



<b>Report To:</b>	Governance and Audit Committee
<b>Date:</b>	Thursday, 2 July 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 Paul Redgate, Portfolio Holder for Finance
<b>Report Of:</b>	Russell Stone, Executive Director, Finance and 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 Governance and Audit Committee review and consider the unaudited Financial Statements 2025/26.

### **Recommendations**

It is recommended that as part of its governance role, the Governance and Audit 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 Statement, 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:

- |                                                 |              |
|-------------------------------------------------|--------------|
| • S151 Officer signs Statements                 | 30 June 2026 |
| • Accounts available for Public inspection from | 1 July 2026  |
| • Unaudited Financial Statements to Committee   | 2 July 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 March 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. Council dwellings continue to be revalued on an annual basis.

2.5 The net worth of the Council, as shown in the Balance Sheet, increased by £43.154m 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 £16.731m in Property, Plant and Equipment due to increases in asset valuations at year end
- A decrease of £17.456m in Long Term Borrowing following debt rescheduling
- An increase of £8.029m in Usable Reserves, largely due to capital grants received in 2025/26, set aside for spend in future years

2.7 South Holland Local Housing Community Interest Company and Welland Homes Limited have been consolidated into the group accounts within the Financial Statements, along with South Holland's 30% share of PSPS Ltd.

### **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.



## **Chronological History of this Report**

None.

### **Report Approval**

Report author:

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Corporate (PSPS Ltd)

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Signed off by:

Russell Stone, Executive Director, Finance and Section 151  
Officer

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