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| <b>Report To:</b>        | Audit and Governance Committee   |
| <b>Date:</b>             | 7 July 2025  |
| <b>Subject:</b>          | Unaudited Financial Statements 2024/25 including Narrative Report  |
| <b>Purpose:</b>          | To present the unaudited Financial Statements including Narrative Report for the Committee's review, in line with best practice. |
| <b>Key Decision:</b>     | N/A  |
| <b>Portfolio Holder:</b> | Councillor Sandeep Ghosh, Portfolio Holder for Finance   |
| <b>Report Of:</b>        | Brendan Arnold, Interim Director of Finance (S151 Officer)   |
| <b>Report Author:</b>    | Ellie Stacey, Deputy Chief Finance Officer (Corporate) PSPSL   |
| <b>Ward(s) Affected:</b> | All  |
| <b>Exempt Report:</b>    | No   |

### Summary

This report requests that the Audit and Governance Committee review and consider the unaudited Financial Statements 2024/25.

### Recommendations

It is recommended that as part of its governance role, the Audit and Governance Committee review the unaudited Financial Statements 2024/25 (Appendix 1).

## **Reasons for Recommendations**

To comply with best practice.

## **Other Options Considered**

None.

### **1. Background**

1.1 The Accounts and Audit (Amendment) Regulations 2024 require that:

- The Responsible Finance Officer (Section 151 Officer) signs the unaudited Financial Statements no later than 30 June; and
- The Financial Statements be considered and approved by a committee of the Council no later than 27 February 2026.

1.2 To continue the Council's good practice, this report presents the unaudited Financial Statements to the Committee to enable comments, facilitate challenge and to highlight any key areas.

### **2. Report**

2.1 The Financial Statements production is complete and shown at Appendix 1 is the unaudited version of the 2024/25 Financial Statements (this includes the Comprehensive Income and Expenditure Statements, Movement in Reserves Statement, and Balance Sheet as at 31 March 2025).

2.2 The timescales involved with the approval and inspection of the Council's Financial Statements for 2024/25 are:

- |   |              |
|---|--------------|
| • S151 Officer signs Statements                 | 27 June 2025 |
| • Accounts available for Public inspection from | 30 June 2025 |
| • Unaudited Financial Statements to Committee   | 7 July 2025  |
| • Audit by KPMG LLP commences                   | 7 July 2025  |

2.3 The Financial Statements have been prepared in accordance with the Code of Practice and the Council's accounting policies, which were brought to the Committee for its consideration in April 2025.

2.4 A new accounting standard, IFRS 16 (Leases) came into effect on 1 April 2024, which requires the Council to recognise a right of use asset with a corresponding liability on the Balance Sheet, for all leases with a term of more than 12 months, unless the underlying asset is of low value. This has resulted in an additional £0.822m of assets, with corresponding liabilities, on the Balance Sheet.

2.5 The net worth of the Council, as shown in the Balance Sheet, increased by £17.984m and this is also reflected in the Comprehensive Income and Expenditure Statement. The main reasons are set out in paragraph 2.6.

2.6 The *major* changes in the Balance Sheet at the year end, considered significant enough to warrant specific reference, are:

- An increase of £6.495m in Property, Plant and Equipment and Investment Property due to increases in asset valuations at year end.
- An increase in Short Term Investments of £8.873m, largely due to capital grants received in year but transferred to capital grants unapplied, to be drawn down in future years.

2.7 Boston's 19% share of PSPS Ltd has been consolidated into the group accounts of the Financial Statements.

### **3. Conclusion**

3.1 The Committee are asked to review and consider the unaudited Financial Statements 2024/25.

#### **Implications**

##### **South and East Lincolnshire Councils Partnership**

None.

##### **Corporate Priorities**

None.

##### **Staffing**

None.

##### **Workforce Capacity Implications**

None.

##### **Constitutional and Legal Implications**

The Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendments) Regulation 2024 define these arrangements.

##### **Data Protection**

None.

## **Financial**

As contained in the unaudited Financial Statements at Appendix 1.

## **Risk Management**

None.

## **Stakeholder / Consultation / Timescales**

None.

## **Reputation**

None.

## **Contracts**

None.

## **Crime and Disorder**

None.

## **Equality and Diversity / Human Rights / Safeguarding**

None.

## **Health and Wellbeing**

None.

## **Climate Change and Environmental Implications**

None.

## **Acronyms**

CIPFA – Chartered Institute of Public Finance and Accounting  
PSPS Ltd – Public Sector Partnership Ltd

## **Appendices**

Appendices are listed below and attached to the back of the report:

Appendix 1                                      Unaudited Financial Statements 2024/25

## **Background Papers**

Background papers used in the production of this report are listed below: -

**Document title****Where the document can be viewed**

CIPFA Accounting Code of Practice  
2024/25 and supporting Guidance  
Notes

CIPFA public guidance document

**Chronological History of this Report**

A report on this item has not been previously considered.

**Report Approval**

Report author:

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Signed off by:

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