



REPORT of CHIEF FINANCE OFFICER

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 JULY 2025**

STATEMENT OF ACCOUNTS 2024/25

1. PURPOSE OF THE REPORT

- 1.1 This report presents Committee Members the 2024/25 Statement of Accounts for Maldon Council, before the start of the review by the external auditor.
- 1.2 The key findings and recommendations from the review of the accounts will be presented by the external auditor before issuing their opinion.

2. RECOMMENDATION

That Members consider the 2024/25 statement of accounts at **APPENDIX 1**.

3. SUMMARY OF KEY ISSUES

- 3.1 Local authorities are required by the Accounts and Audit (Amendment) Regulations 2024 to publish their financial statements each year.
- 3.2 The deadline for doing so for the 2024/25 accounts was 30 June. The Council achieved this deadline ahead of the deadline, publishing its accounts on 30 May.
- 3.3 The accounts cover an extensive range of statements and schedules of values defined in the Code for Local Authority Accounts¹. This is updated and republished each year and incorporates the key principles to be followed, subject to local adoption, by each council. It includes as necessary the details of adoption of new accounting standards, as agreed with the Financial Reporting Council.
- 3.4 The complete accounts required of each council each year runs to over 100 pages. The order of the statements and schedules is set out in the Code. Terms, forms of presentation, and supporting narratives are also described or defined in the Code. Anything included in the Statement of Accounts is subject to external audit review and comment.
- 3.5 The key statements in the Maldon District Council (MDC) 2024/25 accounts are detailed below, together with commentary on the key issues set out.

¹ The Chartered Institute of Public Finance and Accountancy's (CIPFA) / Local Authority (Scotland) Accounts Advisory Committee (LASAAC) "Code of Practice on Local Council Accounting in the United Kingdom" (referred to as 'the Code').

Statement or schedule	Page ref	Purpose	Key issues
Narrative statement	3	Narrative statement to provide a framework through which to interpret the accounts, for example, key local or organisational changes or achievements during the year.	<p>Covers key issues arising during the financial year. For MDC, the year included the announcements of reorganisation across Greater Essex, which is therefore reflected in the narrative statement. This statement also provides an overview of the whole document.</p> <p>The narrative statement provides summaries of the other key statements, as follows:</p> <p>Surplus of income over expenditure of £2.9m (deficit of £9.9m in 23/24). This uses the accounting basis.</p> <p>On the funding basis, the 2024/25 result was a net contribution to reserves of £2.5m (£0.9m use of reserves in 2023/24).</p> <p>The comparison to the budget is also shown, setting out the £853k surplus achieved.</p> <p>Total revenue spending of £33.2m is reported for the 2024/25 year (previously £31.6m). This includes the total payments received by the council from local ratepayers, including amounts then passed to other precepting bodies (such as parish and town councils, the Police and Fire Services, and Essex County Council (ECC)).</p> <p>Capital expenditure is described, setting out spending of £6.9m in 2024/25. Details are provided of the key schemes progressed during the year. Details of proposed future capital spending are also set out.</p> <p>Pension Fund net benefit/liability is identified as a net benefit of £0.8m (net liability of £1.6m).</p>

Statement or schedule	Page ref	Purpose	Key issues
Statement of responsibilities for the accounts	17	This described the respective responsibilities of the Council and the section 151 Officer (Chief Finance Officer (CFO)) for the production of the accounts.	<p>For the Council: appointment of a s151 in order to administer the proper financial management of the authority, secure value for money, and support production of the accounts.</p> <p>For the s151 officer: to select and apply appropriate accounting policies; to make appropriate estimates and judgements in preparing the accounts; to ensure compliance with the Code.</p>
Primary statements:			
<i>Comprehensive Income and Expenditure Statement (CIES)</i>	21	This shows the accounting cost incurred during the year of providing council, rather than the amount to be funded from taxation (funding).	For 2024/25, this sets out a surplus of £2.9m. The comparative value for the previous year was a deficit of £9.9m.
<i>Movement in Reserves Statement (MIRS)</i>	22	<p>This shows the reserves available at the start of the year, use of and contributions to them during the year, and the closing position arising.</p> <p>It shows usable (cash-backed) reserves separately to unusable (technical) reserves. Cash reserves can be used to fund council activities; unusable reserves are required to be maintained for accounting purposes only and cannot be used to fund services.</p>	<p>This shows that total reserves at the end of 2024/25 amounted to £53.7m. This value is comprised of £36.9m unusable reserves (required for proper accounting practices) and £16.8m usable reserves (which are cash-backed and may be used to fund service delivery).</p> <p>As at March 2025, usable reserves include £0.7m unapplied capital grants, £1.0m capital receipts, £6.6m earmarked reserves, and £8.6m general reserves. The statement shows the movement from opening to closing balances for 2023/24 and then opening to closing balances in 2024/25.</p>

Statement or schedule	Page ref	Purpose	Key issues
<i>Balance sheet</i>	23	This describes the total net value of the council at the end of the year, based upon assets and liabilities. IT also shows how the usable and unusable reserves match the net value of the council.	<p>As at 31 March 2025, the Council had £46.4m of long term assets and £17.8m short term assets (mostly represented by £14.7m cash and cash equivalents). Current liabilities amounted to £8.0m, and long term liabilities amounted to £2.5m. Overall, the net worth of the council (assets less liabilities) was £53.7m.</p> <p>The net worth of the Council was represented by the £53.7m of usable and unusable reserves, detailed in the reserves statement.</p>
<i>Cashflow</i>	24	This shows the changes in cash and cash equivalents during the year.	During the year, there was a net decrease in cash and cash equivalents of £0.1m, meaning that the cash and cash equivalents held at the end of the year amounted to £14.7m.
Notes to the accounts	27	The notes provide further detail supporting the 4 main statements.	<p>Notes 1-6 set out key considerations employed in preparing the accounts based on more general guidance set out in the Code.</p> <p>Notes 7 and 8 provide more details on the CIES.</p> <p>Note 9 provides details of reserves movements.</p> <p>Notes 10 – 18 provide further detail on the balance sheet, including details of property plant and equipment, any investment properties, financial instruments and debtors and creditors at the end of the year.</p> <p>Notes 19-21 provide more information on cash flows.</p> <p>Notes 22-33 provide additional information on subjects covered by the accounts but not stated explicitly, such as remuneration of members, staff and auditors and the net asset or liability relating to the pension scheme. MDC is part of the Local Government Pension Fund, locally administered by ECC. For MDC, past and future obligations on the scheme amount to £53.5m at net present values, while current assets are valued at £80m. Across those funds, 50% is invested in equities via fund managers engaged by ECC.</p>

Statement or schedule	Page ref	Purpose	Key issues
Supplementary financial statements: Collection Fund	97	The Collection Fund is required as a separate account by law. All receipts arising from council tax income and business rates received are paid into this account, together with any necessary adjustments for repayments or refunds, provision for uncollected sums etc.	<p>Surpluses or deficits arising in-year from the collection fund may be added to or charged to the available resources for the council to use in funding its operations, but in the year following.</p> <p>The accounts set out that the Council received £74.9m of ratepayer income in 2024/25, comprised of £58.4m of council tax and £16.5m of business rates.</p> <p>The fund shows payments to preceptors (central government, ECC, Police, Fire and Crime Commissioner (PFCC), parishes) of £79.6m, an overall deficit of £6.5m after adjustments for bad debt, provisions, and collection costs. This was charged to the brought forward surplus at the start of the year meaning that a surplus of £1.5m will be taken forward.</p>
Auditor's report	101	This will be added once the auditor has concluded their review of the accounts.	To follow.
Annual Governance Statement	105	This is provided by BDO as part of their role as the internal auditor.	<p>Based on their programme of work affecting the values set out in the accounts, BDO advise that the controls environment provides moderate assurance that there is a sound system of internal control.</p> <p>Moderate is the second highest level of assurance, which runs from 'substantial', through 'moderate', then 'limited' to 'no' assurance.</p> <p>The Annual Governance Statement (AGS) notes that most previous recommendations made arising from previous internal audit reviews have been implemented.</p>
Glossary	118	Definitions of key terms.	

- 3.6 The Terms of Reference of the Performance, Governance and Audit Committee include a requirement to review the external auditor's opinion on the Statement of Accounts of the Council.

4. CONCLUSION

- 4.1 The accounts for 2024/25 have been prepared ready for audit review. Once the audit review is concluded, and any changes identified as required have been included, the final statement of accounts will be presented to the Committee.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Delivering good quality services

- 5.1.1 A key objective of the Council's Corporate Plan is to continue to have good governance arrangements in place. The external audit opinion is one of the main sources of assurance of the achievement of this objective for the Performance, Governance and Audit Committee.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – The final external audit fees for the 2024/5 audit are subject to final agreement with KPMG and review by Public Sector Audit Appointments. This will be reported back to a future meeting of the Committee once finalised.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** - No impact on Devolution preparation; accounting information, alongside other relevant service and financial performance data, forms a key part of the planning for the Local Government Reorganisation in Greater Essex.

Background Papers: None.

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