



<b>Report To:</b>	Audit and Governance Committee
<b>Date:</b>	29 <sup>th</sup> June 2026
<b>Subject:</b>	Unaudited Financial Statements 2025/26
<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 & Economic Growth
<b>Report Of:</b>	Russell Stone, Executive Director – Finance (Section 151 Officer)
<b>Report Author:</b>	Ellie Stacey, Head of Finance Delivery - Technical and Corporate (PSPS Ltd)
<b>Ward(s) Affected:</b>	None
<b>Exempt Report:</b>	No

### **Summary**

This report requests that the Audit and Governance Committee review and consider the unaudited Financial Statements 2025/26.

### **Recommendations**

It is recommended that as part of its governance role, the Audit and Governance Committee review the unaudited Financial Statements 2025/26 (Appendix 1), and note that there may be some further adjustments prior to publishing.

## **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 for 2025/26 no later than 30 June 2026; and
- The Financial Statements be considered and approved by a committee of the Council no later than 31 January 2027.

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 2025/26 Financial Statements (this includes the Comprehensive Income and Expenditure Statements, Movement in Reserves Statement, and Balance Sheet as at 31 March 2026).

2.2 The timescales involved with the approval and inspection of the Council's Financial Statements for 2025/26 are:

- |   |              |
|---|--------------|
| • Unaudited Financial Statements to Committee   | 29 June 2026 |
| • S151 Officer signs Statements                 | 29 June 2026 |
| • Accounts available for Public inspection from | 30 June 2026 |
| • Audit by KPMG LLP commences                   | 13 July 2026 |

2.3 The unaudited 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 2026.

2.4 There has been one substantial change within the Code of Practice in 2025/26, regarding the valuation of property, plant and equipment. Where assets are revalued, the Code no longer permits a full revaluation on an annual basis. The Council has therefore opted to undertake revaluations on a five year rolling programme, with annual indexation applied to assets during the four intervening years.

2.5 The net worth of the Council, as shown in the Balance Sheet, decreased by £5.409m 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 £8.113m in Property, Plant and Equipment due to increases in asset valuations at year end.
- A decrease in Usable Reserves of £15.394m, largely due to capital grants unapplied drawn down against current year projects.

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

### **3. Conclusion**

3.1 The Committee are asked to review and consider the unaudited Financial Statements 2025/26.

#### **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 Environment Impact Assessment**

None.

## **Acronyms**

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

## **Appendices**

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

Appendix 1                                      Unaudited Financial Statements 2025/26

## **Background Papers**

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

<b>Document title</b>	<b>Where the document can be viewed</b>
CIPFA Accounting Code of Practice 2025/26 and supporting Guidance Notes	CIPFA public guidance document

## **Chronological History of this Report**

None.

## **Report Approval**

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