworth Leisure Facilities

Receipts from Dedworth leisure facilities put aside for future maintenance.

Development management fees

Management fees in respect of regeneration schemes which have yet to be applied.

Early years supplementary reserve

To support early education funding streams as part of the schools' budget.

Election costs reserve

Costs for the 2027/28 election.

Essential Health & Safety

For essential health and safety work on council premises.

Good causes lottery

Proceeds from lottery ticket sales that are ringfenced for community grants.

Grant funded future commitments reserve

This reserve holds government grants received for specific purposes, but which are ringfenced, but not repayable (hence are not accounted for as a creditor).

Homes for Ukraine

Grant received specifically for the Homes for Ukraine scheme.

Inflation Risk Reserve

Given the geo-political situation, funds have been set aside to guard against financial shocks for inflation above budget.

Insurance Reserve

Due to its high policy excesses the council undertakes self-insurance. It, therefore, maintains an internal insurance reserve to cover self-insured claims. The reserve meets most claims for financial losses or damage to the council assets and third party/employee compensation claims for injury, loss or damage to personal property caused by the council's negligence.

Local Plan Budget Reserve

Carry forward of budget in respect of the Local Plan as costs will be incurred in 2026/27.

Planning Appeals

Planning funds which have been received but have been earmarked against future cost pressures.

Planning Performance Agreements

Fund set up to mitigate any unforeseen legal costs arising from challenges to planning decisions.

Public Health Fund

This reserve holds government grant that is ringfenced for use on services that impact on public health.

S278 commuted sums

Highways works required on the public highway as a result of development works are subject to a Section 278 Agreement. Ringfenced to be spent on Highway Infrastructure assets.

SELMS consortium

This is money held by the SELMS national library consortium which the council hosts.

Sensory Consortium Service

Funds set aside in respect of a Berkshire joint arrangement for specialist education support.

Note 23 Unusable Reserves

Unusable reserves are those that have arisen as a result of accounting adjustments and are, therefore, not available to spend. The table below shows the total unusable reserves at the year end.

31 March 2025 £000		31 March 2026 £000
(78,529)	Capital Adjustment Account	(63,658)
(237,349)	Revaluation Reserve	(310,862)
81,776	Pension Reserve	65,225
1,263	Collection Fund Adjustment Accounts	(3,984)
(6,080)	Deferred capital receipts reserve	(6,080)
0	Financial instrument adjustment account	377
2,477	Accumulated Absences Account	2,649
4,514	Dedicated Schools Grant	8,624
(231,928)	**Total Unusable Reserves**	**(307,709)**

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.

2024/25 £000		2025/26 £000
(168,540)	**Opening Balance**	**(74,899)**
0	Reversal of Items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement	(3,630)
(2,804)	Removal of balances related to Investments	0
(171,344)	Restated Opening Balance	**(78,529)**
13,595	Charges for depreciation and impairment of non-current assets	15,039
(215)	Revaluation and impairment loss: Property, Plant & Equipment	20,363
323	Amortisation of Intangible Assets	447
2,104	Revenue Expenditure funded from Capital under Statute	3,765
0	Capital amounts written down	12,687
50,121	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	699
62,000	Exceptional Financial Support	39,162
127,928		**92,162**
(801)	Adjusting Amounts written out of the Revaluation Reserve	(43,666)
127,127	**Net written out amount of the cost of non-current assets consumed in the year**	**48,496**
	Capital financing applied in the year	
(5,020)	Use of the Capital Receipts Reserve to finance new capital expenditure	0
(6,362)	Capital Grants & Contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(10,676)
(13,014)	Application of grants to capital financing from the Capital Grants Unapplied Account	(9,995)
(6,286)	Provision for the financing of capital investment charged against the General Fund	(9,599)
0	Capital Expenditure Charged against the General Fund	0
(30,682)		**(30,270)**
*	Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	**(3,354)**
(74,899)		**(63,657)**

**Revaluations of investment properties not known as per note 10*

Revaluation Reserve

The Revaluation Reserve contains the gains made by the council arising from increases in the value of its Property, Plant and Equipment. 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.
Work undertaken in year on the fixed asset register also identified amounts that should have been released to the Capital Adjustment Account in prior years but have been treated as an in-year write off.

2024/25 £000		2025/26 £000
(239,548)	**Opening Balance**	**(237,249)**
(8,041)	Upward Revaluation of assets	(118,737)
9,439	Downward Revaluation and impairment of assets	891
1,398	**Deficit / (Surplus) on the revaluation of non-current assets**	**(117,846)**
0	Difference between fair value depreciation and historical cost depreciation	0
801	Amounts written off to the Capital Adjustment Account	44,333
801	**Other**	**44,333**
(237,349)	**Balance at 31 March**	**(310,862)**

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for postemployment benefits and for funding benefits in accordance with statutory provisions. The council accounts for postemployment 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 debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 £000		2025/26 £000
89,370	**Balance at 1 April**	**81,776**
(774)	Re-measurement of the net defined liability	
6,466	Reversal of items relating to retirement benefits credited to the Deficit on Provision of Services in the CIES	(1,081)
(13,286)	Employer's pension contributions and direct payments to pensioners payable in the year	(15,470)
81,776	**Balance at 31 March**	**65,225**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax/NNDR income in the CIES as it falls due compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund. Following the localisation of NNDR, a separate adjustment account for NNDR has been created.

Collection Fund - Council Tax

2024/25 £000		2025/26 £000
686	**Balance at 1 April**	**(2,914)**
(3,600)	Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	(1,716)
(2,914)	**Balance as at 31 March**	**(4,630)**

Collection Fund – National Non-Domestic Rates

2024/25 £000		2025/26 £000
(477)	**Balance at 1 April**	**4,177**
4,654	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(3,532)
4,177	**Balance as at 31 March**	**645**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £000		2025/26 £000
2,956	**Balance at 1 April**	**2,477**
(2,956)	Settlement or cancellation of accrual made at the end of the preceding year	(2,477)
2,477	Amounts accrued at the end of the current year	2,649
2,477		**2,649**

Note 24 Cash Flow Statement - Operating Activities

The cashflows from operating activities include the following items:

2024/25 £000		2025/26 £000
2,280	Interest Received	2,646
(10,189)	Interest Paid	(12,630)

The cash flow adjustments to the net surplus/deficit on the provision of services include the following non-cash items

2024/25 £000		2025/26 £000
13,595	Depreciation/Impairment charge	15,039
0	Revaluation of non-current assets	111,070
0	Amortisation of Intangible Assets	447
0	(Increase)/Decrease in Investments	
50,415	Derecognition of Non-Current Assets	
1,063	(Increase)/Decrease in Debtors	18,112

2024/25 £000		2025/26 £000
7,977	Increase/(Decrease) in Creditors	(27,329)
0	Increase/(Decrease) in Grants Received in Advance	
0	(Increase)/Decrease in Inventories	
0	Increase/(Decrease) in Provisions	
0	Change in Investment property values	
(7,594)	Pensions Liability	12,983
2,855	Other non-cash items	(4,805)
68,311	**Total non-cash movements**	**125,517**

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

2024/25 £000		2025/26 £000
(5)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	
(3,500)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(829)
(9,694)	Capital Grants credited to the surplus or deficit on the provision of services	(48,967)
(13,199)	**Adjust net surplus or deficit on the provision of services for investing activities**	**(49,796)**

Note 25 Cash Flow Statement – Investing Activities

The cashflows from operating activities include the following items:

2024/25 £000		2025/26 £000
(39,305)	Purchase of property, plant and equipment, investment property and intangible assets	(23,497)
(18,265)	Net Purchase of short-term and long-term investments	
(2,633)	Other payments for investing activities	(375)
3,500	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	829
14,232	Proceeds from short-term and long-term investments	
10,642	Other receipts from investing activities	(45,426)
(31,829)	**Net cash flows from investing activities**	**68,469**

Note 26 Cash Flow Statement – Financing Activities

The cashflows from operating activities include the following items:

2024/25 £000		2025/26 £000
59,584	Net repayments of short and long-term borrowing	(13,212)
59,584	**Net cash flows from financing activities**	**(13,212)**

Note 27 Pooled Budgets

The Better Care Fund is a pooled budget arrangement with NHS Frimley Integrated Care Board. From April 2026 the care board has become NHS Thames Valley Integrated Care Board. The purpose of the Better Care Fund is to support integration of health and social care. The council is the host organisation.

2024/25 £000	Council Hosting the Better Care Fund as Principal	2025/26 £000
8,495	Funding from the Royal Borough of Windsor and Maidenhead	8,962
7,082	Funding from the Health Service	6,796
15,577	**Total Funding**	**15,758**
15,577	**Total Expenditure on Better Care Fund**	**15,972**

Note 28 Members' Allowances

The council paid the following amounts to members of the council during the year.

2024/25 £000		2025/26 £000
575	Allowances (Basic and Members' responsibilities)	587
1	Expenses	1
576	**Total**	**588**

Note 29 Officers' Remuneration

		Salaries, fees and allowances £	Compensation for loss of office £	Expense allowances £	Pension Contributions £	Total £
S Evans, Chief Executive and Head of Paid Services	2025/26	191[1]	0	0	32	223
	2024/25	185[1]	0	0	31	216
Executive Director of Resources & Section 151 Officer (From Sept-2025)	2025/26	82	0	0	13	95
Interim Executive Director of Resources & Section 151 Officer (To Sept-2025)	2025/26	*	*	*	*	*
Interim Executive Director of Resources & Section 151 Officer	2024/25	**	**	**	**	**
Former Executive Director of Resources & Section 151 Officer (To Feb-2025)	2024/25	119	10	0	18	147
L Ferguson, Executive Director of Children's Services and Education	2025/26	144	0	0	24	168
	2024/25	140	0	0	23	163
K McDaniel, Executive Director of Adult Social Care and Health	2025/26	152	0	0	25	177
	2024/25	148	0	0	25	173
A Durrant, Executive Director of Place Services	2025/26	143	0	0	24	167
	2024/25	135	0	0	23	158
S Blackmore, Director of Public Health	2025/26	132	0	0	22	154
Director of Public Health (From Oct-24)	2024/25	64	0	0	11	75
Deputy Director of Law and Governance and Monitoring Officer	2025/26	112[1]	0	0	19	131
	2024/25	109[1]	0	0	18	127
Assistant Chief Executive (formerly Director of Strategy, Communications and Engagement)	2025/26	88	0	0	15	103
Assistant Director of Strategy, Communications and Engagement (From Aug-2024)	2024/25	52	0	0	9	61
Assistant Director of Strategy, Communications and Engagement (Until Apr-2024)	2024/25	14	0	0	1	15
Total 25/26		**1,044**	**0**	**0**	**174**	**1,218**
Total 24/25		966	10	0	159	1,135

* The interim Executive Director of Resources was paid via a third party organisation, the total cost of which was £124,500 from April-2025 to September-2025

** The interim Executive Director of Resources was paid via a third party organisation, the total cost of which is £97,500 to 31-March-2025

[1] The Chief Executive and Monitoring Officer receive payments when performing the duties of Acting Returning Officer in respect of local elections, in accordance with the Code these payments can be excluded from the definition of remuneration and therefore this table does not include them.

The council are required to show the number of our staff who are paid more than £50,000 a year. This is shown in the table below. These figures do not include employer's pension contributions and exclude remuneration for senior staff who are shown separately in the table above.

Remuneration Band	2024/25 Number of Employees (Restated)*	2025/26 Number of Employees
£50,000 - £54,999	35	56
£55,000 - £59,999	38	28
£60,000 - £64,999	23	29
£65,000 - £69,999	9	10
£70,000 - £74,999	16	9
£75,000 - £79,999	6	10
£80,000 - £84,999	6	7
£85,000 - £89,999	3	4
£90,000 - £94,999	5	5
£95,000 - £99,999	1	3
£100,000 - £104,999	2	3
£105,000 - £109,999	1	3
£110,000 - £114,999	1	2
£115,000 - £119,999	0	0
£120,000 - £124,999	0	0
£125,000 - £129,999	0	1

** 2024/25 figures restated to remove school staff in a school type which should have been excluded from this note*

Exit Package

The numbers of exit packages with total cost per band and total cost of the compulsory and other are set out on the table below. Exit costs include payments to the Pension Fund in lieu of future years contributions (Pension strain).

2024-25					2025-26			
(1) Number of Compulsory Redundancies	(2) Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band (1+2)	Total Cost of Exit Packages in Each Band £000	Exit package cost bands (including special payments)	(1) Number of Compulsory Redundancies	(2) Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band (1+2)	Total Cost of Exit Packages in Each Band £000
8	9	17	140	£0- £20,000	1	8	9	40
-	3	3	77	£20,001 - £40,000	-	-	-	-
-	-	-	-	£40,001 - £60,000	-	-	-	-
-	-	-	-	£60,001 - £80,000	-	-	-	-
-	-	-	-	£80,001 - £100,000	-	-	-	-
-	-	-	-	£100,001 - £150,000	-	-	-	-
8	12	20	217	Total	1	8	9	40

Note 30 External Audit

2024/25 £000		2025/26 £000
320	External Audit	307
(34)	External audit fees pre-2023/24	(119)
101	Certification of grant claims	46
387	**Total**	**234**

External audit fees are accrued based on the best available information at the time the financial statements are prepared. As audit work is undertaken after the year-end, actual costs may differ from the amounts accrued, particularly where additional procedures arise from local objections. This has been further impacted by the significant volume of prior-year audits completed in recent months to meet the local government “backstop” deadline. The credits shown in the table above represent the reversal of previously over-accrued audit fees.

The final 2023/24 external audit fee was £182,571, reflecting the reduction in audit work completed due to the backstop.

The final 2024/25 external audit fee was £313,827.

The proposed 2025/26 external audit fee is £307,377.

Note 31 Dedicated Schools Grant

Dedicated Schools Grant (DSG) is a ring-fenced grant paid by the Department for Education in support of the council's Schools Budget. The Schools Budget covers schools' delegated budget shares as well as central expenditure budgets such as those for high needs pupils in mainstream and special schools, the central co-ordinated admissions function, and central SEN support services. Local authorities, in consultation with their Schools Forum, are responsible for determining the split of the grant between central services and delegated schools budgets, and for determining individual school budget shares in accordance with the local schools' funding formula. Grant allocated to schools' delegated budgets is treated as spent as soon as it is allocated. At the end of the financial year any over or underspend on the central Schools Budget is separately identified in the notes to the accounts and must be carried forward to support the Schools Budget in future years. The DSG unusable reserve reflects the council's DSG position at the year-end (see note 23).

The Government has committed to fund 90% of the accumulated Dedicated Schools Grant deficit at 31 March 2026 by way of a High Need Stability grant, subject to the successful adoption of a SEND reform plan. The council has submitted its SEND reform plan and is awaiting approval and anticipates payment of this grant during 2026/27.

2024/25 Total £000		Central Expenditure £000	Individual Schools Budget £000	2025/26 Total £000
166,581	Final DSG for 2025/26 before academy and high needs recoupment			185,911
(80,710)	Academy and high needs figure recouped for 2025/26			(88,972)
85,871	Total DSG after academy and high needs recoupment for 2025/26			96,939
946	Plus: Brought forward from 2024/25			0
0	Less: Carry-forward to 2026/27 agreed in advance			0
86,817	Agreed initial budgeted distribution in 2025/26	**28,917**	**68,022**	**96,939**
40	In-year adjustments	0	(1,772)	(1,772)
86,857	**Final budget distribution for 2025/26**	**28,917**	**66,250**	**95,167**
(30,831)	Less: Actual central expenditure	(32,985)		(32,985)
(58,493)	Less: Actual ISB deployed to schools		(66,292)	(66,292)
(2,467)	2025/26 In-year Surplus / (Deficit)	**(4,068)**	**(42)**	**(4,110)**
(2,047)	Previous year Carry Forward			(4,514)
(4,514)	**Total of DSG unusable reserve at the year end**			**(8,624)**

Note 32 Grant Income

The council credited the following grants, contributions, and donations to the CIES in the year.

2024/25 £000	Credited to Taxation and Non-Specific Grant Income	2025/26 £000
7,213	Adult Social Care non-ring-fenced grant	9,510
25,799	Capital Grants and Contributions	51,122
0	Employer National Insurance Contribution Grant	899
0	Extended Producer Responsibility	3,885
0	Fair Cost of Care Fund	2,085
8,459	NDR S31 relief	6,862
573	New Homes Bonus	1,036
606	Other Grants less than £500k credited to Taxation and Non-Specific Grant Income	1,021
42,650	**Total Credited to Taxation and Non-Specific Grant Income**	76,420

The total amounts credited to services are detailed below.

2024/25 £000	Credited to Services	2025/26 £000
	Government Grants	
2,784	Adult Care Support/Improved Better Care/Winter Pressures	2,784
0	Childrens and Families Grant	834
2,485	Children in Care - Care Costs	1,414
1066	Core Budget School Grant	1,716
85,911	Dedicated Schools Grant (DSG)*	95,882
2,010	Flexible Homelessness Support Grant	2,438
515	Primary - Teachers Pay Add. Grant (TPAG)	0
1,172	Household Support Grant (DWP)	1,036
2278	Other Education Grants (incl GTP & School Workforce Adviser)	2,397
5,240	Public Health Grant	5,523
1,392	Pupil Premium	2,050
513	Public Transport	792
505	Rough sleepers	528

2024/25 £000	Credited to Services	2025/26 £000
685	Delivering Batter Value Grant	0
7,850	Other government grants less than £500k	5,180
114,406	**Total Government Grants**	**122,574**
20,094	Mandatory Rent Allowances: subsidy	17,002
20,094	**Total Housing Benefit Income**	**17,002**
	Other Grants and Contributions	
6,920	Health-Better Care	6,167
820	Health-Other Contributions	213
7,061	Contributions	3,848
627	Donations	835
2,799	Contributions from other funds/balances & reallocations	2,209
18,227	**Total Other Grants and Contributions**	**13,272**
194	**Total Covid Grants and Contributions**	**0**
152,922	**Total Credited to Services**	**152,848**

Capital Grants Receipts in Advance

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 may require the monies to be returned to the donor. The balances at year end are as follows:

2024/25 £000		2025/26 £000
10,926	Developers Contributions	15,804
750	Other Contributions	0
0	Education Grants	0
461	Other Grants	0
12,137	**Total**	**15,804**

Note 33 Related Parties

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 significant influence over the general operations of the council, it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the council has with other parties (e.g., Council Tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 3 and grant receipts outstanding at 31March 2026 are shown in Note 19.

Members of the Council

Members of the Council have direct control over the council’s financial and operating policies. The total of members' allowances paid in the year is shown in Note 31. During the financial year £140m of expenditure was incurred with third parties in which members had an interest. These are listed in the Related Parties table below.

Executive Directors and Service Directors

Senior Officers and Members are required on an annual basis to make a declaration of related parties, and this has been completed for 2025/26.

Related Party Transactions with Other Public Bodies

The council has a pooled fund arrangement with Adult Social Care budgets and CCG commissioned expenditure, together with expenditure funded by the Better Care Fund, Improved Better Care Fund and the GM Health and Social Care Transformation Fund. For further detail see Note 30 Pooled budgets.

Pension Fund

The council administers the Royal County of Berkshire Pension Fund on behalf of 450 active employers, including the unitary local authorities in Berkshire. During the year, transactions with related parties excluding Governmental Departments and Public Bodies arose as follows: -

	2024/25				2025/26			
	Exp	Income	Dr	Cr	Exp	Income	Dr	Cr
	£000	£000	£000	£000	£000	£000	£000	£000
Achieving for Children Community Interest Co	85,632	1,867	10,011	16,363	85,784	2,467	10,979	611
Asset Holding Company Ltd	719	229	1,846	0	44	236	1,379	0
Baby Bank Windsor	54	0	0	0	10	0	0	0
Berkshire Healthcare Foundation Trust	0	1	0	0	0	1	0	0
Bray Parish Council	241	0	0	0	142	0	136	0
Charters School	0	0	2	0	0	2	1	0
Climate Partnership	4	0	0	0	0	0	0	0
Cox Green Community Centre	2	31	0	0	0	7	0	0
Flexible Home Improvements LTD	0	43	0	0	0	0	30	0
Horton Parish Council	0	0	0	0	1		28	0
MDM creative	0	0	0	0	0	0	0	2
Optalis Ltd	50,663	1,419	217	393	18,114	1,411	0	3,216
Royal County of Berkshire Pension Fund	2,467	93	1,633	1,312	3,708	355	1,256	1,297
The Prince Philip Trust Fund	9	0	0	0	0	0	0	0
The Windsor Boys' School	0	0	0	0	0	121	0	0
Trading Standards South East Ltd	0	0	0	0	1		1	0
West Windor Hub	20	0	0	0	15	0	0	0
Windor Learning Parternship T/A Windsor Girls School	155	0	0	0	106	0	0	0
Windsor & Maidenhead Youth Counselling Service	21	0	0	0	19	0	0	0
Total	**139,987**	**3,683**	**13,709**	**18,068**	**107,944**	**4,600**	**13,810**	**5,126**

The council, along with Wokingham Borough Council, are guarantors for Optalis Ltd to the Royal County of Berkshire Pension Fund. The council has assessed the likelihood of any call on its guarantee and at present it does not consider that any such call will be made.

Note 34 Capital Expenditure and Capital Financing

2024/25 £000		2025/26 £000
211,854	Opening Capital Financing Requirement	**282,597**
(2,804)	Opening balance adjustment	0
	Capital investment	
38,398	Property, Plant and Equipment	19,406
	Property, Plant and Equipment - Lease Liability	
0	Investment property	195
1,726	Intangible Assets	131
0	De-recognition of incorrectly capitalised items	0
2,104	Revenue Expenditure Funded from Capital under Statute	3,765
62,000	Exceptional Financial Support	39,162
	Sources of finance	
(5,020)	Capital Receipts	0
(19,375)	Government Grants and Other Contributions	(20,568)
0	Direct Revenue Contributions	(89)
(6,286)	Minimum Revenue Provision	(9,599)
282,597	**Closing Capital Financing Requirement**	**315,000**
	Explanation of Movements in Year	
62,000	Increase/(decrease) in underlying need to borrow (supported by government financial assistance)	39,162
11,547	Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	(6,758)
73,547	**Increase / (Decrease) in capital financing requirement**	**32,404**

Note 35 Leases

The council adopted IFRS 16 from 1 April 2024, to recognise right of use assets, which meant that the majority of leases where the council acts as lessee came onto the balance sheet. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The main impact of the new requirements is that a right-of-use asset and a lease liability were put on the council's balance sheet at 1 April 2024. Leases for items of low value (£10,000) and leases that expire within one year are exempt from IFRS 16 disclosure requirements. A weighted average incremental borrowing rate was applied to lease liabilities as at 1 April 2024.

As a lessee, the council has previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the council. Under IFRS 16, the council recognises right-of-use assets and lease liabilities for most leases.

The council applies recognition exemptions to short-term leases and does not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less and leases of low value assets. The council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The impact on the CIES of the application of IFRS16 is deemed immaterial by the council and therefore needs no additional disclosure here.

Note 36 Defined Benefit 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 for those benefits and to disclose them at the time that the employees earn their future entitlement.

Accounting policies

See Disclosure Note 1 Paragraph 7.3.

Teachers' Pension Scheme

Teachers in the council's maintained schools are employed by the council and are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries. Contributions to the Scheme by employers and employees are set at rates determined by the Secretary of State, taking advice from the Scheme's actuary. The Scheme's payments are partially funded by the employer and employee contributions, the balance of funding being provided by Parliament through general taxation. The council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2025/26, the council paid £5.55m (2024/25 (£5.66m) to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.68% (2024/25 28.68%) of pensionable pay. There were no contributions remaining payable at the year-end. The council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS), which is administered through the Royal County of Berkshire Pension Fund – this is a funded defined benefit career average salary scheme, meaning the council and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The pension scheme is operated under the framework of the Local Government Pension Scheme and policy is determined in accordance with the Pensions Fund Regulations.

In 2025/26 the council paid an employer's contribution total of £11m, which represented 16.6% of employees' pensionable pay plus a monetary amount of £4.57m into the Pension Fund. The contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations and the current rate was determined by the latest valuation undertaken up to 31 March 2022, for implementation from 1st April 2023.

The council is aware of the ‘Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)’ case and considers that there is potential for the outcome of this case to have an impact on the LGPS and there may be a further liability to the Employer’s share of benefits that were reduced by previous amendments, if those amendments prove invalid. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case, the judge ruled that alterations to the scheme rules were void and ineffective due to the absence of this written actuarial confirmation. The case was taken to the Court of Appeal, and the original ruling was upheld in July 2024.

The Government Actuary’s Department (GAD) is currently undertaking a review to confirm whether such changes occurred in the LGPS. Their most recent bulletin in November 2024 states that HM Treasury does not believe the Virgin Media case expressly addresses whether confirmation is required for public service pension schemes. Their view is that the relevant amendments in the LGPS would have been made by legislation and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court. At this point, it is therefore not possible to estimate the potential impact, if any, on the council.

Risk

The council is exposed to a number of risks from participating in the pension schemes accounted for as defined benefit schemes outlined above. Risks common to all of the schemes are:

Interest rate risk – the liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. Given the volatile nature of market yields the yield on high quality corporate bonds could fall leading to an increase in the liabilities.

Inflation risk – the benefits are linked to inflation and so increased costs may emerge if inflation is higher than expected.

Longevity risk – in the event that the members live longer than assumed more benefits will be paid out than expected. There are also other demographic risks.

As a funded scheme, the Local Government Pension Scheme gives exposure to other additional risks:

Investment risk – The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk – The Fund’s liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of assets and liabilities may not move in the same way.

Inflation risk – deficits may emerge to the extent that the assets are not linked to inflation.

Under IAS19 the cost of retirement benefits arising from defined benefit schemes are recognised in the cost of services in the Comprehensive Income and Expenditure Statement when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the council is required to make against the General Fund (and hence Council Tax) is based on cash payable in the year, so the real cost of pension benefits is reversed out to the pension reserve (see disclosure note 6) in the Movement in Reserves Statement.

The following tables sets out the transactions that have been made in the accounts.

Costs recognised in CIES and balance sheet

2024/25 £000	Local Government Pension Scheme	2025/26 £000
	Comprehensive Income and Expenditure Statement	
	Cost of Services	
(2,668)	Current Service Costs	(142)
(303)	Administration Expenses	(301)
	Financing and Investment Income and Expenditure	
(3,495)	Net Interest Expense	(2,044)
(6,466)	**Total Post-employment Benefit Charged to the Surplus or Deficit on the Provision of Services**	**(2,487)**
	Other Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	
	Re-measurement of the net defined benefit liability comprising:	
(9,355)	Return on Fund Assets in excess of interest	(12,838)
	Other actuarial gains / (losses) on assets	1,699
53,727	Change in Financial Assumptions	14,056
1,062	Change in Demographic Assumptions	(8,162)
1,039	Experience (loss) / gain on defined benefit obligation	(27,176)
(45,699)	Changes in impact of asset ceiling	35,989
774	**Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement**	**3,568**
(5,692)	**Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement**	**1,081**

Pension Assets and Liabilities Recognised in the Balance Sheet

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

2024/25 £000		2025/26 £000
(367,321)	Present Value of the Defined Benefit Obligation	(419,793)
333,438	Fair Value of Plan Assets	369,560
(33,883)	**Deficit**	(50,233)

(2,194)	Present value of unfunded obligation	(2,657)
(45,699)	Impact of asset ceiling	(12,335)
(81,776)	**Net defined benefit liability**	**(65,225)**

Reconciliation of the change in impact of the asset ceiling

2024/25 £000		2025/26 £000
0	Opening impact of asset ceiling	45,699
0	Interest on impact of asset ceiling	2,625
45,699	Actuarial losses / gains	(35,989)
45,699	**Closing impact of asset ceiling**	**12,335**

The council is currently paying contributions towards a funding deficit in order to return the fund to a position where it can be 100% of future liabilities. This constitutes an onerous funding commitment and as a result there is an additional liability of 45.7m to be recognised.

Reconciliation of the Movements in the Fair Value of the Scheme (Plan) Assets:

2024/25 £000		2025/26 £000
326,482	**Opening Balance at 1 April**	**333,438**
16,787	Interest on Assets	21,421
(9,355)	Return on assets less interest	(12,838)
-	Other actuarial gains/ (losses)	1,699
(303)	Administration Expenses	(301)
13,286	Contributions from Employer including unfunded	15,470
2,410	Contributions by Scheme Participants and other employers	2,558
(19,082)	Benefits Paid	(22,179)
3,213	Settlement prices received/(paid)	30,292
333,438	**Closing Balance at 31 March**	**369,560**

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

2024/25 £000		2025/26 £000
415,852	**Opening Balance at 1 April**	**365,515**
6,215	Current Service Cost	4,786
20,282	Interest cost	20,840
(53,727)	Change in financial assumptions	(14,056)
(1,062)	Change in demographic assumptions	8,162
(1,039)	Experience loss/(gain) on defined benefit obligation	27,176
(357)	Liabilities assumed/(extinguished) on settlements	25,648
(18,718)	Estimated Benefits Paid net of transfers in	(21,826)
23	Past Service Cost including curtailments	0
2,410	Contributions by Scheme Participants and other employers	2,558
(364)	Unfunded Pension payments	(353)
369,515	**Closing Balance at 31 March**	**422,450**

The significant assumptions used by the actuary have been:

2024/25		2025/26
	Mortality assumptions:	
	Longevity at 65 retiring today (years):	
20.7	- Men	22.0
23.6	- Women	24.2
	Longevity at 65 retiring in 20 years (years):	
22.0	- Men	23.5
25.0	- Women	25.9
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
5.80%	Rate of discounting of scheme liabilities	6.10%

Sensitivity Analysis

The sensitivity analysis shown in the table below has been determined based on reasonably possible changes on the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The methods and types of assumptions used in preparing the following sensitivity analysis did not change from those used in the previous period.

	£'000	£'000	£'000	£'000	£'000
Adjustment to discount rate	**+0.5%**	**+0.1%**	**+0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	396,691	417,071	422,450	427,949	451,223
Projected service cost	4,235	4,853	5,019	5,191	5,933
Adjustment to long-term salary increase	**+0.5%**	**+0.1%**	**+0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	423,194	422,597	422,450	422,303	421,724
Projected service cost	5,019	5,019	5,019	5,019	5,019
Adjustment to pension increases and deferred valuations	**+0.5%**	**+0.1%**	**+0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	450,294	428,134	422,450	417,784	398,411
Projected service cost	6,003	5,204	5,019	4,480	4,177
Adjustment to life expectancy assumptions	**+1 year**		**None**		**-1 year**
Present value of total obligation	438,140		422,450		407,387
Projected service cost	5,197		5,019		4,846

Royal County of Berkshire Pension Fund Assets:

31 March 2025		Asset Breakdown	31 March 2026	
£000	%		£000	%
225,602	68%	Equities	238,038	65%
48,711	15%	Credit	61,505	17%
27,936	8%	Property	30,148	8%
6,073	2%	Cash	10,559	3%
38,962	12%	Infrastructure	43,029	12%
(13,846)	-4%	Longevity Insurance	(13,719)	-4%
333,438	**100%**	**Total**		**100%**

Note 37 Nature and Extent of Risks Arising from Financial Instruments

Financial Instruments – Risks

The council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021. In line with the Treasury Management Code, the council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. Priority is to be given to security and liquidity, rather than yield. The council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.
The main risks covered are:

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

Credit Risk: Overview

The council is exposed to credit risk on the following categories of financial assets and commitments:

2024/25 £000	Exposure Category	2025/26 £000
19,332	Treasury Investments	23,047
22,488	Trade Receivables	18,623
9,984	Service Loans	11,784
51,804	**Total Credit Risk Exposure**	**53,454**

Credit Risk: Treasury Investments

The council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the council has received independent investment advice. A limit of £5m is placed on the amount of money that can be invested with a single counterparty (other than the UK government).

Credit Risk: Trade Receivables

Loss allowances on trade and lease receivables and contract assets have been calculated by reference to the council's historic experience of default, with an allowance to adjust for current and forecast economic conditions.

Liquidity Risk

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. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. The maturity analysis of financial liabilities is as follows:

2024/25 £000	Time to maturity (years)	2025/26 £000
52,384	Not over 1	96,295
48,786	Over 1 but not over 2	19,286
52,857	Over 2 but not over 5	89,857
101,036	Over 5	47,250
255,063	**Total**	**252,688**

Market Risks: Interest Rate Risk

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

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

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

Note 38 Trusts and Other Entities

The council holds balances on behalf of a number of Trusts and other entities that are administered by the council. The details of these are published below for information and do not form part of the Financial Statements.

	2024/25 Closing Balance	Receipts in Year	Payments in Year	2025/26 Closing Balance
	£000	**£000**	**£000**	**£000**
Flexible Home Improvements Ltd (FHIL)	2,963	218	103	3078
Working Boys Club	608	43	0	651
Kidwells Park Trust	468	46	0	514
RBWM Flood Relief Fund	178	0	0	178
Thames Valley Athletic Centre	77	0	0	77
Mayor's Benevolent Fund	11	9	5	15
Trusts & Other Entities Total	**4,305**	**316**	**108**	**4,513**

Flexible Home Improvements Ltd (FHIL)

This company was incorporated in March 2008 for the purpose of making loans to homeowners thus improving private sector housing. The company is initially funded by a grant from the Regional Housing Board and transfers amounts for subsequent loan to local authorities in Berkshire, Buckinghamshire, Oxfordshire, and Surrey.

Kidwells Park Trust

This Trust was established by J.M. Pearce who donated the land on which Kidwells Park and some surrounding buildings now stand. The funds in the Trust resulted from the sale of the College of Art in Marlow Road, Maidenhead to Berkshire County Council.

Royal Borough of Windsor and Maidenhead Flood Relief Fund

Following approval from the Charity Commissioners, this Fund is the combination of funds established in 1949 to provide essential relief measures in time of flood.

Mayor's Benevolent Fund

This Fund was established in February 1975 for general charitable purposes for the benefit of residents or persons working within the council.

Working Boys Club

This Trust received £613,000 on sale of 22 Cookham Rd, Maidenhead in 2008/09 and this has been invested in a fund to protect its value and ensure a revenue stream to finance the activities of the charity. The objectives of the charity are to provide facilities for youth in the borough with a preference for clubs and associations.

Thames Valley Athletics Centre

A sinking fund, created for the purpose of maintaining the athletics track and buildings, is invested on behalf of the TVAC Joint Committee.

Note 39 – Investments in Companies (Group Accounts)

The group financial statements are required for clarity and transparency to show the impact that consolidating the group makes to the financial statements, and an overall view of the material economic activities that the council controls.

Group accounts are prepared in accordance with the Code of Practice on Local Authority Accounting 2025/26 published by CIPFA. Group accounts are necessary where the council has any interests in subsidiaries, associates, and joint ventures, subject to a consideration of materiality.

Accounting Policies

Uniform accounting policies should be applied to the group and in the preparation of both the council's own financial statements and those of the group. The accounting policies in disclosure note 1 have been applied, and information about the group policies are in sections AP15 and AP16 of that note.

Basis of identification of the Group Boundary

Annually the council must consider its relationships with its partners and where an entity is assessed as having a group relationship (in accounting terms), group accounts are to be prepared. Relationships are considered under the following headings.

Subsidiaries – where the council exercised control and gains benefits or has exposure to risks arising from that control. Entities in this category are included in the group, where they are material[1].

Joint arrangements (joint operations and joint ventures) – where the council exercises joint control with one or more organisations. Where there are material[1], they are included in the group.

Associates – where the council is an investor and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (stopping short of control or joint control). It is presumed that holding 20% of the voting power of an investee (either directly or indirectly) brings significant influence but this presumption can be rebutted. The council does not have any Associate relationships.

No group relationship – where the body is not an entity in its own right or the Royal Borough has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

[1] Materiality is judged on the potential effect on the users of the accounts and takes into account the interests of those users and their understanding of the financial position of the group as a whole.

The council has determined its Group relationships as follows for 2025/26:

Company name	Control	Relationship	Accounting treatment Group accounts
Asset Holding Company Limited	Controlled	Subsidiary	No consolidation – immaterial – disclosure only
Achieving for Children Community Interest Company	No overall control	Joint Venture	Equity method
Optalis Limited	Joint control	Joint Venture	Equity method
Flexible Home Improvement Loans Ltd	No overall control	Joint Venture	No consolidation – immaterial – disclosure only
Home & Future Ltd	No control	Partnership	None – disclosure only
South West Audit Partnership	No control	Partnership	None – disclosure only

The Group

Asset Holding Company Ltd (Company Number 07588433)

The Asset Holding Company Ltd is a private limited company wholly owned by the council. The Company was set up in 2011 under the name Two5Nine Limited until May 2016, when it changed to RBWM Property Company Ltd. Under that name, the company provided property consultancy for regeneration, estate and asset management, and delivered property services. In May 2025 operational services were transferred back to the council, leaving the company to trade only as an asset holding company, along with a registered name change to the Asset Holding Company Ltd.

The Asset Holding Company had a trading account of £0.082m in 2025/26 (£0.451m loss in 2024/25) and had net assets of £4.144m at 31March 2026 (£4.062m net assets at 31 March 2025).

Achieving for Children Community Interest Company (AfC) (Company Number 08878185)

AfC was established on 5 February 2014 and was operational from 1 April 2014. It is a Community Interest Company limited by Guarantee that is jointly owned by the council (20%), the Royal Borough of Kingston (40%) and the London Borough of Richmond (40%). All Councils have commissioned AfC to provide Children's and Educational Services across the boroughs. AfC has offered an opportunity to pool facilities, staff talents and to share assets. The main benefits are greater capacity in safeguarding and looking after the most vulnerable children as well as providing the highest quality services to support schools.

The council has assessed AfC as a joint venture with joint control and is therefore accounted for under the equity method whereby the council's share of AfC's assets are recognised on the group balance sheet under long-term assets and on the comprehensive income and expenditure statement under share of joint venture.

The council is able to control the operating, governance, and financial policies of the organisation jointly with the other two council's. All three councils also provide a revolving credit facility (short term cash flow loan) to AfC at market rates, under the terms of the legal agreement signed by all three parties. This loan is shown in the council's Accounts as a short-term debtor, with a fair value equal to the carrying value due to the loan requiring repayment at no more than six monthly intervals. For further details see disclosure note 17.

AfC had a profit of £8.31m in 2025/26 (£0.490 in 2024/25) and had total assets of £82.32m at 31 March 2026 (£73.68m total assets at 31 March 2025).

Optalis Ltd (Company Number 07630156)

Optalis Ltd is a company set up by Wokingham Borough Council for the purposes of providing Adult Social Care Services. The company was established in 2011 and is limited by shares. A share sale took place on 31 March 2017 with the council purchasing a 45% interest. On the 3 March 2022, the council became equal shareholders with Wokingham (50% each).

The council assesses Optalis to be a joint operation with joint control and is therefore accounted for under the equity method whereby the council's share of Optalis assets are recognised on the group balance sheet under long term assets and on the CIES under share of joint venture

Jointly with Wokingham, the council is able to control the operating, governance, and financial policies of the organisation.

Optalis Ltd had a turnover of £35.8m in 2025/26 (£57.6m in 2024/25), profit and loss account broke even in both 2025/26 and 2024/25; and had net assets of £0.066m at 31March 2026 (£0.066m net assets at 31 March 2025).

Flexible Home Improvement Loans Ltd (FHIL) (Company Number 06541960)

This is a company set up by 17 local authorities across the South East of England to deliver small loans to homeowners to improve their property. The company was established in March 2008 and is limited by guarantee of £10. The council has an equal 1/17th share in the company and is able to nominate one director to the Board of Directors. It has been determined that the council does not have control or significant influence over the activities of FHIL and accordingly the company, and the council's share in it, is deemed not material and is not amalgamated into the group accounts.

The latest published financial statements prepared for the company were for the year ended 31March 2025 and investment income of £0.356m (2024/25 £0.380m) with a net profit after tax of £0.316m (2024/25: Profit after tax £0.344m).

As this joint venture is not amalgamated into the group accounts, further details of its 2025/26 performance are contained in disclosure note 33 and 38.

Home + Future Ltd (Company Number 16666009)

This is a company set up in August 2025 and as such no financial details are available. The council records this as a partnership but has no control of its decisions or activities and therefore is not included in its group accounts.

Home and Future is the South East Regional Care Cooperative, a not-for-profit social enterprise funded by local authorities across the region, delivering expertise to drive positive change in children's social care.

South West Audit Partnership (SWAP)

Partnership company set up in 2012 to deliver internal audit services. SWAP enables its partners to share the cost of maintaining a high quality internal audit service, benefit from increased service resilience, the ability to share knowledge and benchmark against one another.

The council records this as a partnership but has no control of its decisions or activities and therefore is not included in its group accounts. The latest published financial statements prepared for the company were for the year ended 31 March 2025 where it recorded a profit and loss account of £0.95m (£0.81m March 2024) and net assets of £1.129m (£0.985m March 2024).

Group Consolidated Income and Expenditure Statement

2024/25 (* Restated)					2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
91,434	(36,015)	**55,419**	Adults & Health		90,719	(31,372)	**59,347**
1,042	(43)	**999**	Chief Executive		1,059	(11)	**1,048**
148,699	(111,638)	**37,061**	Children's Services		159,747	(113,929)	**45,818**
593	(27)	**566**	Contingency & Corporate		1,289	(168)	**1,121**
68,345	(39,505)	**28,840**	Place		77,403	(46,199)	**31,204**
43,727	(27,546)	**16,181**	Resources		36,978	(21,880)	**15,098**
353,840	**(214,774)**	**139,066**	**Total Cost of Services**		**367,195**	**(213,559)**	**153,636**
		49,194	Other Operating Expenditure	9			37,506
		11,288	Financing and Investment Income and Expenditure	10			8,710
		(131,331)	Taxation and Non- specific Grant Income	11			(203,629)
		68,217	**Deficit on Provision of Services**				**(3,777)**
			Other Comprehensive Income and Expenditure				
		(8,968)	Deficit/(Surplus) on revaluation of Property, Plant and Equipment				(114,216)
		(774)	Remeasurement of the net defined benefit liability/(asset)	36			(3,568)
		(45)	Share of other comprehensive income / expenditure of joint ventures	39			1,217
		(9,787)	**Total Other Comprehensive Expenditure/ (Income)**				**(116,567)**
		58,430	**Total Comprehensive Expenditure/ (Income)**				**(120,344)**

* *Group CIES restated due to the removal of the Asset Holding Company from the group for 2025/26, therefore for comparison purposes the 2024-25 figures no longer include AHC financial information.*

Group Movement in Reserves Statement

2025/26	Total General Fund Reserves £000	Schools Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total council Reserves £000	Council's Share of Reserves of Joint Ventures £000	Total Reserves £000
Balance at 31 March 2025	(16,891)	(1,386)	(6,208)	(15,731)	(40,216)	(231,928)	(272,144)	(522)	(271,622)
Movement in Reserves during 2025/26									
Total Comprehensive Income and Expenditure	(3,777)				(3,777)	(117,784)	(121,561)	1,271	(120,344)
Adjustments between accounting basis and funding basis under regulations (note 9)	(13,087)	0	785	(29,700)	(42,003)	42,003	0	0	0
Net Increase/Decrease for year	(16,865)	0	785	(29,700)	(45,780)	(75,781)	(121,561)	1,271	(120,344)
Transfers to/from School Revenue Balances	(1,301)	1,301			0		0	0	0
(Increase)/Decrease in 2025/26	(1,301)	1,301	0	0	0	0	0	0	0
Balance at 31 March 2026	**(35,057)**	**(85)**	**(5,423)**	**(45,431)**	**(85,996)**	**(307,709)**	**(393,705)**	**739**	**(392,966)**

2024/25	Total General Fund Reserves £000	Schools Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total council Reserves £000	Council's Share of Reserves of Joint Ventures £000	Total Reserves £000
Balance at 31 March 2024	25,690	(2,547)	(10,041)	(22,770)	(9,668)	(320,951)	(330,620)	1,641	(328,979)
Movement in Reserves during 2024/25									
Total Comprehensive Income and Expenditure	68,217				68,217	(9,742)	58,745	315	58,430
Adjustments between accounting basis and funding basis under regulations (note 9)	(109,637)		3,833	7,039	(98,765)	98,765	0		
Net Increase/Decrease for year	(41,420)	0	3,833	7,039	(30,548)	89,023	58,745	315	58,430
Transfers to/from School Revenue Balances	(1,161)	1,161			0		0		
(Increase)/Decrease in 2024/25	(1,161)	1,161	0	0	0	0	0		
Balance at 31 March 2025	**(16,892)**	**(1,386)**	**(6,208)**	**(15,731)**	**(40,216)**	**(231,928)**	**(272,144)**	**1,956**	**(270,188)**

Group Balance Sheet

RBWM 31 March 2025 £000	Group 31 March 2025 £000		Note	RBWM 31 March 2026 £000	Group 31 March 2026 £000
353,553	353,553	Property, Plant & Equipment	13	521,984	521,984
92,080	92,080	Infrastructure assets	13	96,846	96,846
5,038	5,038	Heritage Assets	14	4,680	4,680
24,892	24,892	Investment Property	15	26,839	26,839
2,606	2,606	Intangible Assets	16	2,223	2,223
6,201	6,201	Long-term Investments	10	6,201	6,201
6,080	6,080	Long-term Debtors	18	0	0
-	33	Investments in joint ventures	39	-	33
490,450	**490,483**	**Long-term Assets**		**658,773**	**658,806**
13,864	13,864	Short-term Investments	10	13,576	13,576
114,451	114,451	Assets held for sale	13	30,728	30,728
58,957	58,957	Short-term Debtors	18	65,124	65,124
20,807	20,807	Cash and Cash Equivalents	19	18,623	18,623
208,079	**208,079**	**Current Assets**		**128,051**	**128,051**
(63,207)	(63,207)	Short-term Borrowings	35	(96,281)	(96,281)
(62,856)	(62,856)	Short-term Creditors	20	(53,727)	(53,727)
(3,568)	(3,568)	Short-term Provisions	21	(5,527)	(5,527)
(129,631)	**(129,631)**	**Current Liabilities**		**(155,535)**	**(155,535)**
(162)	(162)	Long-term Creditors	20	(162)	(162)
(202,679)	(202,679)	Long-term Borrowing	10	(156,393)	(156,393)
(81,776)	(81,776)	Pension Liabilities	36	(65,225)	(65,225)
(12,137)	(12,137)	Grant Receipts in Advance		(15,804)	(15,804)
-	(1,989)	Liabilities in joint ventures	39	-	(772)
(296,754)	**(298,743)**	**Long-term Liabilities**		**(237,584)**	**(238,356)**
272,144	**270,188**	**Net Assets**		**393,705**	**392,966**
(40,216)	(40,216)	Usable Reserves	22	(85,996)	(85,996)
(231,928)	(231,928)	Unusable Reserves	23	(307,709)	(307,709)
	(1,956)	Council's share of joint ventures	39		(739)
(272,144)	**(270,188)**	**Total Reserves**		**(393,705)**	**(392,966)**

Group Cash Flow Statement

RBWM 31 March 2025 £000	Group 31 March 2025 £000		Notes	RBWM 31 March 2026 £000	Group 31 March 2026 £000
(68,217)	(68,217)	Net (deficit)/ surplus on the provision of services		3,776	3,776
68,311	68,311	Adjustment to surplus or deficit on the provision of services for non-cash movements	24	125,517	125,517
(13,199)	(13,199)	Adjust for items included in the net surplus or deficit on the provision of services that are investment and financing activities	24	(49,796)	(49,796)
(13,105)	**(13,105)**	**Net Cash flows from Operating Activities**		**79,497**	**79,497**
(31,829)	(31,829)	Net Cash flows from Investing Activities	25	(68,469)	(68,469)
59,584	59,584	Net Cash flows from Financing Activities	26	(13,212)	(13,212)
14,650	**14,650**	**Net increase in cash and cash equivalents**		**(2,184)**	**(2,184)**
6,157	6,157	Cash and cash equivalents at the beginning of the period	16	20,807	20,807
20,807	**20,807**	**Cash and cash equivalents at the end of the reporting period**		**18,623**	**18,623**
		Net figure made up of:			
20,807	20,807	Cash and cash equivalents		18,623	18,623

Collection Fund

Collection Fund Accounts

The Collection Fund shows the transactions of the council as the billing authority in relation to the collection of Council Tax and National Non-Domestic Rates (NNDR) from local taxpayers, and its subsequent distribution to preceptors, Central Government and the council's General Fund. There is no requirement for a separate Collection Fund balance sheet since the assets and liabilities arising from collecting non-domestic rates and Council Tax belong to the bodies concerned (i.e. preceptors, the billing authority and the Government).

The council collects Council Tax precepts on behalf of the Police and Crime Commissioner for Thames Valley and the Royal Berkshire Fire and Rescue Service as well as itself and consequently not all transactions and balances relate wholly to the council. Similarly, the council also collects national non-domestic rates on behalf of Central Government and the Royal Berkshire Fire and Rescue Service.

2024/25 Original			2024/25 Restated				2025/26		
NNDR £000	Council Tax £000	Total £000	NNDR* £000	Council Tax** £000	Total £000		NNDR £000	Council Tax £000	Total £000
						INCOME			
67,201		67,201	75,455		75,455	NNDR Receivable	82,523		82,523
	121,404	121,404		121,405	121,405	Council Tax receivable		131,472	131,472
	90	90		90	90	Reliefs reimbursed from the General Fund		121	121
2,025		2,025	2,030		2,030	Transitional Protection Payments Receivable	927		927
						Repayment of Previous Year Estimated Deficit			
						- Central Government	4,261		4,261
	500	500		500	500	- Royal Borough of Windsor and Maidenhead	4,175	538	4,713
	31	31		31	31	- Royal Berkshire Fire and Rescue Service	85	33	118
	102	102		102	102	- Police and Crime Commissioner for Thames Valley		108	108
69,226	122,127	191,353	**77,485**	**122,128**	**199,613**	**Total Income**	**91,971**	**132,272**	**224,243**

2024/25 Original			2024/25 Restated				2025/26		
NNDR £000	Council Tax £000	Total £000	NNDR* £000	Council Tax** £000	Total £000		NNDR £000	Council Tax £000	Total £000
						EXPENDITURE			
						Distribution of Previous Year Surplus			
2,457		2,457	2,457		2,457	- Central Government			
2,407		2,407	2,407		2,407	- Royal Borough of Windsor and Maidenhead			
49		49	49		49	- Royal Berkshire Fire and Rescue Service			
						- Police and Crime Commissioner for Thames Valley			
						Precepts and Demands			
40,083		40,083	40,083		40,083	Central Government	41,381		41,381
39,282	92,980	132,262	39,282	92,980	132,262	Royal Borough of Windsor and Maidenhead	40,553	103,575	144,128
802	5,671	6,473	802	5,671	6,473	Berkshire Fire and Rescue Service	828	6,149	6,977
	18,780	18,780		18,780	18,780	Police and Crime Commissioner for Thames Valley		20,180	20,180
						Charges to Collection Fund			
			237		237	Interest charged to the Collection Fund relating to appeals settlements	138		138
	150	150)	0	150	150	Increase in Bad Debt Provision		242	242
			(3,078)		(3,078)	Settled appeals charges to the Provision for Appeals	(2,068)		(2,068)
1,417		1,417	4,495		4,495	Increase in Provision for Appeals	3,683		3,683
225		225	225		225	Cost of Collection	224		224
24		24	24		24	Renewable energy scheme	24		24
86,746	117,581	203,604	**86,983**	**117,581**	**204,564**	**Total Expenditure**	**84,763**	**130,146**	**214,909**
(17,520)	4,546	(12,974)	(9,498)	4,547	(4,951)	Surplus / (Deficit) arising during the year	7,208	2,126	9,334
1,131	(866)	265	1,131	(866)	265	Surplus / (Deficit) Brought Forward	(8,367)	3,681	(4,686)
(16,389)	3,680	(12,709)	**(8,367)**	**3,681**	**(4,686)**	**Surplus / (Deficit) Carried Forward**	**(1,159)**	**5,807**	**4,648**

**The 2024/2025 NNDR Collection Fund figures have been amended to reflect an error identified during 2025/26 relating to 2024/25. This error has been communicated to Central Government by an adjustment to the NNDR3 statutory return, and to preceptors so that their own financial statements can also be amended.*

***The 2024/25 Council Tax Collection Fund figures have been adjusted to correct rounding differences to the income, in-year surplus and carry forward surplus figures.*

Notes to the Collection Fund Accounts

1. Accounting Policy

Accountancy guidance requires that the agency basis underlying the Collection Fund be reflected in the consolidation of the Collection Fund into the Statement of Accounts.

The Council's share of Council Tax and National Non-Domestic Rates (also known as business rates) income is reflected in the Comprehensive Income and Expenditure Statement on an agency and accruals basis in line with the Code, however, the amount to be reflected in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory estimates made through the Movement in Reserves Statement and the Collection Fund Adjustment Account.

2. Council Tax Income and Taxbase

Council Tax is a charge levied on the notional value of properties as at 1st April 1991. The Valuation Office Agency allocates one of eight Council Tax Bands (A-H) to each property within the Borough according to its value. Band A is the lowest band and Band H is the highest.

The council's tax base for 2025/26 was 71,239 (2024/25 69,742.5). This is the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings. All properties in the other bands are expressed in terms of a Band D equivalent. For example, a Band A property is 6/9ths of a Band D, while a Band H property is 18/9ths.

Band	Property Value	Number of Properties Base	Ratio	Band D Equivalent	New build and collection provision	Taxbase
A	Up to £40,000	1,647.9	6/9	1,098.6	2.4	1,101.0
B	£40,001 to £52,000	2,885.9	7/9	2,244.6	147.3	2,391.9
C	£52,001 to £68,000	8,774.9	8/9	7,799.9	40.2	7,840.1
D	£68,001 to £88,000	14,623.6	9/9	14,623.6	-113.5	14,510.1
E	£88,001 to £120,000	12,485.7	11/9	15,260.3	-263.7	14,996.6
F	£120,001 to £160,000	7,852.8	13/9	11,342.9	-216.2	11,126.7
G	£160,001 to £320,000	9,434.2	15/9	15,723.7	-287.5	15,436.2
H	more than £320,000	1,947.7	18/9	3,895.4	-59.0	3,836.4
	Total	**59,652.7**		**71,989.0**	**-750.0**	**71,239.0**

Council Tax support is awarded to residents on low incomes and a 25% single person's discount is given where a property has only one occupant. There are various other discounts, reliefs and exemptions that are available depending on individual circumstances to reduce the payable amount.

For 2025/26 the sum of £39.95 (2024/25 £36.66) per Band D property is included to cover Special Expenses of the unparished areas of the Borough. These are the costs associated with providing parish-type services in those areas. A precept in accordance with revised regulations was also included to cover additional Adult Social Care costs and resulted in an additional charge of £212.52 at band D for 2025/26 (2024/25 £186.84).

3. Precepts and Demands on the Collection Fund

2024/25 £'000	Council Tax and NNDR Precepts	2025/26 £'000
40,083	Central Government	41,381
132,262	Royal Borough of Windsor and Maidenhead	144,128
6,473	Berkshire Fire and Rescue Service	6,977
18,780	Police and Crime Commissioner for Thames Valley	20,180
197,598	**Total Precepts and Demands**	**212,666**

4. National Non-Domestic Rates Income and Rateable Value

National Non-Domestic Rates (NNDR), also known as business rates, helps fund local services provided by councils and fire and rescue services. NNDR is calculated by multiplying a property's rateable value with a multiplier (a rate in the pound set by Central Government). Valuations are carried out by the Valuation Office Agency and represents the annual rental value of a premises on a particular date. Rateable Values are externally assessed on a five yearly national basis by the Valuation Office Agency.

	As at 31 March 2026	As at 31 March 2025
Total Business Rateable Value	201.5m	207.3m
Business Rate Multiplier - Standard	55.5p	54.6p
Business Rate Multiplier - Small Business (A property with a rateable value lower than £51,000)	49.9p	49.9p

5. Collection Fund Provisions

The council tax debt position is reviewed regularly and a provision of £1.85m to cover potentially bad or doubtful debts has been made. The council's share of this provision is £1.48m.

The National Non-Domestic Rates debt position is reviewed regularly and a provision of £4.71m to cover potentially bad or doubtful debts has been made. The council's share of this provision is £2.31m.

In addition to the provision for debt, a provision for future appeals has been provided to mitigate future liabilities to repay ratepayers as a result of reductions in Rateable Values (RV), following successful appeals or alterations to lists. A provision of £7.68m has been made, with the council's share being £3.76m.

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Royal Borough of Windsor & Maidenhead

Annual Governance Statement & Action Plan 2025/2026

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1 Executive Summary

1.1 The Royal Borough of Windsor and Maidenhead (RBWM, the council) is required to report publicly about how it has complied with its governance arrangements, including how those arrangements have operated over the course of the last year and if any areas require improvement. This Annual Governance Statement reports the outcome of our assessment.

1.2 Governance is about how the council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and responsible manner. We recognise the importance of having good governance, which includes effective leadership (from officers and councillors), management, policies, and procedures, to ensure we have a well-run council that delivers high quality, value for money services to the local community. We also acknowledge our responsibility for ensuring that the council conducts its business in accordance with the law and proper standards and that public money is safeguarded. Good governance is also a cornerstone of our Best Value duties and is a core theme running through the government's Best Value guidance to local authorities.

1.3 The council is committed to being efficient and effective in delivering improved outcomes for our residents and communities. We are open and transparent about our continuous improvement journey, and we believe that significant progress is continuing to be made.

1.4 We recognise that good governance requires a culture of continuous improvement and challenge, and we will continue to seek improvement and will be self-critical in doing so to ensure we uphold the highest possible standards of good governance. This is demonstrated through the continued challenge and support provided by our independent improvement board – the Financial Improvement and Sustainability Board – which was voluntarily set up by the council in December 2024 to support our development as an organisation.

1.5 As part of the council's response to the Best Value Duty under the Local Government Act 1999, the council has commenced a comprehensive self-assessment against the Best Value statutory guidance. This process is being used to identify areas of strength and areas requiring further improvement across governance, leadership, culture, use of resources, and service delivery.

1.6 This review and statement are prepared in the context of the significant issues affecting the financial wellbeing and resilience of the council. The council commissioned reviews through the Chartered Institute of Public Finance and Accountancy (CIPFA) to include financial resilience review, systems and processes and the governance arrangements for the wholly owned property company. Strengthened governance and oversight arrangements have also put in place for all of the council's wholly or partly owned companies over the past year – the Asset Holding Company. Achieving for Children, and Optalis.

1.7 Children's and adults social care are highly regulated and RBWM has performed well over the past year. In February 2025, Ofsted conducted a follow up 'focus visit' of the council's children's social care services which concluded very positively, pointing to continued progress following the full Ofsted inspection in 2024 which concluded that children's social care services were 'good' and 'outstanding' for care leavers. We have also continued to make progress in adult social care and are no longer required to provide updates to the Care Quality Commissioning and Department for Health and Social Care on our progress following positive engagement with the LGA appointed advisor. We are confident that our next CQC assurance report will show a good quality of service is provided.

1.8 External audit concluded their work on the 2024/25 Statement of Accounts, and these were published by the statutory backstop date. A significant amount of audit work was completed but there was also audit work which could not be completed to meet the backstop date. There were also weaknesses identified during the audit work, and these were highlighted in the Annual Audit report for 2024/25 issued by the auditors.

1.9 The council remains in proactive discussions with the Ministry of Housing, Communities and Local Government for Exceptional Financial Support. Although the 2026-27 local government finance settlement announced in February 2026 granted permission to increase Council Tax by 7.49%, this is insufficient to close the structural funding shortfall. The council continues to transform services at pace to identify savings opportunities to help close the budget gap, with a forecast over achievement of savings in 2025/26.

1.10 The council's Financial Improvement and Sustainability Plan (FISP) stands alongside the Council Plan as our most important strategic document. Adopted by Council in the autumn of 2024, the FISP provides a comprehensive plan for financial and organisational recovery. In December 2025, Cabinet considered a FISP 'one year on delivery report' which shows significant progress against the themes of the FISP. A further update report will be taken to Cabinet in December 2026.

2 Introduction and acknowledgement of responsibility

2.1 The council is responsible for ensuring that its business is conducted in accordance with the law, proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness (the "Best Value Duty").

2.2 The Accounts and Audit Regulations (2015), as amended by the accounts and Audit (Amendment) Regulations 2021, require the council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts

2.3 This Annual Governance Statement is used as an improvement document. It addresses steps taken to address weaknesses and sets out how the council is delivering improvements against any recommendations made by external parties. Although the Annual Governance Statement sets out governance arrangements which were in place during the financial year 2025/26, it is a living document which is relevant for the current financial year and beyond.

2.4 The council continues to strengthen its approach to the Annual Governance Statement as a core improvement document. This includes the integration of AGS actions within a corporate "super-tracker" to ensure that progress is actively monitored, regularly reported, and subject to challenge through the Executive Leadership Team and Audit and Governance Committee.

3 The principles of good governance

3.1 The CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) Delivering Good Governance publication defines the various principles of good governance in the public sector. The document sets out the seven core principles that underpin the governance framework and these are set out below:

A. Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.
B. Ensuring openness and comprehensive stakeholder engagement.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
F. Managing risks and performance through robust internal control and strong public financial management.
G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

4 Key elements of the council's Governance Framework

4.1 The governance framework at the council the systems, processes, culture, and values which have been adopted to deliver on the above principles. The council has a local code of governance, which is consistent with the principles of the CIPFA/SOLACE framework.

4.2 The governance framework enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

4.3 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives as an individual's failure to comply with policies and procedures, even when provided with comprehensive training on them, can never be eliminated.

4.4 The system of internal control is based on an ongoing process designed to:

- identify the risks to the achievement of the council's policies, aims and objectives;
- evaluate the likelihood and impact of the risks should they be realised; and
- identify and implement measures to reduce the likelihood of the risks being realised and to manage them efficiently, effectively, and economically.

4.5 The CIPFA Advisory Note 'Understanding the challenge to local authority governance' (March 2022) restates the importance of increasing awareness and strengthening of governance arrangements following the significant and high-profile failures in local government.

4.6 For good governance to function well, the CIPFA Advisory Note, highlighted the need for organisations to encourage and facilitate a high level of robust challenge through strengthening audit committees and internal challenges. At the council, the Audit and Governance Committee exercises these duties.

5 Overview of the council's Governance Framework

5.1 The Governance framework incorporated into this Annual Governance Statement has been in place for the year ended 31 March 2026.

5.2 The council has established three Overview and Scrutiny Panels which meet in public, subject to the access to information rules, to discuss and make recommendation on the development of the plans and strategies and on reports going to Cabinet and hold the Cabinet to account for its actions.

5.3 The Council, Cabinet and Leader provide leadership, develop and set policy, and approve the budget. They agree borough plan priorities and manage the delivery of the agreed council priorities, strategies, and policies. They provide oversight of financial management and performance. The council has implemented changes to its scrutiny arrangements during 2025/26 to strengthen the effectiveness of overview and scrutiny. This includes a revised approach to work programming, increased focus on priority areas where scrutiny can add value, and enhanced member and officer engagement to support more robust challenge and policy development. These changes are intended to support more effective accountability and continuous improvement.

5.4 The Audit and Governance Committee oversee the approach for the effectiveness of the internal audit system, including internal audit and counter fraud arrangements. They approve the accounts and consider the external auditors' annual letter and issues arising from the audited accounts. They also oversee arrangements for risk management.

5.5 All council decisions are made in compliance with law and the council constitution. Reports and papers are published on the council website along with all decisions made.

5.6 The Risk Management Strategy and policy set out how risks are identified, assessed, monitored, and mitigated. The council has an agreed risk appetite protocol which defines the amount and type of risk the council is willing to accept. The risks and mitigations are regularly reviewed and updated, including addition of new and emerging risks.

5.7 The council has the following statutory officers responsible for delivering and overseeing the financial management and governance of the council:

- Head of Paid Service – who is responsible for the overall functioning of the council and the allocation of resources. The council's Head of Paid Service is the Chief Executive
- The Executive Director of Resources is the council's appointed Chief Financial Officer in accordance with section 151 of the Local Government Act 1972.
- The Deputy Director of Law and Governance is the council's Monitoring Officer.

5.8 During 2025/26, the council has strengthened its officer-level governance infrastructure through the establishment of a number of thematic boards to provide enhanced oversight, challenge and coordination across key corporate functions. These include a new Audit Board to strengthen internal oversight of audit, assurance and control issues; an Information Governance Board to oversee compliance with data protection, records management and information risk; a Treasury Board to provide dedicated scrutiny of treasury management activity; a Housing Board to oversee delivery and risk within housing services; and an AfC Operational Commissioning Board to strengthen governance of commissioning arrangements. These boards operate alongside existing governance structures – including the Future Shape RBWM corporate transformation board and Digital and IT Board to provide a more systematic and joined-up approach to oversight, risk management and performance monitoring across the organisation.

5.9 During the 25/26 year, internal audit identified a number of concerns relating to the demonstration of the council's shareholder role in relation to Optalis, a jointly owned company providing adult social care services as a proxy for in-house services. While service oversight and commissioning reviews of performance and value for money were in place, there was little evidence of the council demonstrating its ownership responsibilities. As a result of the audit, a Shareholder Panel has been convened and an annual report and three-year business plan produced and going through the scrutiny and cabinet processes in the early summer 2026.

6 Review of effectiveness

6.1 The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The effectiveness of key elements of the governance framework are assessed throughout the year by the Executive Leadership team, the Audit and Governance Committee, Internal Audit and other officers and members as required. The review of effectiveness is informed by the work of senior officers who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and from comments received from external auditors and other review agencies and inspectorates.

Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law

6.2 In 2023 the council embedded a series of revitalised cultural values to include Humility, Empower, Respect, One Team ("HERO") that reflects organisational behaviours and values when dealing with colleagues, partners, and service users. The HERO values continue to be a topic of discussion across the council, in directorate 'all hands' sessions and away days and in the September 2025 all colleague conference which took place in Maidenhead – the first all staff collaboration event since 2022.

6.3 All council employees and members must conduct themselves in accordance with the terms of the Officers' Code of Conduct and Members' Code of Conduct. On becoming a Member of the Council, all councillors are required to sign a declaration of acceptance of office which includes an undertaking to observe the code of conduct and the Nolan Principles.

6.4 The council's Constitution sets out Codes of Conduct for Members and Officers. Guidance and support are provided to members across all groups in relation to the application of the Code. In 2025/26 Councillors received training relating to the alignment of the HERO values with the Code of Conduct and Nolan Principals.

6.5 Members are required to register details of Disclosable Pecuniary Interests, and a series of interests defined by the Code of Member Conduct. Declarations are required to be completed within 28 days of becoming a member (or being re-elected or reappointed) in the council's Register of Members' Interests.

6.6 The Member Standards Panel advises the council on the Code of Conduct for Members and promotes high standards of conduct by Members. The Audit and Governance Committee's terms of reference are set out in Part 6 of the Constitution. Records of the Committee's meetings and decisions are available online. The Monitoring Officer reports annually to the Member Standards Panel on the operation of the Code of Conduct and other associated ethical issues through their annual report and reports on any issues that trigger the Section 5 duty.

6.7 Further, a published Code of Conduct for Employees dated June 2024 sets out expected values and behaviours in relation to accountability, political neutrality, relationships, equality, fraud, corruption, and whistle blowing. On joining the council, officers are provided with a contract outlining the terms and conditions of their appointment. All staff must sign a code of conduct and declare any financial interests, gifts, or hospitality on a register.

6.8 During 2024/25 and continuing into 2025/26, the council has engaged the Counter Fraud Enforcement Unit (CFEU), hosted by Cotswold District Council, to provide specialist support in strengthening the council's counter-fraud, investigation and governance arrangements. This engagement has included the review and update of key policies such as Whistleblowing, Regulation of Investigatory Powers Act (RIPA) procedures and the Fraud Risk Strategy, alongside the provision of advice, training and operational support to officers. The CFEU continues to support the council in developing a more proactive and embedded approach to counter-fraud activity, including raising awareness, strengthening controls and supporting a culture of prevention and accountability across the organisation.

6.9 The Monitoring Officer is a statutory function and ensures that the council, its staff, and councillors maintain the highest possible standards of conduct in all they do. They hold responsibility for monitoring and reviewing the operation of the council's constitution, ensuring compliance with established policies, procedures, laws, and regulations and for reporting any actual or potential breaches of the law or maladministration to the Full Council and/or Cabinet. The Monitoring Officer is a mandatory consultee on all Council Reports. The Monitoring Officer regularly reviews and updates the Constitution and meetings of the Constitution Working Group are held quarterly, agreeing any constitutional amendments which are taken to Council once collated. The Chief Executive, Monitoring Officer and Section 151 officer meet monthly as the council's officer 'golden triangle' to discuss issues of governance.

Ensuring openness and comprehensive stakeholder engagement

6.10 The council adopted a new Council Plan (2024-2028) in April 2024, with annual refreshes. This set out a vision for the council and priorities, how those priorities will be delivered, and success measured. Developed with partners, the plan outlines how the council commits to work in the public interest and resident views will be at the heart of service delivery. The Council Plan is well embedded and recognised across the organisation. New performance indicators and metrics have been developed to support the Council Plan and will lead to greater accountability.

6.11 The council uses a range of methods to communicate the council's objectives and achievements to local people, including:

- The council website;
- media relations, with local, regional and national media outlets;
- social media;
- the annual online Council Tax leaflet and other corporate leaflets published in the website; and
- Weekly Borough News (e-newsletter) to residents

6.12 The council website is accessible to a wide audience, with relevant and regularly updated news articles online. There are user forums, including the Learning Disability Partnership Board, and the Children in Care Council, which we use to engage with people that require support, residents, businesses, and other stakeholders to enable them to inform the development and delivery of council services.

6.13 Copies of the agendas, documents, minutes and decisions of all Committees, Cabinet and Full Council meetings are available promptly online and an online calendar of future meetings enables public attendance where appropriate. Committee reports recommending key decisions are accompanied by equality impact assessments.

6.14 All public meetings are live streamed via the council's e-democracy channel on YouTube. This has ensured more transparent decision making.

6.15 Consultation and engagement is a key part of how the council services the borough and is central to the vision to be 'at the heart of communities,' listening to people and involving them in decision-making. Consultations are hosted on a dedicated webpage (RBWM Together) and in accordance with the council's recently published Consultation Guidance the council aims to publish findings no later than 12 weeks after the closing date of a consultation.

6.16 The council operates a clear and transparent policy and procedure for dealing with complaints about the council's services and reports on complaints received and lessons learnt and the council has adopted the LGSCO Complaint Handling Code.

6.17 During 2025/26 the council introduced a new Consultation Policy and supporting toolkit to promote consistency, quality and transparency in how consultation and engagement activity is undertaken. This provides officers with clear guidance on planning, delivering and reporting consultation exercises, ensuring that engagement activity is proportionate, accessible and demonstrably informs decision-making.

Engaging comprehensively with institutional stakeholders

6.18 Partnerships are about the council coming together with the right organisations to deliver improved outcomes for local people. Aligned to the Council Plan priorities, the council demonstrates community leadership through social, economic, and environmental partnerships at regional, sub-regional and local levels, each with their own set of terms of reference or memorandum of understanding for effective joint working which is set out in the council's Partnership Protocol.

6.19 The council's draft Corporate Strategy Guide/Toolkit places great emphasis on the need to consider engagement with key stakeholders throughout all stages of strategy development and delivery. The council and its partners have concluded the coproduction of a 10-year Health and Wellbeing Board strategy using these principles.

Engaging with individual citizens and service users

6.20 Feedback from consultations and resident surveys are used to inform decisions about service improvements or where services are no longer required and prioritise competing demands within available resources. The council's recently published Consultation Guidance and Engagement Framework serves to ensure that engagement is consistently planned through stakeholder mapping and applied in an appropriate, meaningful, and proportionate way. The council's draft Corporate Strategy Guide/Toolkit places great emphasis on the need to consider engagement with key stakeholders throughout all stages of strategy development and delivery. This framework has shaped the work to develop a new all-age Autism strategy for the borough, which is currently it's final stage of consultation.

6.21 All communications are branded to ensure that they are easily recognised, and the information can be translated into different languages and alternative formats as required.

6.22 The constitution allows public speaking at Cabinet and other committees, and for public questions to be heard at Full Council. A Petitions Scheme is available online and the council has a nominated Petitions Officer.

Defining outcomes in terms of sustainable economic, social, and environmental benefits

6.23 Following wide and inclusive stakeholder consultation the Council Plan (2024-28) sets out an overarching vision of "***A borough of safer, greener and cleaner communities, with opportunity for all"***; this is underpinned by the following key tenets:

- An outward-looking, collaborative, learning organisation.
- A council at the heart of the borough's communities.
- A council which operates on a regional footprint.

6.24 The Council Plan further sets out five strategic aims:

- Put the council on a strong financial footing to serve the borough effectively.
- A cleaner, greener, safer, and more prosperous borough.
- Children and young people have a good start in life and opportunities through to adulthood.
- People live healthy and independent lives in supportive communities.
- A high-performing council that delivers for the borough.

6.25 As part of the 'golden thread' the vision, aims, objectives and targets associated with the Council Plan cascade down the organisation into service and individual plans and objectives.

6.26 Delivery of the Council Plan is closely aligned to:

- The council's Medium Term Financial planning and the annual budget setting process which in terms of sustainability, balances available resources with need, demand, and risk appetite.
- The council's draft Corporate Strategy Guide/Toolkit which in terms of sustainable strategy development sets out the need to consider the medium to longer-term business operating environment, impact assessments and in relation to strategic options appraisal consider potential conflict of interests and where the wider public interest lies.

Determining the interventions necessary to optimise the achievement of the intended outcomes

6.27 The Council Plan has been developed through a data driven approach, and wide community and stakeholder engagement.

6.28 The Council Plan, Service Plans and workforce metrics are monitored and reported to Principal Officers and Members through the Quarterly Assurance Reporting which incorporates outputs against key performance indicators and risk. Quarterly Assurance Reports are subject to extensive scrutiny to include the Performance and Review Board, Member led Corporate Overview and Scrutiny Committee and Cabinet.

6.29 Resourcing of the Council Plan is monitored and controlled through monthly budget reporting. New spending commitments over £500 are sanctioned through a weekly Spending Control Panel. Projects arising out of the council's transformation agenda are monitored and reported to officer led Directorate Transformation Boards, with collective oversight undertaken at the Corporate Transformation Board.

6.30 Contract monitoring is co-ordinated through the Strategy, Policy & Performance Team. A new Key Performance Indicator template has been established to help commissioning managers develop meaningful contract metrics and report such metrics in a standardised way.

6.31 Feedback from consultations and resident surveys are used to inform decisions about service improvements or where services are no longer required and prioritise competing demands within limited resources available.

6.32 The council's commitment to social well-being is evidenced through a newly created Member Champion for Social Responsibility. Aligned to the Council Plan, a draft Social Value Policy Framework is awaiting approval. This draft policy framework, following the National Themes, Outcomes and Measures (TOMs) System framework, sets out to leverage additional benefit to the community through existing and future initiatives by means of procurement, developer agreements, businesses, and voluntary sector organisations.

6.33 The Performance & Resources Board meets monthly as part of a wider council approach to strengthening governance and oversight through greater scrutiny of finances, performance (including project delivery), risk and audit recommendations. This then ensures that progress against council objectives – and the success and threats to the council's success – are proactively considered in the round, and dependencies, constraints and challenges are identified early with scope to address them before they reach a point of critical impact.

6.34 In December 2024, the council Financial Improvement and Sustainability Board (FISB) was established to provide external scrutiny and support to the council's improvement. The purpose of the Board is:

- To provide independent external advice, constructive critical challenge, and sector-wide expertise in driving forward the council's financial recovery, including the further evolution and delivery of the financial recovery plan and 'Future Shape RBWM' transformation programme.
- To provide assurance to key stakeholders - including, but not limited to - Cabinet, external auditors, central government and Members - regarding progress in delivering against the council's financial recovery plans including the identification and delivery of savings and income measures, transformation and wider organisational improvements.
- To provide regular progress reports – via reports to Cabinet and the Executive Leadership Team - on the delivery of the council's financial recovery plan and transformation programme.
- Seek assurance that key decisions are made cognisant of the financial implications and impact on in-year budgets and the council's long-term Medium Term Financial Strategy.

6.35 The FISB meets monthly and is Chaired by Gavin Jones – CEO of Essex County Council and Lead Commissioner at Slough and Thurrock Borough Councils – together with sector experts in the field of social care and finance. The council is represented by the Leader and Deputy Leader, the council CEO and other members of the Executive Leadership Team.

6.36 The concept of a super tracker was established to track progress and report against delivery of all external recommendations in one place. This has been operational from late 2024/25.

6.37 The council has developed a Contract Optimisation Strategy that sets clear improvement objectives and workstreams to deliver them. Delivery of the strategy action plan will ensure the council consistently has successful contracts in place that deliver the best possible services at the most reasonable cost, with operational, reputational and financial risks effectively managed, and clear mechanisms in place to monitor and control the scope of services. The three main aims of the strategy are:
(1) Building Capability and Capacity, (2) Establishing Strategic Foundations, (3) Delivering Performance and Value

Progress in 2025/26 includes:

- The Contract & Tendering Rules have been updated to include tighter controls.
- A new Member Gateway process has been developed and embedded to ensure elected members are engaged in shaping service design and procurement strategies at critical stages.
- Resources have been strengthened in Procurement and in teams managing major contracts delivering services for residents.
- Mandatory accredited contract management training has been completed by all RBWM contract managers and now forms part of the induction for new employees.
- Monthly Contract Management & Excellence Forums are providing a platform for learning, problem-solving, and the exchange of best practice.
- Improved planning, commercial awareness and cross-departmental working is delivering service improvements and financial efficiencies through procurements.

Developing the entity’s capacity, including the capability of its leadership and the individuals within it

6.38 Quarterly Assurance Reporting incorporates monitoring and reporting of key workforce metrics at a Directorate level to include sickness, turnover and vacancies.

6.39 Employees’ training and development needs are identified through the performance management process. In addition to a comprehensive induction programme, internal training courses are available to employees, covering a wide range of topics and issues. Each service area completes an annual Training Needs Analysis to identify individual officer development.

6.40 Aligned to Council Plan priorities, active participation in social, economic, and environmental partnerships serve to improve community outcomes through avoiding duplication of effort, shared resources and complimentary skills and experience.

6.41 The law and Constitution clearly define the responsibilities of key Member and officer roles. Part 3 of the Constitution sets out powers delegated to Cabinet Members and Officers. Chief Officers are in turn responsible for authorising delegations to their officers. Delegations are reviewed and updated when roles or structures change.

6.42 The protocol on Member/officer relations contained within Part 7 of the Constitution further defines the day-to-day roles and responsibilities of officers and Members. Following elections in May 2023 all Members were offered a comprehensive induction and there are regular briefings and development sessions throughout their term of office. Newly elected Councillor induction includes information on roles and responsibilities, political management and decision-making, financial management and processes, health and safety, information governance, data protection, the Members’ Code of Conduct, and safeguarding.

6.43 Mandatory training is provided for Members who sit on the Licensing Panel, Appeals Panel, and the Development Management Committees. The council has developed an online ‘Members’ Hub’ which is a dedicated area containing documents, news, training, and forms.

6.44 All officers receive regular one to ones with their manager to monitor workload and performance. Opportunities are provided for identifying future training and development needs, and to track progress against objectives. The effectiveness of individual performance monitoring is tracked in a number of ways, including regular staff satisfaction surveys. It is notable that the Adult Services Directorate has been successful in recruitment of management posts during the year, ending the financial year with a full team of permanent staff, compared to an historic over-reliance on agency staff.

6.45 Staff wide Executive Leadership team briefings take place every three weeks in person and online allowing for council updates to be shared. ELT also host ‘ELT Question Time’ sessions three times a year where colleagues can ask questions of the senior team. The CEO and other directors also send a weekly update message to colleagues on Fridays.

6.46 Audits and Inspections, together with Peer Challenge Reviews provide valuable feedback when reviewing the effectiveness of corporate leadership and opportunities for improvement.

Managing risks and performance through robust internal control and strong public financial management

6.47 The risk reporting methodology has been refreshed from early 2024. A series of meetings were held with senior officers to challenge the impact, likelihood and appetite risk ratings to ensure that the data can be substantiated both in isolation and in relative terms by comparison with the other directorate risks. These outputs are captured in scatter diagrams (for directorate risks and for council wide strategic risks) which quickly illustrate the relative positions of these risks and their impact/likelihood ratings. These are supported by a table showing mitigations in place for each risk together with the last and most recent quarter risk ratings. Directorate risks are regularly reviewed at bi-monthly Departmental Management Meetings and then at Corporate Management meetings.

6.48 The Council Plan and Service Plans which include workforce metrics, are monitored, and reported to Principal Officers and Members through the Quarterly Assurance Reporting

Financial Management

6.49 In early 2024, the Leader of the Council and Cabinet Member for Finance wrote jointly to the Chancellor and Secretary of State setting out the risk of the council having to issue a statutory Section 114 notice. The reasons for the financial position of the council are largely due to historical decisions taken locally since 2010. Most prominent among these was the decision to cut Council Tax significantly year on year for a period of six years – and then freeze if for a further two years - which has left the council's baseline funding around £30 million lower than if Council Tax increases had kept pace with average rises across the country. This position has been further exacerbated through the fair funding review, which will leave the council with a further £30million less in income than previously. The council is in proactive discussions with the Ministry of Housing, Communities and Local Government regarding exceptional financial support over the medium term.

6.50 These historical decisions – coupled with more recent macroeconomic shocks which impact all councils, the impact of the fair funding review, and rapidly growing demand and cost for social care services in particular – have left the council in an extremely challenging financial position. The council is demonstrating progress though, evidenced through the more consistent financial monitoring position reported during 2025/26 showing the council managing within the budget that was set. The council's track record of delivering savings has improved significantly over the past few years, with the council of course to over deliver savings in 2025/26 (£6.4m) on top of the delivery of £6m savings in 2024/25.

6.51 The council's Future Shape RBWM transformation programme is delivering improved services and enabling savings to be delivered at pace. Adults and children's social care services show significant transformation, and our housing transformation programme has helped achieve a 20% reduction in households in temporary accommodation between summer 2025 and spring 2026. The council is determined to continue to transform at pace, and is now in the process of procuring a specialist transformation partner to identify and deliver further savings and improvements through transformation,

6.52 In response to the council's financial position, a strengthened budget-setting process has been introduced to improve financial planning, transparency and accountability. This includes enhanced officer and Member engagement, clearer articulation of assumptions and risks, and closer alignment between financial planning, service delivery and the Council Plan. This revised approach is designed to support sustainable decision-making and ensure that financial considerations are fully integrated into strategic and operational planning.

6.53 Recent strengthening of the finance team has ensured that the council's accounts have been produced in a timelier manner and to a better quality. The council does, however, recognise that further work is required to ensure our financial records are considered good quality.

6.54 Preparation of the 2024/25 accounts highlighted concerns over the approach to maintaining the fixed asset register. A plan was developed and implemented during 2025/26 to re-validate the fixed asset register and put it in a format conducive to accurate accounting going forward. This formed part of the finance transformation plan referred to below.

6.55 The following actions have been taken to improve financial management in the council:

- The recruitment of a permanent S151 during 2025/26 who took over from the experienced Interim in the autumn.
- Continued strengthening of the finance team to a level, whilst still lean, is more appropriate to improving financial management.
- Establishing a comprehensive finance transformation programme, covering areas such as the accounts, debt management, fixed asset register, and budget monitoring. This reports via the council's future shape RBWM framework.
- Work has continued in strengthening and maintaining regular bank and balance sheet reconciliations. Improving record keeping including the fixed asset register.
- Establishment of officer Capital, Audit and Treasury Boards, to improve governance in these areas.

Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

6.56 Following the recommendations of an Internal Audit Report dated 2024 the council is working to strengthen compliance with the Transparency Code for Local Government to include greater corporate oversight and co-ordination, full disclosure of data/information requirements and to progressively improve public accessibility through improved formatting when publishing.

6.57 The council and its decisions are open and accessible to the community, service users, partners, and its staff. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give anyone the right to ask for any information held by the council except where an exemption or exception can be lawfully applied to such information.

6.58 All reports requiring a decision must be reviewed by appropriately qualified legal and finance staff with expertise in the service area before they are progressed to the relevant committee/forum. The council is committed to its equality responsibilities. To meet these responsibilities, equality impact assessments are undertaken where appropriate.

6.59 Following the issuing of updated guidance on decision making to all relevant officers and a joint Member / officer workshop on roles and responsibilities, there has been a clear and measured improvement in the application of governance procedures.

Head of Internal Audit Conclusion

6.60 The Head of Internal Audit has provided an opinion of reasonable assurance for 2025/26, indicating that the council's governance, risk management and control arrangements are generally sound, although some weaknesses and areas for improvement remain. The opinion is based on audit work across key services and strategic risks and supported by sufficient coverage during the year.

6.61 The Head of Internal Audit Annual Report provides a summary of the activity used to support this opinion.

External Audit

6.62 The objections to the 2023/24 draft accounts have been resolved. Grant Thornton have issued their final Audit report and the accounts in their final format have been published.

6.63 External audit concluded their work on the 2024/25 Statement of Accounts and these were published by the statutory backstop date. A significant amount of audit work was completed but there was also audit work which could not be completed to meet the backstop date. There were also significant weaknesses in financial and governance arrangements identified during the audit work and these were highlighted in the Annual Audit report for 2024/25 issued by the Auditors.

6.64 Grant Thornton's most recent annual Value for Money assurance report – which went to Audit and Governance Committee in September 2025 - highlights that the council has made progress, with more to do. The external audit report also includes the council's response to the recommendations they have raised, and the actions being taken. It is positive that many of the recommendations have already been addressed and that other actions will be delivered over the next few months.

6.65 The following quotes from the executive summary of the external auditor report are particularly positive:

- 'Since we reported on 2023/24, the council has made rapid progress to establish corporate grip and align the organisation behind its improvement and recovery. The significant weaknesses which we identify in this report should be viewed in the context of this substantial progress.'
- 'Our 2024/25 report affirms the positive direction of travel in terms of organisational improvement and capacity building. The council took effective action to resolve historical accounting errors and clarify its financial position (subject to the conclusion of the 2024/25 post-statements audit) using external support to present a credible case for EFS from Government.'
- 'We recognise the rapid progress the council has made to re-build its capacity, support effective financial management and put in place a Financial Improvement and Sustainability Plan (FISP) and a Financial Improvement and Sustainability Board (FISB)'.
- 'The council's officer and political leadership has been open and transparent about the challenges it faces. A relatively new political administration is realistic about the scale of the change required. This is likely to require stamina and focus for some years to come'.

- ‘Stronger financial leadership has helped to increase the pace of improvement, and we note that the council continues to engage with the Ministry of Housing, Communities and Local Government which is encouraged by the progress being made and has not decided to intervene more formally, although that remains an option’.

The report provides evidence that the council's hard work is paying off, but that further work at pace is needed over the years ahead.

Annual Governance Statement 2025-26 Action Plan update

To take forward the actions arising from this assessment, we will review and bring forward all prior year outstanding actions and prepare a consolidated action plan that focuses on strengthening and improving the full range of controls, processes, training, and support to improve the overall governance framework.

Description	Progress
Scrutiny Function:	
Implement the new format of scrutiny which was developed in 2024/25 ensuring that Cabinet Members will be more involved in being held to account.	Completed Q2 2025/26
Do a presentation about Scrutiny to Performance & Resources Board to increase officers’ knowledge and understanding of scrutiny and to allow for officers to have input into the scrutiny work programme.	Completed Q2 2025/26
Increase Council members’ knowledge and understanding of the work programming including effective topic selection.	Completed Q2 2025/26
Assist the Overview and Scrutiny Panels in prioritising areas where scrutiny could add the most value, moving beyond pre-Cabinet scrutiny to include policy development and other areas. This will also be achieved by providing scrutiny training to Officers.	Completed Q2 2025/26
Strengthen members’ abilities to plan and gather necessary information, form key lines of inquiry, and focus on outcomes for policy development.	Completed Q2 2025/26
Governance:	
Undertake a Best Value self-assessment	Completion date now revised to June 2026
Update Local Code of Corporate Governance	Completed Q2 2025/26

Description	Progress
Leadership development programmes, ongoing training for staff and members, and regular communication reinforcing the importance of good governance. Establish a new Audit Board to provide stronger governance at officer level. Establish an audit tracker with progress being reported to ELT. Take internal audit as a subject to Performance and Resources Board	A suite of video training materials has been created to assist Councillors with their work and decision-making processes. A management essentials course has been rolled out for the first three cohorts of managers. Completed in Q2 2025/26 Completed in Q2 2025/26 Completed in Q2 2025/26
Improving Procurement and Contract Management: Roll out training Procurement and Contract management training to all council Officers involved in procurement and contract management to strengthen oversight and risk mitigation. Recruit to the final procurement officer vacancy (despite four failed attempts). Complete the drafting of the Procurement self – service templates and make them available on SharePoint (signpost to these during training).	Completed Q3 2025/26 Completed Q3 2025/26 Completed Q3 2025/26
People Strategy: Full review to be undertaken. The strategy should focus on attracting, developing, and retaining skilled staff, fostering a positive work environment, and promoting a culture of continuous learning.	Themes for the draft People Plan 2030 to be consulted on prior to launch prior to Summer 2026.
Ethical values and Conduct: Hold mandatory code of conduct training for members including references to council's HERO Values. Implement a mandatory annual Register of Members Interests (including a nil return) and a follow up process for non-compliance.	Completed in Q2 2025/26 Completed in Q2 2025/26 Completed in Q2 2025/26

Description	Progress
Update the recording of Members Gifts/Hospitality to ensure the online form includes the date the gift/hospitality was received and the date declared and ensure that this is shown consistently on each member's profile. Adopt the LGSCO Complaint Handling Code Roll out the integration of the updated council policies relating to gifts & hospitality and declarations of interests with the HR Information system (iTrent) as part of performance management process.	We have adopted the LGSCO code and relevant guidance has been updated Completed in Q2 2025/26
Culture of Accountability: Full roll out and implementation of the super tracker.	Completed in Q2 2025/26
Risk Management: Present refreshed Risk Management Strategy to Audit and Governance Committee. Undertake a risk management health check.	Completed Q2 2025/26 Completed Q3 2025/26
Group activities and oversight: Complete review of capacity following Prop Co being brought in-house	Completed with paper prepared for approval to provide capacity required for property team to deliver on council priorities
Financial Stability: Ensure the Finance Transformation Programme is comprehensive and provides the framework for delivering improvements in financial management. Develop an asset management strategy.	Completed in Q2 2025/26 Capacity challenges remain and plans have been developed to support this. Asset challenge sessions are now all planned and will be completed in April 2026. Outputs from the sessions and a framework of the strategy will be presented to the internal Property Board in May with the aim of completing the strategy by September 2026.

Annual Governance Statement 2026/27 - Action Plan

To take forward the actions arising from this assessment, we will review and bring forward all prior year outstanding actions and prepare a consolidated action plan that focuses on strengthening and improving the full range of controls, processes, training, and support to improve the overall governance framework.

Description	Responsible Officer	Target Date
Governance: Undertake a Best Value self-assessment Implement and roll out the corporate "Assurance Framework" by finalising and embedding the Strategy Development Framework and Performance Management Framework Strengthen resident engagement by establishing a Residents Panel and procuring an organisation-wide consultation platform, aligned to the Consultation Policy/toolkit, to improve consistency, accessibility and audit trail of engagement informing decisions.	Monitoring Officer Assistant Chief Executive Assistant Chief Executive	Q2 Q2 Q4
People Strategy: Full review to be undertaken. The strategy should focus on attracting, developing, and retaining skilled staff, fostering a positive work environment, and promoting a culture of continuous learning.	AD – HR, Corporate Projects and IT	Q2
Strengthening Member Development Governance: Creation of a Members' Training Board to provide a coordinated and strategic approach to councillor development. The Board will comprise officer representatives and will work corporately across all service areas to identify training requirements, align content with statutory and governance obligations, and ensure a comprehensive and consistent programme of development is in place.	Monitoring Officer	Q1 for board creation Q4 for development of induction programme

Description	Responsible Officer	Target Date
This will support the delivery of a structured induction and ongoing training offer for Members following the May 2027 elections, ensuring councillors are appropriately equipped to undertake their roles effectively, discharge their responsibilities, and contribute to informed and lawful decision-making.		
Asset Management: Develop an asset management strategy.	Assistant Director Placemaking, Partnerships and Sustainability	Q3
Financial Stability: Continue with delivery of the comprehensive finance transformation programme to realise improvements in financial management.	Assistant Director Finance	Q4

7 Assessment

7.1 The council has significantly improved and strengthened the overall governance framework, including improved scrutiny and transparency of decision making, financial oversight, performance monitoring and reporting.

7.2 The independent Financial Improvement and Sustainability Board (FISB), through its Chair's report to Cabinet in May 2026, recognised continued improvement in the council's financial management and governance arrangements. The Board noted strengthened financial control, including delivery of planned savings, effective budget containment and reduced reliance on reserves, alongside increasing accountability across key service areas. It further highlighted the positive culture of openness to challenge and strong engagement between Members and officers as supporting sustained improvement. Whilst acknowledging ongoing medium-term financial challenges and legacy risks, the Board concluded that the council is increasingly well placed to maintain progress, underpinned by enhanced governance, transparency and leadership commitment to continuous improvement.

7.3 External audit provides independent assurance of strong and rapid progress in improving governance, capacity and financial management, while recognising that further sustained improvement is required.

7.4 Internal Audit work has identified recurring issues relating to governance frameworks, data quality, consistency of controls, and oversight and accountability. In addition, significant corporate risks remain in relation to business continuity, premises health and safety, and temporary accommodation. Although progress has been made, including fewer high-priority findings, a high number of overdue audit actions persists, including in key risk areas. Continued management focus is required to strengthen controls and address underlying financial pressures.

7.5 The 2026/27 Action Plan will help us address those areas that will continue to support our new culture to embed the key principles of good governance at the heart of our organisation making it more accountable.

7.6 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements, including development of our workforce through the People Strategy, strengthening the financial planning and management processes, embedding performance management, and a comprehensive induction programme for Members.

7.7 We are satisfied that these steps will address the need for proper governance arrangements to be in place. We will undertake ongoing monitoring of the implementation of any improvements that were identified in our review of effectiveness and as part of our next annual review.

Cllr Tisi	Signed: *J Tisi*
Chair, Audit and Governance Committee	Date: 22nd June 2026
Stephen Evans	Signed: *S Evans*
Chief Executive	Date: 22nd June 2026
Cllr Werner	Signed: *S Werner*
Leader of the Council	Date: 22nd June 2026

The Royal County of Berkshire Pension Fund Financial Statements

Fund Accounts at 31 March 2026

2024/25 £'000		Notes	2025/26 £'000
	Dealings with members, employers and others directly involved in the Fund		
(181,228)	Contributions	7	(193,431)
(30,312)	Transfers in from other pension funds	8	(45,118)
(211,540)			**(238,549)**
154,389	Benefits	9	156,104
28,744	Payments to and on account of leavers	10	32,693
183,133			**188,797**
(28,407)	**Net additions from dealings with members**		**(49,752)**
33,510	Management expenses	11	33,794
5,103	**Net (additions)/withdrawals including fund management expenses**		**(15,958)**
	Returns on investments		
(54,933)	Investment income	12	(47,937)
2,843	Taxes on income	13	1,492
(53,037)	Profits and losses on disposal of investments and changes in the market value of investments	14	(45,186)
(105,127)	**Net return on investments**		**(91,631)**
(100,024)	**Net (increase)/decrease in the net assets available for benefits during the year**		**(107,589)**
(3,032,839)	**Opening net assets of the scheme**		(3,132,863)
(3,132,863)	**Closing net assets of the scheme**		**(3,240,452)**

Net Assets Statement at 31 March 2026

2024/25			2025/26
£'000		Notes	£'000
3,256,612	Investment assets	14	3,356,158
(139,244)	Investment liabilities	14	(139,822)
3,117,368	**Total net investments**		**3,216,336**
21,053	Current assets	21	28,458
21,053			**28,458**
(5,558)	Current liabilities	22	(4,342)
(5,558)			**(4,342)**
3,132,863	**Net assets of the fund available to fund benefits at the end of the reporting period**		**3,240,452**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 20.

Notes to the Royal County of Berkshire Pension Fund Accounts

Note 1 Description of Fund

The Royal County of Berkshire Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Windsor & Maidenhead (RBWM).

a) General

The fund is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended);
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended);
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Bullet point 3 will need to be updated after 30 June 2026, when the new "Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026" come into force, replacing the 2016 investment regs.

It is a contributory defined benefit pension scheme administered by RBWM to provide pensions and other benefits for pensionable employees of the 6 unitary local authorities in the geographical region of Berkshire, and a range of other scheduled and admitted bodies. Teachers, police officers and firefighters are not included as they come within other national pension schemes.
The fund is overseen by the Pension Fund Committee.

b) Membership

Membership of the LGPS is voluntary. Employees are automatically enrolled into the Fund and are free to choose whether to remain in the Fund, opt-out of the Fund, or make their own personal arrangements outside the Fund.
Organisations participating in the Royal County of Berkshire Pension Fund include:

- Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the fund.
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details are set out below:

The Royal County of Berkshire Pension Fund	31 March 2025	31 March 2025
Number of active/contributing employers	**178**	**165**
Number of employees in scheme		
Administering authority	1,564	1,648
Unitary authorities	13,308	13,299
Other employers	12,119	11,926
Total	**26,991**	**26,873**
Number of pensioners		
Administering authority	2,397	3,358
Unitary authorities	13,156	17,807
Other employers	8,304	9,456
Total	**23,857**	**30,621**
Deferred pensioners		
Administering authority	3,392	2,487
Unitary authorities	17,624	13,674
Other employers	8,868	8,526
Total	**29,884**	**24,687**
Total number of members in pension scheme	**80,732**	**82,181**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Scheme Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2026. During 2025/26, employer contribution rates ranged from 14.3% to 32% of pensionable pay.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below.

	Service pre 1 April 2008	Service post 1 April 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump Sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the fund became a career average revalued earnings (CARE) scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is up-rated annually in line with the Consumer Prices Index.
There are a range of other benefits provided under the fund including early retirement, disability pensions and death benefits. For more details, please refer to the Royal County of Berkshire Pension Fund website - see www.berkshirepensions.org.uk.

Note 2 Basis of preparation

The Statement of Accounts summarises the Fund’s transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the code') which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

The Code requires disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2025/26 that are anticipated to have a material impact on the Fund's financial performance or financial position.
IFRS 17 (Insurance Contracts) is relevant for insurance firms, reinsurers, and some public sector organisations that create risk-transfer agreements. The change to IFRS 17 will not affect the Pension Fund since it does not issue contracts covered by IFRS 17.

Amended IAS 21 (Lack of exchangeability) will not have an impact as the Fund does not use currencies that are subject to exchange restrictions.
The implementation of IFRS 16 is not expected to have a material impact on the Pension Fund because it does not hold assets as a lessee.
The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The Code gives administering authorities the option administering authority has opted to disclose this information in Note 20.

Note 3 Summary of significant accounting policies

a) Fund account – revenue recognition

i. Contribution Income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis. Employee's contribution rates are set in accordance with LGPS regulations. Employer's contributions are set at the percentage rate recommended by the Fund actuary.
Employer deficit funding contributions are accounted for on the due dates on which they are payable under the rates and adjustments certificate set by the fund actuary.

Additional employers' contributions in respect of ill-health and early retirements are accounted for in the period in which they are due. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

ii. Transfers to and from other pension schemes

Transfers in and out relate to members who have either joined or left the Fund.
Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.
Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see note 3.c.vii) to purchase fund benefits are accounted for on a receipts basis and are included in transfers in (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

iii. Investment Income

1. Interest income

Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition.

2. Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

3. Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

4. Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

b) Fund Account - expense items

i. **Benefits payable**

Pensions and lump-sum benefits payable include all amounts known to be payable during the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

ii. **Taxation**

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

iii. **Management expenses**

The Fund discloses its pension Fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016). All items of expenditure are charged to the Fund on an accruals basis as follows:

1. Administrative expenses

All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

2. Oversight and governance costs

All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.

3. Investment management expenses

Fees of the external investment manager and custodian are agreed in the respective mandates governing their appointments. Most are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change, but there are a number of fixed price contracts with annual inflation related increases.

c) Net Assets Statement

i. Financial assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respects of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14a. From this date, any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see note 16). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

ii. Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

iii. Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Longevity swaps are valued on a fair value basis based on the expected future cash flows arising under the swap, discounted using market interest rates and taking into account the risk premium inherent in the contract.

iv. Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the Fund's external managers.
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

v. Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year.

vi. Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed by the Fund actuary in accordance with the requirements of International Accounting Standards (IAS19) and relevant actuarial standards.
As permitted under the code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 20).

vii. Additional voluntary contributions

The Royal County of Berkshire Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund.

AVCs are not included in the accounts in accordance with section 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 23).

viii. Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

Note 4 Critical judgements in applying accounting policies

In applying the Fund’s accounting policies, which are described in note 3, the Fund is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical judgements made, apart from those involving estimations (which are presented separately below).

Note 5 Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the financial statements and notes at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Market value of investments	The Fund's investments are revalued on a monthly basis. Investments are valued using quoted prices in active markets, or by reference to markets which are not considered to be active but are value based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs. Level 3 investments will have significant unobservable inputs.	For every 1% increase in the value of level 2 and level 3 investments the value of the Fund will increase by £31.34 million with a 1% decrease in value having the opposite effect.
Actuarial present value of promised retirement benefits	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. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied. Further information on the carrying amounts of the Fund's defined benefit obligation and the setting of the assumptions are provided in notes 19 and 20.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of approximately £52 million. A 0.1% increase in pension increases and deferred revaluation assumption would increase the value of liabilities by approximately £54 million, and a one-year increase in assumed life expectancy would increase the liability by approximately £124 million.
Longevity Insurance policy	The longevity insurance policy is valued by a firm of consulting actuaries. This valuation is the difference between the discounted cash flows relating to the amounts expected to be reimbursed to the Fund and the inflation linked premiums expected to be paid by the amount as at 31 March 2025 is (-£139.24 million). This valuation depends on a number of complex judgements including the discount and mortality rates.	Changes in the discount rate and mortality rate assumptions would result in a material change to the carrying value in a similar way to the value of the Pension Fund liability disclosed above. A 0.15% illiquidity premium loading to the discount rate would increase the longevity contract value by £2.2 million.
Private equity investments	Private equity investments are valued at fair value in accordance with the International Private Equity and Venture Capital Board guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The valuations of private equity investments are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Changes to the inputs could result in a material change to the carrying value. Further information on the carrying amounts of the private equity and the estimated sensitivity are shown in note 16.

Notes 6 Events after the reporting date

There have been no events since 31 March 2026, and up to the date when these accounts were authorised that require any adjustments to these accounts.

Following the restructure of the fund's investment pool company, on 2 April 2026 the Administering Authority became a shareholder in the new pool company, LPPI Holdings Limited. The Fund paid £2,800,001 (two million, eight hundred thousand and one pounds sterling) as share capital. The Head of Pension Fund was appointed as Director on the Board of LPPI Holdings Limited on 7 April 2026.

Note 7 Contributions receivable

By category

2024/25 £'000		2025/26 £'000
39,032	Employee's contributions	41,606
	Employer's contributions	
101,607	Normal contributions	107,213
38,910	Deficit recovery contributions	43,033
1,679	Augmentation contributions	1,579
142,196	**Total employer's contributions**	**151,825**
181,228		**193,431**

By type of employer

2024/25 £'000		2025/26 £'000
15,451	Administering authority	15,358
152,544	Scheduled bodies	164,883
4,860	Admitted bodies	7,069
8,373	Transferee admission body	6,121
181,228		**193,431**

Note 8 Transfers in from other pension funds

2024/25 £'000		2025/26 £'000
30,045	Individual transfers from other pension funds	44,557
-	Group transfers from other pension funds	-
267	AVC to purchase scheme benefits	561
30,312		**45,118**

Note 9 Benefits payable

By category

2024/25 £'000		2025/26 £'000
126,358	Pensions	132,274
22,662	Commutation and lump sum retirement benefits	21,045
5,369	Lump sum death benefits	2,785
154,389		**156,104**

By type of employer

2024/25 £'000		2025/26 £'000
15,295	Administering authority	15,186
122,934	Scheduled bodies	125,504
11,141	Admitted bodies	10,100
5,019	Transferee admission body	5,314
154,389		**156,104**

Note 10 Payments to and on account of leavers

2024/25 £'000		2025/26 £'000
588	Refunds to members leaving service	598
6,127	Group transfers to other pension funds	0
22,029	Individual transfers to other pension funds	32,095
28,744		**32,693**

Note 11 Management expenses

2024/25 £'000		2025/26 £'000
2,445	Administrative costs	2,757
31,023	Investment management expenses	30,957
42	Oversight and governance costs	80
33,510		**33,794**

a) Investment management expenses

2025/26	Management fees £'000	Performance fees £'000	Transaction costs £'000	Total £'000
LPPI Pooled Investments				0
Directly held Investments				0
Other				0
	0	**0**	**0**	**0**
Custody fees				
				0

Information required to complete this note is not yet available. The note will be completed before the accounts are finalised.

a) Investment management expenses - continued

2024/25	Management fees £'000	Performance fees £'000	Transaction costs £'000	Total £'000
LPPI Pooled Investments	20,720	4,050	1,170	25,940
Directly held Investments	7,110	(2,320)	50	4,840
Other	203	0	0	203
	28,033	**1,730**	**1,220**	**30,983**
Custody fees				40
				31,023

Note 12 Investment Income

2024/25 £'000		2025/26 £'000
28,468	Income from Global Equities	25,553
2,286	Income from Fixed Income	2,178
16,528	Income from Private Market funds[1]	11,615
5,349	Income from Pooled Property	6,224
2,302	Income from Cash deposits	2,367
54,933		**47,937**

[1] *Consists of income from Private Equity, Credit and Infrastructure.*

Note 13 Other fund account disclosures

a) Taxes on Income

2024/25 £'000		2025/26 £'000
2,571	Global Equities	1,174
56	Real Estate	46
216	Private Market funds	272
2,843		**1,492**

Amounts in bracket represents income.

b) External audit costs

2024/25 £'000		2025/26 £'000
124	Payable in respect of external audit	85
124		**85**

The audit fee for 2025/26 is £120,934 (of which scale fee is £115,934 and other fee £5,000) and is included in the administrative cost at note 11. For 2024/25 the scale fee for the 2024/25 is £109,673.

Note 14 Investments

Market value 31 March 2025 £'000		Market value 31 March 2026 £'000
	Investment assets	
1,774,213	Global Equities	1,717,352
338,134	Private Equity	374,970
402,468	Credit	454,297
60,126	Fixed Income	86,397
372,128	Infrastructure	378,265
257,362	Real Estate	264,291
48,629	Liquidity funds	78,360
150	Diversifying Strategies	0
2,594	Other Investment Assets	2,061
808	Cash	165
3,256,612	**Total Investment assets**	**3,356,158**
	Investment liabilities	
(139,244)	Longevity Insurance Policy	(139,822)
(139,244)	**Total investment liabilities**	**(139,822)**
3,117,368	**Net investment assets**	**3,216,336**

a) Reconciliation of movements in investments and derivatives

	Market value 31 March 2025 £'000	Purchases during the year and derivative payments £'000	Sales during the year and derivative receipts £'000	Change in market value during the year £'000	Market value 31 March 2026 £'000
Global Equities	**1,774,213**	28,265	(123,000)	37,874	1,717,352
Private Equity	**338,134**	70,350	(32,999)	(515)	374,970
Credit	**402,468**	35,067	(3,149)	19,911	454,297
Fixed Income	**60,126**	36,962	(10,000)	(691)	86,397
Infrastructure	**372,128**	16,641	(6,453)	(4,051)	378,265
Real Estate	**257,362**	17,758	(12,905)	2,076	264,291
Liquidity funds	**48,629**	70,977	(41,333)	87	78,360
Diversifying Strategies	**150**	0	(142)	(8)	0
	3,253,210	276,020	(229,981)	54,683	3,353,932
Derivative contracts:					
- Longevity insurance policy	**(139,244)**	8,482	0	(9,060)	(139,822)
	3,113,966	284,502	(229,981)	45,623	3,214,110
Other investment balances:					
- Cash	**808**			(437)	165
- Other Investment assets	**2,594**				2,061
Net investment assets	3,117,368			45,186	3,216,336

a) **Reconciliation of movements in investments and derivatives - continued**

	Market value 31 March 2024 £'000	Purchases during the year and derivative payments £'000	Sales during the year and derivative receipts £'000	Change in market value during the year £'000	Market value 31 March 2025 £'000
Global Equities	**1,728,660**	26,025	(27,180)	46,708	**1,774,213**
Private Equity	**360,075**	45,744	(54,920)	(12,765)	**338,134**
Credit	**358,570**	30,198	(10,204)	23,904	**402,468**
Fixed Income	**44,901**	24,919	(10,000)	306	**60,126**
Infrastructure	**377,754**	17,496	(27,202)	4,080	**372,128**
Real Estate	**274,688**	37,324	(40,363)	(14,287)	**257,362**
Liquidity funds	**22,038**	87,488	(61,070)	173	**48,629**
Diversifying Strategies	**450**	73	(454)	81	**150**
	3,167,136	**269,267**	**(231,393)**	**48,200**	**3,253,210**
Derivative contracts:					
- Longevity insurance policy	**(152,439)**	8,358		4,837	**(139,244)**
	3,014,697	**277,625**	**(231,393)**	**53,037**	**3,113,966**
Other investment balances:					
- Cash	**1,488**			0	**808**
- Amount receivable for sales of investments	**889**				**0**
- Other Investment assets	**1,976**				**2,594**
Net investment assets	**3,019,050**			**53,037**	**3,117,368**

Purchases and sales of derivatives are recognised in note 14a above as follows:
Longevity insurance policy - the net payments or receipts under the contract are reported in the above reconciliation table.

b) Investment analysed by fund manager

The following investments represent more than +/- 5% of the net assets of the fund

	Market value 31 March 2025	% of total fund	Market value 31 March 2026	% of total fund
Longevity Insurance Policy	(139,244)	(4.4)	(139,822)	(4.3)
LPPI Global Equities Fund	1,774,213	56.6	1,717,352	53.0
LPPI Credit Investments LP	383,396	12.2	440,146	13.6
LPPI Infrastructure	265,670	8.5	272,097	8.4
LPPI Private Equity	192,964	6.2	258,149	8.0

c) Investments analysed by fund manager

Market value at 31 March 2025 £000	% of Market value 31 March 2025 %		Fund type	Market value at 31 March 2026 £000	% of Market value 31 March 2026 %
		Investments managed within LPPI pooled vehicles:			
383,396	12.4	LPPI Credit	Credit	440,146	13.7
114,071	3.8	LPPI Real Estate:	Real Estate	119,335	3.7
1,774,213	57.0	LPPI Global Equit	Global Equity	1,717,352	53.4
60,126	2.0	LPPI Fixed Incom	Fixed Income	86,397	2.7
265,670	8.6	LPPI Infrastructur	Infrastructure	272,097	8.5
192,964	6.2	LPPI Private Equi	Private Equity	258,149	8.0
2,790,440	**90.0**			**2,893,476**	**90.0**
		Investments managed outside LPPI pooled vehicles:			
3,645	0.1	Gresham House /	Private Equity	3,697	0.1
791	0.0	Technology Enhai	Private Equity	0	0.0
2,303	0.1	Cheyne Capital M	Credit	2,210	0.1
95	0.0	Select Market	Diversifying Strategies	0	0.0
55	0.0	Securis Investmer	Diversifying Strategies	0	0.0
48,629	1.6	Northern Trust	Liquidity funds	78,360	2.4
23,693	0.8	LaSalle Investmer	Real Estate	11,465	0.4
11,718	0.4	Future Planet Cap	Real Estate	11,063	0.3
66,712	2.1	Gresham House /	Real Estate	65,069	2.0
41,167	1.3	KFIM	Real Estate	57,359	1.8
2,789	0.1	Athyrium Capital M	Credit	2,669	0.1
5,072	0.2	Dorchester Capita	Credit	3,881	0.1
1,413	0.0	Grosvenor Capita	Credit	1,107	0.0
269	0.0	Partners Group	Credit	226	0.0
2,272	0.1	WP Global Partne	Credit	1,598	0.0
25	0.0	SPL Guernsey IC	Credit	23	0.0
4,928	0.2	Windermere IM H	Credit	2,438	0.1
14,619	0.5	Adams Street Par	Private Equity	9,253	0.3
2,704	0.1	COREalpha Priva	Private Equity	2,427	0.1
232	0.0	Coral Reef Capita	Private Equity	0	0.0
44,200	1.4	Future Planet Cap	Private Equity	37,431	1.2
15,728	0.5	Macquarie Group	Private Equity	15,856	0.5
21	0.0	Henderson Equity	Private Equity	0	0.0
3,165	0.1	ICG PLC	Private Equity	2,748	0.1
2,034	0.1	Kuramo Capital	Private Equity	1,436	0.0
6,184	0.2	Longwall Venture	Private Equity	5,259	0.2
221	0.0	Orthoson	Private Equity	221	0.0
1,964	0.1	Longwall Ventures	Private Equity	1,964	0.1
462	0.0	Oxsonics Ltd	Private Equity	462	0.0
1,637	0.1	Pantheon Venture	Private Equity	1,515	0.0
397	0.0	Partners Group	Private Equity	397	0.0
3,892	0.1	Sarona Asset Mai	Private Equity	3,644	0.1
5,236	0.2	South East Growt	Private Equity	5,236	0.2
356	0.0	Stafford CP	Private Equity	124	0.0
233	0.0	Columbia Threadr	Private Equity	24	0.0
37,451	1.2	WP Global Partne	Private Equity	25,126	0.8
1,022	0.0	African Infrastruct	Infrastructure	1,476	0.0
18,576	0.6	Climate Fund Mar	Infrastructure	21,081	0.7
77,614	2.5	Gresham House /	Infrastructure	76,287	2.4
263	0.0	Macquarie Group	Infrastructure	244	0.0
574	0.0	Macquarie Infrastı	Infrastructure	20	0.0
8,409	0.3	The Rohayton Gr	Infrastructure	7,060	0.2
462,770	**14.8**			**460,456**	**14.2**
		Other			
-139,244	-4.9	Longevity Insurance Policy		-139,822	-4.3
808	0.0	Cash with investment managers		165	0.0
2,594	0.1	Other Investment assets		2,061	0.1
-135,842	**-4.8**			**-137,596**	**-4.2**
3,117,368	**100.0**			**3,216,336**	**100.0**

Totals may not sum up due to rounding.

In accordance with LGPS regulations, 100% of the Fund's investment assets are managed by the investment pool company, Local Pension Partnership Investments Limited (LPPI). The above organisations are registered in the United Kingdom.

Note 15 Analysis of derivatives

Objectives and policies for holding derivatives

Most of the holding in derivatives is to hedge liabilities or hedge exposures to reduce risk in the fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the fund and the various investment managers.

Longevity Insurance Policy

In December 2009, the fund entered into an insurance contract with ReAssure (rebranded as Standard Life) to cover a closed group of pensioner members. The fund pays ReAssure a pre-determined fixed annual premium and ReAssure reimburses the fund for pensions paid to the insured members. The contract is valued by an external firm of actuaries by considering what adjustment to the discount rate assumption (based on the Merrill Lynch LIBOR swap curve) would be required if the contract had a zero value at the date of inception. A similar adjustment is then made to the discount rate assumption at the accounting date to calculate the updated value of the contract.

Note 16) Fair value - Basis of valuation

The basis of the valuation of each class of investment asset is set below. There has been no change in the valuation techniques during the year. All assets have been valued using fair value techniques.

Description	Valuation Hierarchy	Basis of valuation	Observable and unobservable inputs
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required
Exchange traded pooled investments	Level 1	Closing bid values on published exchanges	Not required
Pooled investments - unit trusts	Level 2	Closing bid price where bid and offer prices Closing single price where single price published	NAV-based pricing set on a forward pricing basis
Unquoted bonds	Level 3	Closing bid price where bid and offer prices Closing single price where single price published	NAV-based pricing set on a forward pricing basis
Pooled investments - property	Level 3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis
Unquoted equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and venture Capital Guidelines (December 2022)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

The sensitivity analysis excludes longevity insurance contract. Changes in the discount rate and mortality rate assumptions would result in a material change to the carrying value.

	Assessed valuation range (+/-)	Value at 31 March 2026 £'000	Value on increase £'000	Value on decrease £'000
Private Equity	21.1%	373,322	451,910	294,734
Infrastructure	15.9%	378,265	438,235	318,295
Real Estate	13.7%	264,291	300,485	228,097
Credit	6.2%	454,297	482,338	426,256
		1,470,175	**1,672,968**	**1,267,382**

	Assessed valuation range (+/-)	Value at 31 March 2025 £'000	Value on increase £'000	Value on decrease £'000
Private Equity	31.1%	336,538	441,201	231,875
Infrastructure	16.8%	372,128	434,646	309,610
Real Estate	15.8%	257,362	298,025	216,699
Credit	7.9%	402,468	434,263	370,673
		1,368,496	**1,608,135**	**1,128,857**

The Private Equity valuation excludes the value of a financial asset grouped as a private equity investment but held as level 1 investment.

Note 16 Fair value - Basis of valuation (continued)

a) Fair Value Hierarchy

Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities and quoted index linked securities.

Level 2

Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Level 3

Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss	80,008	1,803,749	1,470,175	3,353,932
Financial liabilities at fair value through profit and loss			(139,822)	(139,822)
Cash deposits	165			165
Other Investment assets	2,061			2,061
Net investment assets	**82,234**	**1,803,749**	**1,330,353**	**3,216,336**

Note 16 Fair value - Basis of valuation (continued)

a) Fair Value Hierarchy - continued

Values at 31 March 2025	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss	50,225	1,834,489	1,368,496	3,253,210
Financial liabilities at fair value through profit and loss			(139,244)	(139,244)
Cash deposits	808			808
Other Investment assets	2,594			2,594
Amounts receivable for sales	0			0
Net investment assets	**53,627**	**1,834,489**	**1,229,252**	**3,117,368**

b) Reconciliation of fair value measurements within level 3

	Market value 31 March 2025 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/(losses) £'000	Realised gains/(losses) £'000	Market value 31 March 2026 £'000
Credit	402,468	35,067	(3,149)	290	19,621	454,297
Infrastructure	372,128	16,641	(6,453)	427	(4,478)	378,265
Private Equity	336,538	70,350	(32,999)	5,072	(5,639)	373,322
Real Estate	257,362	17,758	(12,905)	283	1,793	264,291
Longevity insurance policy	(139,244)	8,482	0	0	(9,060)	(139,822)
	1,229,252	**148,298**	**(55,506)**	**6,072**	**2,237**	**1,330,353**

Note 16 Fair value - Basis of valuation (continued)

b) Reconciliation of fair value measurements within level 3 - continued

	Market value 31 March 2024 £'000	Purchases during the year £'000	Sales during the year £'000	Unrealised gains/(losses) £'000	Realised gains/(losses) £'000	Market value 31 March 2025 £'000
Credit	358,570	30,198	(10,204)	(1,836)	25,740	402,468
Infrastructure	377,754	17,496	(27,202)	(779)	4,859	372,128
Private Equity	358,749	45,744	(54,920)	31,075	(44,110)	336,538
Real Estate	274,688	37,324	(40,363)	1,879	(16,166)	257,362
Longevity insurance policy	(152,439)	8,358	0	0	4,837	(139,244)
	1,217,322	**139,120**	**(132,689)**	**30,339**	**(24,840)**	**1,229,252**

The Private Equity valuation excludes the value of a financial asset grouped as a private equity investment but held as a level 1 investment.

Note 17 Financial Instruments

a) Classification of financial instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost		Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	31 March 2025				31 March 2026	
£'000	£'000	£'000		£'000	£'000	£'000
			Financial assets			
1,774,213			Global Equities	1,717,352		
338,134			Private Equity	374,970		
402,468			Credit	454,297		
60,126			Fixed Income	86,397		
372,128			Infrastructure	378,265		
257,362			Real Estate	264,291		
48,629			Liquidity funds	78,360		
150			Diversifying Strategies	0		
808	5,830		Cash	165	12,700	
	2,594		Other Investment balances		2,061	
	2,245		Debtors		1,733	
3,254,018	**10,669**	**0**		**3,354,097**	**16,494**	**0**
			Financial liabilities			
(139,244)			Derivative contracts	(139,822)		
		(3,246)	Creditors			(1,793)
(139,244)	**0**	**(3,246)**		**(139,822)**	**0**	**(1,793)**
3,114,774	**10,669**	**(3,246)**		**3,214,275**	**16,494**	**(1,793)**

Note 17 Financial Instruments – continued

b) Net gains and losses on financial instruments

31 March 2025 £'000		31 March 2026 £'000
	Financial Assets	
80,089	Fair value through profit and loss	59,948
0	Amortised cost	0
80,089		59,948
	Financial Liabilities	
(27,052)	Fair value through profit and loss	(14,762)
0	Amortised cost	0
(27,052)		(14,762)
53,037	**Total**	**45,186**

The Fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Note 18) Nature and extent of risks arising from financial instruments

Risk and Risk Management

The Fund’s primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund’s forecast cash flows. The Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the pension fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

a) **Market Risk**

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The fund manages these risks in two ways:

- the exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels.
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.
The Fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

The Fund mitigates this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

Other price risk - sensitivity analysis

Following analysis of historical data and expected investment return by the Fund's investment advisors during the financial year the Fund has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period:

Asset type	Potential market movements (+/-)
Global Equity	15.9%
Fixed Income	3.7%
Credit	6.2%
Real Estate	13.7%
Private Equity	21.1%
Infrastructure	15.9%

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.
Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (with prior year comparator):

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Asset type	Value as at 31 March 2026 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
Investment portfolio assets:				
Global Equities	1,717,352	273,413	1,990,765	1,443,939
Fixed Income	86,397	3,238	89,635	83,159
Credit	454,297	28,041	482,338	426,256
Real Estate	264,291	36,193	300,484	228,098
Private Equity	374,970	78,934	453,904	296,036
Infrastructure	378,265	59,969	438,234	318,296
Liquidity funds	78,360	0	78,360	78,360
Net derivative liabilities	(139,822)	0	(139,822)	(139,822)
Cash deposits	165	0	165	165
Other Investment assets	2,061	0	2,061	2,061
Current assets:				
Debtors	15,758	0	15,758	15,758
Cash balances	12,700	0	12,700	12,700
Current liabilities	(4,342)	0	(4,342)	(4,342)
Total	**3,240,452**		**3,720,240**	**2,760,664**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Asset type	Value as at 31 March 2025 £'000	Potential market movement £'000	Value on increase £'000	Value on decrease £'000
Investment portfolio assets:				
Global Equities	1,774,213	370,811	2,145,024	1,403,402
Fixed Income	60,126	2,706	62,832	57,420
Credit	402,468	31,795	434,263	370,673
Diversifying strategies	150	13	163	137
Real Estate	257,362	40,663	298,025	216,699
Private Equity	338,134	105,160	443,294	232,974
Infrastructure	372,128	62,518	434,646	309,610
Liquidity funds	48,629	-	48,629	48,629
Net derivative liabilities	(139,244)	-	(139,244)	(139,244)
Cash deposits	808	-	808	808
Other Investment assets	2,594	-	2,594	2,594
Amount receivable from sales	0	-	0	0
Current assets:				
Debtors	15,223	-	15,223	15,223
Cash balances	5,830	-	5,830	5,830
Current liabilities	(5,558)	-	(5,558)	(5,558)
Total	**3,132,863**		**3,746,529**	**2,519,197**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Interest rate risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.
The Fund's direct exposure to interest rate movements as at 31 March 2026 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk - sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. The Fund's investment advisor's monitor the Fund’s interest rate exposure during the year.

1 BPS is the movement of 0.01% between two percentages, for example from 0.50% to 0.51%. Therefore, 100 BPS is the movement of 1.00% between two percentages, for example from 0.50% to 1.50%.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a ± 100 BPS change in interest rates:

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Interest rate risk - sensitivity analysis

Asset exposed to interest rate risk	Value as at 31 March 2026	Change in year in the net assets available to pay benefits +100 BPS £'000	Change in year in the net assets available to pay benefits -100 BPS £'000
Investment portfolio assets - Liquidity funds	78,360	0	0
Investment portfolio assets - Cash deposits	165	0	0
Current assets - Cash balances	12,700	0	0
Total change in assets available	**91,225**	**0**	**0**

Asset exposed to interest rate risk	Value as at 31 March 2025	Change in year in the net assets available to pay benefits +100 BPS £'000	Change in year in the net assets available to pay benefits -100 BPS £'000
Investment portfolio assets - Liquidity funds	48,629	0	0
Investment portfolio assets - Cash deposits	808	0	0
Current assets - Cash balances	5,830	0	0
Total change in assets available	**55,267**	**0**	**0**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Interest rate risk - sensitivity analysis

Income exposed to interest rate risk	Amount receivable in year ending 31 March 2026	Effect on income values	
		+100 BPS £'000	-100 BPS £'000
Cash balances/cash and cash equivalents	2,367	2,391	2,343
Fixed Income	2,178	2,178	2,178
		0	0
Total change in assets available	**4,545**	**4,569**	**4,521**

Income exposed to interest rate risk	Amount receivable in year ending 31 March 2025	Effect on income values	
		+100 BPS £'000	-100 BPS £'000
Cash balances/cash and cash equivalents	2,302	2,325	2,279
Fixed Income	2,286	2,286	2,286
		0	0
Total change in assets available	**4,588**	**4,611**	**4,565**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Interest rate risk - sensitivity analysis

The analysis assumes that all variables, in particular exchange rates, remain constant, and shows the effect in the year on net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed bonds but will reduce their fair value and vice-versa. Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect the interest income received on those balances.

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund GBP. The fund holds both monetary and non-monetary assets denominated in currencies other than GBP.
The Fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

Currency risk - sensitivity analysis

Following analysis of historical data by the Fund's investment advisors during the financial year the fund has determined that the following likely volatility associated with foreign exchange rate movements are reasonably possible for 2025/26.
The table below shows the value of assets held by the Fund in foreign currencies and the likely volatility associated with foreign exchange rate movements (as measured by one standard deviation).

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

Currency risk - sensitivity analysis

This analysis assumes that all other variables, in particular foreign exchange rates and interest rates, remain constant.

Denominated currency	Value as at 31 March 2026 £'000	Potential volatility (+/-)	Value on increase £'000	Value on decrease £'000
AUD	6,432	7.9%	6,938	5,926
EUR	56,805	4.8%	59,557	54,053
NZD	4,630	7.9%	4,994	4,266
USD	253,893	7.3%	272,361	235,425
Total	**321,760**		**343,850**	**299,670**

Denominated currency	Value as at 31 March 2025 £'000	Potential volatility (+/-)	Value on increase £'000	Value on decrease £'000
AUD	7,512	6.3%	7,985	7,039
EUR	21,960	4.4%	22,926	20,994
NZD	4,206	6.3%	4,471	3,941
USD	263,171	7.0%	281,593	244,749
Total	**296,849**		**316,975**	**276,723**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

b) Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.
The selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.
Deposits are not made with banks and financial institutions unless they are rated independently and meet the funds' credit criteria. The Fund has also set limits as to the maximum deposit placed with any one class of financial institution. In addition, the Fund invests an agreed amount of its funds in the money markets to provide diversification.
The Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2026 was £91.23m (31 March 2025: £55.27m). This was held with the following institutions:

	Rating	Balances as at 31 March 2025 £'000	Balances as at 31 March 2026 £'000
Money Market Funds			
Northern Trust	AAA	48,629	78,360
Bank Deposit Accounts			
Northern Trust	AA	808	165
Bank Current accounts			
Lloyds	AA	5,830	12,700
Total		**55,267**	**91,225**

Note 18 Nature and extent of risks arising from financial instruments – continued

Risk and Risk Management

c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those which will take longer than three months to convert to cash. As at 31 March 2026 the value of illiquid assets was £1.030m, which represented 31.79% of the total fund net assets (31 March 2025: £985.1m which represented 31.44% of the total fund net assets).

Refinancing risk

The key risk is that the fund will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

Longevity risk

This is the risk of higher-than-expected life expectancy trends amongst the Fund's pensioners. A longevity swap has been entered into with ReAssure (rebranded as Standard Life) to protect the Fund against costs associated with potential increases in life expectancy of the Fund's pensioners. This arrangement covers all pensions in payment as at the end of July 2009.

Note 19 Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025. The next valuation will take place as at 31 March 2028.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment.
- to ensure that employer contribution rates are as stable as possible.
- to minimise the long-term cost of the fund by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it is reasonable to do so.
- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% funding level over a period of 15 years from the valuation date and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable.

At the 2025 actuarial valuation, the Fund was assessed as 86% funded (86% at the March 2022 valuation). This corresponded to a deficit of £518m (2022 valuation: £446m) at that time.

At the 2025 actuarial valuation the average required employer contribution to restore the funding position to 100% over the next 15 years was 21.7% of pensionable pay.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

Note 19 Funding Arrangements - continued

Financial assumptions

Discount Rate	5.3% per annum for both unitary authorities and other employers
Pension and Deferred Pension Increases	2.7% per annum
Short term pay increases	not applicable
Long term pay increases	3.7% per annum

Mortality Assumptions

Current mortality	100% (Male) / 100% (Female) of the S4PA tables
Mortality Projection	2024 CMI Model with a long-term rate of improvement of 1.50% p.a

Commutation assumption

It is assumed that members at retirement will commute pension to provide a lump sum of 50% of the maximum allowed under HMRC rules and this will be at a rate of £12 lump sum of £1 of pension.

Note 20 Actuarial Present Value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's actuary also undertakes a valuation of the pension fund liabilities, on an IAS19 basis every year, using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting Fund contribution rates and the Fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 19). The actuary has also valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2026 was £3,574m of which non-vested obligation have been assumed to have a negligible value (31 March 2025: £3,270m). The net assets available to pay benefits as at 31 March 2026 was £3,240m (31 March 2025: £3,133m). The implied Fund deficit as at 31 March 2026 was therefore £333m (31 March 2024: £137m).

Note 20 Actuarial Present Value of promised retirement benefits – continued

As noted above, the liabilities above are calculated on an IAS19/ IAS 26 basis and therefore differ from the results of the 2022 triennial funding valuation (see Note 19) because IAS19 stipulates a discount rate rather than a rate which reflects market rates.

IAS19 assumptions used

Inflation/pension increase rate assumption	2.90%
Salary increase rate	3.90%
Discount rate	6.15%

Guaranteed Minimum Pension (GMP) Equalisation

In valuing the present value of promised retirement benefits the Fund's actuary has assumed that for GMP the Fund will pay limited increases for members that have reached statutory pension age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the Fund actuary has assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the Fund actuary does not believe that any adjustments are needed to the value placed on the liabilities as a result of the High Court's recent ruling on the equalisation of GMP.

Note 21 Current Assets

31 March 2025 £'000		31 March 2026 £'000
2,946	Contributions due - employees	3,060
10,032	Contributions due - employers	10,965
2,245	Sundry debtors	1,733
15,223	Debtors	15,758
5,830	Cash balances	12,700
21,053		**28,458**

Analysis of Debtors

31 March 2025 £'000		31 March 2026 £'000
10,332	Other local authorities	11,851
4,891	Other entities and individuals	3,907
15,223		**15,758**

Note 22 Current Liabilities

31 March 2025 £'000		31 March 2026 £'000
(5,174)	Sundry creditors	(3,951)
(384)	Benefits payable	(391)
(5,558)		**(4,342)**

Note 22 Current Liabilities – continued

Analysis of Creditors

31 March 2025 £'000		31 March 2026 £'000
(1,928)	Central government bodies	(2,158)
(1,651)	Other local authorities	(1,559)
(1,979)	Other entities and individuals	(625)
(5,558)		**(4,342)**

Note 23 Additional Voluntary Contributions

Market value 31 March 2025 £'000		Market value 31 March 2026 £'000
17,715	Prudential	18,343
7	Utmost Life	8
18	Clerical Medical	18
17,740	**Total**	**18,369**

AVC Contributions of £3.144m were paid directly to Prudential during the year (2024/25: £2.794m).

Note 24 Related Party Transactions

The Royal Borough of Windsor and Maidenhead

The Royal County of Berkshire Pension Fund is administered by The Royal Borough of Windsor & Maidenhead (RBWM). During the reporting period, RBWM incurred costs of £1.515m (2024/25: 1.631m) in relation to the administration of the fund and was subsequently reimbursed by the fund for these expenses. The council is also the 6th largest employer in the pension fund (by contributions paid) and contributed £15.36m (2024/25: £15.45m).

Following the restructure of the fund's investment pool company, on 2 April 2026 the Administering Authority became a shareholder in the new pool company, LPPI Holdings Limited. The Fund paid £2,800,001 (two million, eight hundred thousand and one pounds sterling) as share capital. The Head of Pension Fund was appointed as Director on the Board of LPPI Holdings Limited on 7 April 2026.

Governance

No members of the pension fund panel are in receipt of pension benefits from The Royal County of Berkshire Pension Fund. Each member of the Pension Fund Committee is required to declare their interests at each meeting.

Key Management Personnel

The disclosures required by Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations can be found in the main accounts of The Royal Borough of Windsor & Maidenhead (RBWM).

The key management personnel of the Fund are the Members of the Pension Fund Committee, the Executive Director of Resources & Section 151 Officer, the Assistant Director of Finance (Deputy Section 151 Officer) and the Head of Pension Fund. Their remuneration is set out below:

2024/25 £'000		2025/26 £'000
108	Short-term benefits	99
37	Post-employment benefits	39
145		**138**

Note 25 Contingent Liabilities and Contractual Commitments

Outstanding capital commitments (investments) at 31 March 2026 totalled £313.98m (31 March 2025: £318.175m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts "called" by these funds are irregular in both size and timing.
There are no contingent liabilities to report.

Note 26 Contingent Assets

Several admitted body employers in the Royal County of Berkshire Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These funds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. It is not practicable to disclose the financial effect of the contingent assets.

Glossary of Terms

Accounting Policies
Define the process whereby transactions and other events are reflected in the financial statements.

Accruals
The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses
The change in actuarial deficits or surpluses arising from actual gains/ losses since the last valuation or changes in actuarial assumptions.

Capitalisation Directive
Allows local authorities to treat certain revenue expenditure as capital. This means instead of funding these costs from the revenue budget (which must be balanced annually), they can be funded by borrowing or from capital receipts (e.g. from the sale of assets).

Capital Expenditure
Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing asset.

Capital Financing Requirement (CFR)
Measures a local authority's need to borrow to fund its capital projects. It essentially identifies the amount of capital spending that needs to be financed, either through borrowing or other long-term liabilities.

Collection Fund
A separate account where billing authorities collect and manage income from Council Tax and National Non-Domestic Rates. It is distinct from the council's General Fund.

Community Assets
Assets that the council intends to hold in perpetuity, that have no specific life span, and that may have restrictions on their disposal. Examples of such assets include parks and historic buildings.

Contingent Asset or Liability
A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within our control.

Creditors
Amounts owed by the council at the balance sheet date for goods received or work done.

Defined Benefit Scheme
A pension scheme having a statutory duty to ensure pensionable benefits, due to the employee are maintained through changes in the employer's contributions, as determined through periodic valuation.

Debt
This refers to the amount of long-term debt borrowed by the council or for which the council has responsibility to repay, and which was used to finance the acquisition of Property, plant & equipment. It is similar to a mortgage on a private person's home
.

Debtor
Amounts due to the council but unpaid at the balance sheet date.

Depreciation
The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time, or of obsolescence through technological or other changes.

Events after the Balance Sheet date
Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible officer signs the Statement of Accounts.

Exceptional Financial Support
Temporary financial assistance provided by the UK government to local authorities that are facing financial difficulties. The terms of support can vary and might include loans or other forms of financial assistance.

Fair value
The fair value of an asset is the price at which it could be exchanged in an "arm’s length" transaction less, where applicable, any income receivable towards the purchase or use of that asset.

Finance Lease
A lease that transfers substantially all the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer may be presumed to occur if, at the inception of the lease, the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

General Fund
The main account where the council tracks its day-to-day income and expenditure. The General Fund reserve is the accumulated position from prior years.

Impairment
A reduction in the value of a fixed asset arising from changes in market value, obsolescence or change in business.

Infrastructure Assets
Property, plant & equipment that are inalienable or immovable, expenditure on which is recoverable only by the continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible asset
An intangible asset is a non-monetary asset that lacks physical substance but has value. Examples include IT software.

Investment Properties
Interest in land and / or buildings: in respect of which construction work and development have been completed; and which is held for its investment potential, rather than its use in the provision of the council's service to the public, any rental income being negotiated at arm’s length.

Minimum Revenue Provision
Refers to the amount that local authorities in England are required to set aside annually to cover the cost of repaying debt used to finance capital projects, ensuring that debt can be repaid over the lifetime of the asset.

Net Debt
The amount of long-term borrowing less cash and liquid resources such as cash.

Net Book Value
The amount at which Property, plant & equipment are included in the balance sheet, i.e. their historic cost or current value less the cumulative amounts provided for depreciation.

Net Realisable Value
The open market value of an asset in its existing use less expenses incurred in realising the asset.

Non-Operational Assets
Property, plant & equipment held by the council but not directly occupied, used or consumed in the delivery of its services. Examples of non-operational assets include investment properties and those assets which are surplus to requirements, and which are being held pending sale or redevelopment.

Operational Assets
Property, plant & equipment held and occupied, used or consumed by the council in the direct delivery of those services for which it has a statutory or discretionary responsibility.

Past Service Costs
Changes in the present value of the schemes' liabilities related to employee service in prior periods arising from the introduction of, or improvement in, retirement benefits in the current period.

Precepts
The amount that the council is required to collect from council tax payers to fund another, non-tax collecting authority's expenditure. Precepts are issued by Parish Councils and the local fire and police authorities.

Prior Period Adjustments
Those material adjustments which apply to previous years, which have arisen from changes in accounting policies or from the correction of fundamental errors. Such errors would destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Related Parties
Parties are related when one party has direct or indirect control or influence over the financial and/ or operational activities of the other. Examples include government departments, local authorities, members and chief officers.

Related Party Transaction
A related party transaction is the transfer of asset or liability or performance of service by, to or for a related party.

Remuneration
Sums (including expenses allowances and non-cash benefits subject to UK income tax) paid to or receivable by employees. They exclude employee and employer pensions contributions.

Residual Value
The net realisable value of an asset at the end of its useful life.

Retirement Benefits
All forms of benefits given by an employer in exchange for services rendered by employees that are payable at the completion of employment. Such benefits exclude an employer's decision to terminate employment before normal retirement and an employee accepting early retirement as these are not given in exchange for services rendered.

Revenue Expenditure funded from Capital under Statute
Expenditure that may be funded from capital resources, but which does not result in an asset on the Balance Sheet. Qualifying items would be grants or expenditure on property not owned by the council. The expenditure is charged to the Income and Expenditure Account and shown as a reconciling item in the Statement of Movement on the General Fund Balance.

Tangible Property, plant & equipment
Tangible assets that yield benefits to the council and the services it provides for a period of time in excess of one year.

Unusable reserve
Unusable reserves, in the context of local authority accounting, are accounting adjustments that hold funds but are not available for spending on council services. They represent technical accounting balances required to comply with accounting standards, rather than actual cash held for future use. They can be capital or revenue related.

Usable reserve
Funds that are available to meet future liabilities. They can be capital or revenue related.

Useful Life
The period over which the council will derive benefits from the use of a fixed asset.

Independent Auditor’s Report

The auditor’s report will be added on closure of the audit