



# STATEMENT OF ACCOUNTS 2025/26

**UNAUDITED**

## STATEMENT OF ACCOUNTS 2025/26

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## NARRATIVE REPORT

Local authorities across the UK continue to operate within a challenging financial environment. While inflation and interest rates have begun to moderate during 2025/26, underlying demand for services, ongoing cost pressures and funding uncertainties continue to place pressure on council budgets. These macroeconomic conditions have increased the cost of delivering services while simultaneously constraining income streams and reducing financial flexibility.

### Financial Performance

Notwithstanding these challenges, the Council's overall financial performance remains sound as a result of strong budget management throughout the year. Full Council considers and establishes the next three years budget each February. The Corporate Management Team receives a monthly budget update showing performance to-date and a forecast outturn with an analysis of issues arising. Executive receives quarterly budget monitoring reports during the year and will receive a detailed report of the outturn in July 2026.

Ipswich Borough Council delivered a net deficit of £0.853m within the General Fund across 2025/26 compared to a net budgeted deficit of £1.328m, giving a favourable variance of £0.475m.

The Housing Revenue Account delivered a £0.924m surplus compared to a budgeted deficit of £0.204m, representing a £1.128m favourable movement.

The Council invested a total £43.846m on capital projects, with particular focus on delivery of the Towns Fund programme and other cultural initiatives. £24.718m of capital budget for 2025/26 has been carried forward to be spent in the future.

Overall, the Council's net assets have decreased by £9.51m on its Balance Sheet in 2025/26.

The Council borrowed during 25/26 to support its capital programme. Cash and Cash equivalents as shown on the Balance Sheet have increased by £11.813m in 2025/26. Overall, the Council's cash/investments have increased £11.813m over the course of the year, with no movement in short-term or long-term investments

The Council has reduced its usable reserves by £26.535m during 2025/26.

### General Fund

The original 2025/26 budget approved by Council in February 2025 anticipated a £1.327m draw on balances. The outturn position shows a reduced draw of £0.853m. This is a £0.475m favourable movement. The 2025/26 MTFP assumed that the GF working balance would be £4.209m at 31 March 2026, however the actual GF working balance is £4.683m. The GF working balance decreased by £0.853m in the year to 31 March 2026. A further £0.4m budget for a Neighbourhood Cleaning Campaign to be funded from favourable outturn variance is requested for approval in the Outturn report. If approved, this will reduce the GF working balance.

	Original Budget	Revised Budget	Actuals	Full year (Favourable) / Adverse Variance
	£000's	£000's	£000's	£000's
Leader - Place	2,449	3,068	2,886	(182)
Deputy Leader - Strategy and Transformation	2,200	(137)	(151)	(14)
Culture and Customers	598	880	852	(28)
Communities and Sport	5,268	8,719	8,472	(247)
Resources	5,802	6,183	6,371	188
Planning and Museums	2,184	3,031	3,178	147
Housing	2,116	2,548	2,619	71
Parks and Climate Change	1,594	2,958	3,069	111
Environment and Transport	3,097	3,126	3,177	51
<b>Net Service Expenditure</b>	<b>25,308</b>	<b>30,376</b>	<b>30,473</b>	<b>97</b>
Summary Items	(23,981)	(29,048)	(29,620)	(572)

**Net Expenditure****1,327****1,328****853****(475)**

*Figures include inter fund recharges which are excluded within the Main Statements*

The year-end position is summarised below:

**Leader - Place:** Within Economic Development, a net saving has been achieved across all budget lines of £0.024m. This has offset a small minor pressure in Major Capital Schemes of £0.003m. Within Estates & Facilities, there are significant favourable variances from reduced utilities of £0.153m, repairs and maintenance of £0.050m, and cleaning supplies of £0.012m, together with additional income from rents of £0.205m, service charges of £0.043m, sales of £0.053m, and recovered costs of £0.011m. These have been partially offset by cost pressures on business rates of £0.063m, premises costs of £0.038m, staffing costs of £0.099m, equipment hire of £0.052m, computer software of £0.015m, and professional services of £0.115m. There are further minor net savings of £0.016m across other budget lines.

**Deputy Leader – Strategy and Transformation:** Within Human Resources, savings have been achieved against minor budget lines of £0.010m and computer software of £0.023m. Within ICT, additional costs have been incurred for computer software of £0.020m. This adverse variance has been partially offset by minor savings of £0.001m across other budget lines.

Culture and Customers: Within Vibrant Town Services, income overachievement of £0.105m from the Regent and Corn Exchange and utilities savings of £0.071m have been partially offset by reduced sale of goods of £0.033m, stock adjustment of £0.036m and increased premises costs of £0.049m and minor variations of £0.007m across other budget lines. Within Parking & Transport, additional income from car parks of £0.077m has been offset by increased operating costs, including £0.013m for car parks and £0.064m for off-street, enforcement costs of £0.066m and postage costs of £0.028m. These have been partially mitigated by savings in subsidised travel of £0.010m, utilities of £0.017m, the cycle scheme of £0.010m, and centralised costs of £0.010m. Minor variations of £0.015m have also been incurred across other budget lines. Within Customer Services, premises costs have reduced by £0.039m.

**Communities and Sport:** Within Communities, cost pressures from staffing of £0.084m, specialist technical costs of £0.040m related to the national Digital Switch, and increased costs of supplies of £0.025m have largely been offset by savings on rent relief of £0.073m, emergency planning of £0.012m, and with improved HEARS income of £0.036m. Minor additional savings of £0.011m have been incurred across other budget lines. Within Public Protection, income from licence fees £0.136m and Hackney Carriage fees £0.112m has exceeded expectations. This was partially offset by pressures within the Housing Business Unit of £0.069m and, enforcement costs of £0.014m, alongside other minor costs of £0.017m. Within Active Ipswich, an income shortfall of £0.155m, together with minor variations of £0.004m, has been offset by utilities savings of £0.275m.

**Resources:** Within the Audit Partnership, reduced training costs have generated a minor saving of £0.007m. Within Finance, favourable variances include additional government grants of £0.060m, reduced audit fees of £0.066m, lower council tax legal costs of £0.108m and the clearance of historical balances of £0.028m. These have been partially offset by increased housing benefit subsidy costs of £0.140m, reduced superannuation contributions from companies of £0.140m and higher business rates of £0.017m. A further minor saving has been achieved across other budget lines of £0.002m. Within Legal Services, staffing costs of £0.136m have been partially mitigated by savings in minor budget lines of £0.006m and Local Land Charges of £0.012m. Within Democratic Services and Elections, reduced government grant income of £0.026m and increased postage costs of £0.028m have been partially offset by savings totalling £0.024m. Within Procurement, additional software costs of £0.011m have been incurred, together with further minor additional costs of £0.003m.

**Planning and Museums:** Within Museums, increased costs relating to security of collection storage of £0.144m have been partially offset by savings on operational costs of £0.025m and utilities of £0.052m, with further minor cost variations of £0.018m across various budget lines. Within Planning & Building Control, additional costs including staffing costs of £0.073m, software costs of £0.012m and appeal fees of £0.043m have been partially offset by improved income performance of £0.032m and further savings of £0.022m across other budget lines in Planning and £0.012m in Building Control.

**Housing:** Within Housing Advice, income shortfalls of £0.147m and increased legal costs of £0.070m have been partially offset by reduced B&B costs of £0.058m, reduced staffing costs of £0.060m, and further minor variations of £0.005m across other budget lines. Within Maintenance & Contracts, savings of £0.023m have been achieved on premises costs.

**Parks and Climate Change:** Within Parks and Cemeteries, adverse variances have arisen from burial income of £0.082m, lower sales of goods of £0.015m and a further £0.015m across other budget lines.

**Environment and Transport:** Within Waste and Fleet, pressures from increased service charges of £0.066m and reduced sales of goods of £0.014m have been partially offset by improved income of £0.029m and reduced cleaning charges of £0.011m. There are also additional pressures of £0.011m across other budget lines within Waste and Fleet.

The **General Fund Summary** shows a favourable one-off variance of £0.572m. The most significant favourable movements relate to retained business rates income of £0.583m and movements in earmarked reserves of £0.301m. Additional favourable variances have arisen from the business rates pool levy of £0.116m. These have been partly offset by one-off pressures including transitional vacancy costs of £0.183m, debt charges of £0.106m, reduced government grants of £0.103m and council tax collection fund £0.029m. A further minor pressure has been recognised in relation to the Minimum Revenue Provision (MRP) charge of £0.007m.

In addition, a total of £0.580m was drawn down from the General Service Contingency and £0.510m from the Inflation Contingency in 2025/26. £1.145m was used in the year from the additional commitments contingency. A carry forward of unused Inflation contingency of £0.312m and of General Service Contingency of £1m have been requested to be approved. Corporate Savings Contingency is ringfenced, and £1.150m is requested to be carried forward from that contingency. A total of £2.926m of contingencies is requested to be carried forward to 2026/27 and including service carry forwards it adds up to £3.338m.

£0.412m of budgets have been carried forward to 2026/27.

### Housing Revenue Account

The HRA achieved a £0.924m surplus, compared to budgeted deficit of £0.204m.

	Original Budget £000's	Revised Budget £000's	Actuals £000's	Full year (Favourable) / Adverse Variance £000's
Deficit / (Surplus) in the year	204	204	(924)	(1,128)

The key out-turn variances are shown below:

- £0.060m of additional recharges to GF
- £0.018m reduced staffing costs
- £0.084m additional planned repairs and maintenance costs
- £0.023m additional properties recharge costs
- £0.213m additional external contract costs
- £-1.121m reduction in repairs costs
- £0.078m additional costs of fire damaged properties
- £0.135m additional insurance premiums
- £0.131m reduction in operating leases costs
- £0.121m reduced materials costs
- £0.033m additional capital charge costs
- £0.190m additional security costs

-£0.041m reduced service charges  
 -£0.074m reduced utilities costs  
 £0.098m increase in disrepair claims costs  
 £0.017m additional grounds maintenance costs  
 £0.043m additional voids council tax charges  
 -£0.385m additional rents income  
 -£0.051m of reduced commercial rents income  
 £0.445m increased capital charges  
 -£0.102m additional right to buy income  
 -£0.190m reduction in bad debt provision  
 -£0.339m reduced transitional vacancies  
 -£0.092m reduced financial charges

## Capital

The table below shows the Council's Capital Programme for 2025/26, the final expenditure against the programme and how this has been funded.

	Approved Delivery Budget £000's	Reprofiled from future years £000's	Actuals £000's	Proposed Carry Forward £000's	(Under)/Over Spend £000's
Housing Revenue Account	38,657	444	22,239	14,809	(2,053)
General Fund	30,875	572	21,607	9,909	69
<b>Capital</b>	<b>69,532</b>	<b>1,016</b>	<b>43,846</b>	<b>24,718</b>	<b>(1,984)</b>

Funded By:	£000's
Capital Receipts	5,933
External funding	8,958
Borrowing	18,039
Major Repairs Reserve	7,706
Revenue Contributions to Capital	3,210
	<u>43,846</u>

Of the underspend £24.718m has been carried forward to 2026/27.

Significant Projects:

Scheme	Spend £000's	Description of Scheme
Museum Project	3,909	Full refurbishment of the Ipswich museum.
Regent Theatre Customer Improvements	3,528	Refurbishment of the theatre building.
Grimwades building purchase and redevelopment	2,870	Purchase of the historic building to convert into an adult learning centre.
Pedestrian-Cycle Bridge	1,314	Building of a new pedestrian and cycle bridge at the waterfront.
Simpler Recycling	1,100	To comply with new regulations on food waste and recycling to achieve a consistent national approach to recycling

## Balance Sheet

The table below summarises the Balance sheet at 31 March 2025 and 31 March 2026. The full Balance Sheet has references to the notes that support each of the figures.

	31 March 2025 £000's	31 March 2026 £000's	Movement £000's
Long-term Assets	992,151	951,340	(40,811)
Current Assets	28,351	42,248	13,897
Current Liabilities	(60,172)	(64,731)	(4,559)

Long-term Liabilities	<u>(231,463)</u>	<u>(209,500)</u>	<u>21,963</u>
Net Assets	<u>728,867</u>	<u>719,357</u>	<u>(9,510)</u>
Usable Reserves	(75,675)	(102,210)	(26,535)
Unusable Reserves	<u>(653,192)</u>	<u>(617,147)</u>	<u>36,045</u>
Total Reserves	<u>(728,867)</u>	<u>(719,357)</u>	<u>9,510</u>

The movement in usable reserves includes working balances in relation to the General Fund and Housing Revenue Account. To provide for contingencies, the Council also recognises the importance of not allowing these balances to fall below the prescribed minimum levels as agreed in Section 5 of the Medium Term Financial Plan. The table below shows the movement in the working balances.

	31 March 2025 £000's	31 March 2026 £000's	Movement £000's	Prescribed Minimum Balances £000's
General Fund	(5,535)	(4,683)	852	(4,250)
Housing Revenue Account	(6,043)	(6,967)	(924)	(2,000)

### Pension Liabilities

Ipswich Borough Council participates in the Local Government Pension Scheme, which is administered locally by Suffolk County Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund calculated at a level to balance the liabilities with investment assets. This scheme is used to pay former employees their pension and other benefits when they retire. The liabilities of the Council in relation to the scheme are reported on the balance sheet in accordance with International Accounting Standard 19 (IAS19). The IAS19 position as at the 31 March 2026 actuarial report is £0.112m liability.

The actuarial valuation supporting the Council's contribution rate should be confirmed from the latest Suffolk Pension Fund actuarial source. The Fund's Actuary determined the Council's contribution to the fund for 2025/26. The contribution rate equates to 22% of pay.

### Treasury Management and Cashflow

	31 March 2025 £000's	31 March 2026 £000's	Movement £000's
Cash & Cash Equivalents	2,952	14,765	11,813
Short-term Investments (< 1 year)	-	-	-
Long-term Investments (> 1 year)	302	302	-
Total Cash/Investments	<u>3,254</u>	<u>15,067</u>	<u>11,813</u>

Overall, cash has increased in the year and short-term and long-term investments, shown on accruals basis, remained static. Cash and short-term investments are held in accordance with the Council's Treasury Management and Annual Investment Strategy.

	31 March 2025 £000's	31 March 2026 £000's	Movement £000's
Cash held by Council	145	157	12
Bank Current Accounts	(4,381)	7,420	11,801
Money Market Funds	6,801	6,801	-
Instant Access Accounts	387	387	-
Total Cash/Investments	<u>2,952</u>	<u>14,765</u>	<u>11,813</u>

### Borrowing

	31 March 2025 £000's	31 March 2026 £000's	Movement £000's
Public Works Loan Board	(241,132)	(236,045)	5,087

Market Loans	(9,043)	(9,043)	-
Total Borrowing	<u>(250,175)</u>	<u>(245,088)</u>	<u>5,087</u>
Capital Financing Requirement	<u>(327,269)</u>	<u>(336,758)</u>	<u>(9,489)</u>
Total Under borrowed	<u>(77,094)</u>	<u>(91,670)</u>	<u>(14,576)</u>

During the year the Council reduced net debt by £5.087m.

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The Council's total gross external debt was £91.67m below the CFR at 31 March 2026 (£77.094m at 31 March 2025) and is a proxy for the amount of capital expenditure which has been financed from internal funding sources.

### Group Accounts

As at 31 March 2026, the Council had nine subsidiary companies. The summarised group financial consolidated statements show how the financial position of the Council is affected by its interests in these companies.

Ipswich Buses Limited runs the bus operations in Ipswich and the surrounding area. All the allotted called up ordinary share capital is owned by the Council. Ipswich Buses made a pre-tax profit of £0.042m in 2025/26 (£0.861m pre-tax profit in 2024/25). Revenue decreased by £0.287m during the year, but costs increased by £0.312m.

Ipswich Borough Assets (IBA) Limited undertakes property management and property development activities and is wholly owned by Ipswich Borough Council. Ipswich Borough Assets made a pre-tax loss of £6.733m in 2025/26 (£1.413m pre-tax loss in 2024/25) partly as a result of a net reduction in the valuation of investment properties. Asset values reduced by £5.185m in the year 31 March 2025 to 31 March 2026.

Ipserv Limited was incorporated to allow the Council's income generating services to operate for profit and is wholly owned by Ipswich Borough Council. Ipserv made a pre-tax loss of £0.028m in 2025/26 (£0.137m profit pre-tax in 2024/25).

Handford Homes Limited was incorporated to help provide housing in Ipswich and is wholly owned by Ipswich Borough Council. Handford Homes made a pre-tax profit of £0.378m in 2025/26 (£0.106m pre-tax profit in 2024/25).

Stage Event Security Limited was purchased and is wholly owned by Ipserv Limited to generate a profit. Stage Event Security made a pre-tax profit of £0.143m in 2025/26 (£0.121m pre-tax profit in 2024/25).

Ipserv Direct Services Limited was incorporated to allow the Council's income generating services to operate for profit. Ipserv Direct Services Limited made a pre-tax profit of £0.013m in 2025/26 (£0.012m pre-tax profit in 2024/25).

Handford Lettings Limited was incorporated to help manage housing properties in Ipswich. Handford Lettings Limited made a pre-tax profit of £0.075m in 2025/26 (£0.008m pre-tax profit in 2024/25).

Ipswich Borough Assets Developments Limited was incorporated to develop and construct property assets. Ipswich Borough Assets Development Limited made a pre-tax loss of £0.045m in 2025/26 (£0.044m pre-tax loss in 2024/25).

Ipserv Employers Ltd was incorporated in March 2022 as a subsidiary of Ipserv Ltd to act as employer for its workforce. Ipserv Employers Ltd made a pre-tax profit of £0.56m in 2025/26 (£0.021m pre-tax profit in 2024/25).

### Provisions, Contingencies and Write Offs

The Council has two main provisions within the accounts, the Insurance provision and the Non-Domestic Rates provision. These decreased by a total of £1.141m during 2025/26. Insurance Claims are met by an insurance

31 March 31 March Movement

	£000's	£000's	£000's
Provisions within Current Liabilities	(2,450)	(1,270)	1,180
Provisions within Long-term Liabilities	(90)	(129)	(39)
	<u>(2,540)</u>	<u>(1,399)</u>	<u>1,141</u>

There were no material write offs in the year ended 31 March 2026.

### Accounting Policies

The authority carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. From 2025/26 the Council is now also required to apply indexation to asset values in the intervening years. Since 2019/20 the Council has a policy of revaluing approximately 20% of its assets on an annual basis rather than revaluing all assets every five years, therefore indexation will be applied to remaining assets as per Accounting policy on Property, Plant and Equipment.

### Events after the reporting date

There are no material events after the reporting date.

### Financial Challenges in 2026/27 and Medium Term Outlook

The Council's Medium Term Financial Plan was approved on 10 February 2026. It sets out the Council's financial

In the period 2026/27 to 2029/30 the Council is budgeting to add £16.339m of General Fund revenue balances in delivering a balanced budget.

Council finances are under pressure because of external factors. The increasing financial pressures over the

The Council's financial strategy is to invest in the town and the services the Council provides to local people and businesses at the same time as meeting its significant budget challenges through a range of savings

The 2025/26 budget was set against a background of continuing funding reductions and the increased risk of sudden changes in funding inherent in the retained business rates scheme. Future finance settlement announced by MHCLG covers a three-year period from 2026/27 to 2028/29. This multi-year settlement provides greater certainty for financial planning, although further detail on the review of local government funding arrangements is still expected.

Corporate savings activity during 2025/26 has delivered total savings of £3.818m.

Alongside these savings, the Council has delivered a range of achievements during 2025/26:

- Used Towns Fund to support the development of The Baths into a live music venue and Creative Digital Skills Lab and the relocation of charity 4YP to a Waterfront building enabling them to extend their provision for young people.
- Used Towns Fund to bring the Grimwades building back to life with Jamaica Blue and Lovisa.
- Installed the UK's first Portal alongside implementing Virtual reality Binoculars and Augmented Reality Trails contributing to an increase in town centre footfall.
- Partnered St Elizabeth Hospice to host the Hop to It! Hares across the town during the summer, which increased footfall and helped to raise £250,000 towards local care.

- Facilitated 30 events on the Cornhill, including hosting the Ed Sheeran Fanzone coinciding with his concerts at Portman Rd; and a programme of other events around the town such as Music Day.
- Worked with partners to develop an expression of interest in becoming City of Culture 2029.
- Completed the Regent Theatre refurbishment, new bars at the Corn Exchange and the external works to Ipswich Museum.
- Granted planning consent to ESNEFT for a Community Diagnostic Centre on Museum Street which will increase visits to the town centre.
- Held successful Business Thrive Festival, four Developers Forums and promoted Ipswich opportunities at UKREiIF.
- Subsidised buses on Routes 4 and 5, and funded new Sunday services, as well as improving access to taxis on the Waterfront.
- Provided free car parking for six Sundays in the pre-Christmas period at Crown car park.
- Improved safety in the town centre through 47 new CCTV cameras and assisting 1,356 police enquiries for CCTV footage.
- Completed 276 new homes at Bibb Way, Ravenswood and Fore Hamlet with 247 added to the council housing stock and the remainder let by Handford Lettings. A further 26 new council homes with a new play and recreation area is due to be completed before the end of March.
- Achieved national top quartile performance on Tenant Satisfaction.
- Adopted new housing policies including in response to Awaabs law.
- Maintained and improved council housing with over 21,000 repairs completed, 359 homes refurbished and relet, 304 homes fitted with A rated boilers, 278 homes adapted for assisted independent living, 175 new roofs, 226 homes with new kitchen, bathroom or both.
- Completed stock condition surveys on more than half the council's housing in six months.
- Reduced the time to re-let council homes from 30 days to 16 days.
- Supported tenants from Wingate House and Broke Hall House to relocate as part of delivering the Housing Asset Management
- Developed a better understanding of our tenants through a Tenant Census which is helping shape the delivery of housing services.
- Assisted over 120 rough sleepers and prevented the homelessness of nearly 700 households.
- Granted planning permission for 1,167 new homes.
- Used informal actions and enforcement notices to encourage private landlords to improve standards without costly prosecutions; and enabled one large property to be returned to a productive use.
- The Council's Letting Experience service (LET) are working with 111 tenancies and have undertaken 38 inspections to date in 2025/26, which has resulted in a reduction of 44% in Deposit Bond claims compared to the same period last year.
- Responded to a significant increase in planning applications for small Houses of Multiple Occupation since the introduction of the Article 4 Direction giving the council greater control.
- 83% of the Council's vehicle fleet is now Ultra Low Emission or Zero Emission with 41% of the fleet being electric. This includes the council's first electric refuse collection vehicle.
- Achieved a 100% non-fossil energy supply.
- 70 Solar Photovoltaic Arrays were fitted to Council homes
- 3000 trees planted to increase tree canopy cover in partnership with Trees for Cities.
- Created Sproughton Nature Reserve in partnership with Babergh DC.
- Ensured that all new council housing has electric vehicle charging and solar PV with new homes at Bibb Way, Fore Hamlet and Hawke Road using air sourced heat pumps for heating and hot water.
- Trained 200 people to become qualified in first aid at work or lifeguarding, with over 400 people attending ongoing lifeguard training.
- Feel Good Suffolk awarded "Highly Commended" at Suffolk Health Awards its work around encouraging activity, smoking cessation and weight management.

- Helped 1200 primary school children to understand substance misuse, healthy relationships, and online safety, through Crucial Crew.
- Installed and opened a new Chantry Park Play area, a range of fitness equipment in Bourne Park and reinstated Park Run at Christchurch Park.
- Created a new walking route from Pipers Vale, through Holywells and Landseer Parks to the Waterfront and on to Wherstead Road.
- Supported 3,144 Pension Aged residents and 7,140 Working Aged residents with Council Tax reduction awards totalling over £12,143,374. New claims were usually processed in around 23 days and changes of circumstances in less than 2 days.
- Made over 500 discretionary housing payments and processed new claims for housing benefit in less than 16 days with changes of circumstances processed in less than 5 days.
- Introduced reduced price Cremations at the start and end of the day.
- The Council continued to fund local organisations like Ipswich Housing Action Group, Suffolk Refugee Support, Lighthouse Women's Aid, ISCRE, Homestart, Ipswich Citizens Advice Bureau, Ipswich Community Play Bus and Suffolk Young People's Project (4YP) as well as introducing a £75,000 Community Chest for small grants to local groups.
- Funds introduced to support hot food provision, food parcels, warm clothing and blankets, baby bank items, and increased food bank provisions.
- Supported Suffolk Refugee Support, Bows and Arrows, Home Start, Activ-Gardens, PHEOBE, Ipswich Community Media and Emmaus through the Sustainable Food Fund enabling them to provide access to food, purchase new white goods for food storage, develop community gardens including equipment to grow food, and provide cooking lessons.
- Resolved 48 community Anti-Social Behaviour (ASB) cases and made reporting ASB easier.
- Engaged with schools as part of the "This is our Town" anti-littering campaign as well as supporting 35 Community litter picks.
- Welcomed over 19,000 visitors to Christchurch Mansion with Anglo-Saxon Discovery Day attracting more than 600 people.
- Announced Constable 250 for later in 2026 including plans to exhibit the Haywain.
- Retained three green flags at Bourne, Christchurch and Holywells Parks and two new Green Flag Awards in Chantry and Whitehouse Parks are being sought.
- Tackled chewing gum litter through two new grant funded machines.
- Tackled parking infringements through issuing over 18,000 parking charge notices.
- Upgraded EV chargers and introduced price per KWh at Crown and Elm Street car parks with both sets of chargers being available on a 24/7 basis.
- Stopped council home purchase fraud valued at £1,768,230.
- Nearly 32% of household waste sent for recycling or composting at the same time as achieving a recycling quality score of 90% (the highest to date). Achieved a reduction of 87.4kg per household in the annual amount of residual household waste collected.
- Resolved 94% of complaints at the first stage, while compliments doubled in the last year.
- Grew social media audience by 13.2% and redesigned the Council website, providing an additional 22 online services. The Council now averages 4750 online interactions with customers every month with a 90% satisfaction level. 95% telephone customers are also satisfied.
- A £3.4m financial return achieved from the Council's companies while Ipswich Buses used its funds to purchase four brand new double decker buses marking a step forward in modernising the fleet and enhancing reliability.

## Corporate Risk and Management

The Council's Risk Management Strategy outlines levels of responsibility for identifying and managing risk. The document is reviewed regularly by the Audit & Governance Committee.

The Corporate Risk Register is monitored by Corporate Management Team and newly identified risks are included in the register for review and monitoring. Exception reporting is forwarded to Executive through Corporate Management Team. The Register is also reviewed twice-yearly by Audit & Governance Committee.

The committee report template includes a mandatory risk section for officers to complete - identifying risk Executive Directors, Directors, Assistant Directors and Heads of Service review their service group and service area risks as part of the business and operational planning process. This review process also identifies any

### **Annual Governance Statement**

The Council is required to conduct a review of the effectiveness of its system of internal control at least once a year and report findings to the Council. The Annual Governance Statement contains a review of the Council's

A copy of the Annual Governance Statement for 2025/26 is available on the Council's website.

### **Explanation of the Statement of Accounts**

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2026. It comprises core and supplementary statements, together with disclosure notes. The format of the Statement of Accounts is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which in turn is underpinned by International Financial Reporting Standards.

### **Presentation of Information**

Values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and

### **Further Information**

Further information about the accounts can be obtained from the Head of Finance - Technical at Grafton House. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website.

## STATEMENT OF RESPONSIBILITIES

### The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In the Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

### The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts 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').

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement of Accounts give a true and fair view of the financial position of the Council at 31 March 2026 and its income and expenditure for the year ended on that date.



**Ian Blofield**

**Section 151 Officer**

**Date: 15th July 2026**

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue A/c Balance	Earmarked Housing Revenue A/c Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Movement in Reserves 2024/25</b>											
<b>Balance at 1 April 2024</b>	<b>(6,268)</b>	<b>(16,923)</b>	-	<b>(3,230)</b>	<b>(27,873)</b>	<b>(11,742)</b>	<b>(10,459)</b>	<b>(16,120)</b>	<b>(92,615)</b>	<b>(630,655)</b>	<b>(723,269)</b>
(Surplus) / deficit on provision of services	20,760	-	-	(16,725)	-	-	-	-	4,035	-	4,035
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	(9,632)	(9,632)
<b>Total Comprehensive Income and Expenditure</b>	<b>20,760</b>	-	-	<b>(16,725)</b>	-	-	-	-	<b>4,035</b>	<b>(9,632)</b>	<b>(5,597)</b>
Adjustments between accounting basis & funding basis under regulations	(20,115)	-	-	29,900	-	6,461	(2,451)	(890)	12,905	(12,905)	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>645</b>	-	-	<b>13,175</b>	-	<b>6,461</b>	<b>(2,451)</b>	<b>(890)</b>	<b>16,940</b>	<b>(22,537)</b>	<b>(5,597)</b>
Transfers to / from Earmarked Reserves	88	(88)	-	(15,988)	15,988	-	-	-	-	-	-
<b>(Increase) / Decrease in 2024/25</b>	<b>733</b>	<b>(88)</b>	-	<b>(2,813)</b>	<b>15,988</b>	<b>6,461</b>	<b>(2,451)</b>	<b>(890)</b>	<b>16,940</b>	<b>(22,537)</b>	<b>(5,597)</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>(5,535)</b>	<b>(17,011)</b>	-	<b>(6,043)</b>	<b>(11,885)</b>	<b>(5,281)</b>	<b>(12,910)</b>	<b>(17,010)</b>	<b>(75,675)</b>	<b>(653,192)</b>	<b>(728,867)</b>

Movement in Reserves 2025/26	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue A/c Balance	Earmarked Housing Revenue A/c Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Balance at 1 April 2025 brought forward</b>	<b>(5,535)</b>	<b>(17,011)</b>	-	<b>(6,043)</b>	<b>(11,885)</b>	<b>(5,281)</b>	<b>(12,910)</b>	<b>(17,010)</b>	<b>(75,675)</b>	<b>(653,192)</b>	<b>(728,867)</b>
(Surplus) /deficit on provision of services	(13,547)	-	-	39,691	-	-	-	-	26,144	-	26,144
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	(16,634)	(16,634)
<b>Total Comprehensive Income and Expenditure</b>	<b>(13,547)</b>	-	-	<b>39,691</b>	-	-	-	-	<b>26,144</b>	<b>(16,634)</b>	<b>9,510</b>
Adjustments between accounting basis & funding basis under regulations	12,888	-	-	(38,483)	-	(16,182)	(3,457)	(7,445)	(52,679)	52,679	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>(659)</b>	-	-	<b>1,208</b>	-	<b>(16,182)</b>	<b>(3,457)</b>	<b>(7,445)</b>	<b>(26,535)</b>	<b>36,045</b>	<b>9,510</b>
Transfers to / from Earmarked Reserves	1,511	(1,511)	-	(2,132)	2,132	-	-	-	-	-	-
<b>(Increase) / Decrease in 2025/26</b>	<b>852</b>	<b>(1,511)</b>	-	<b>(924)</b>	<b>2,132</b>	<b>(16,182)</b>	<b>(3,457)</b>	<b>(7,445)</b>	<b>(26,535)</b>	<b>36,045</b>	<b>9,510</b>
<b>Balance at 31 March 2026 carried forward</b>	<b>(4,683)</b>	<b>(18,522)</b>	-	<b>(6,967)</b>	<b>(9,753)</b>	<b>(21,463)</b>	<b>(16,367)</b>	<b>(24,455)</b>	<b>(102,210)</b>	<b>(617,147)</b>	<b>(719,357)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2024/25			2025/26			
Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's		Gross Expenditure £000's	Gross Income £000's	Net Expenditure £000's
<b>General Fund Services</b>						
30,949	(4,910)	26,039	Leader - Place	10,172	(4,813)	5,359
3,365	(1,369)	1,996	Deputy Leader - Strategy & Transformation	3,203	(1,376)	1,827
6,681	(1,100)	5,581	Planning & Museums	4,840	(2,232)	2,608
13,494	(7,104)	6,390	Environment & Climate Control	14,741	(10,296)	4,445
8,283	(3,977)	4,306	Housing	6,628	(4,454)	2,174
11,508	(5,683)	5,825	Communities and Sport	12,116	(5,894)	6,222
41,747	(35,926)	5,821	Resources	35,002	(29,641)	5,361
7,531	(12,064)	(4,533)	Culture and Customers	10,943	(10,207)	736
36,321	(43,844)	(7,523)	<b>Housing Revenue Account</b>	88,184	(45,306)	42,878
<b>159,879</b>	<b>(115,977)</b>	<b>43,902</b>	<b>Total Cost of Services</b>	<b>185,829</b>	<b>(114,219)</b>	<b>71,610</b>
			- Payments to/(from) Government Housing Capital Receipts Pool			-
	(764)		Loss/(Gain) on the disposal of non-current assets			(2,859)
	(183)		Capital Receipts not from disposal of non-current assets			(39)
	<b>(947)</b>		<b>Total Other Operating Expenditure</b>			<b>(2,898)</b>
		7,641	Interest payable and similar charges			8,465
		(42)	Net interest on the defined benefit liability / (asset)			653
		(6,532)	Interest receivable and similar income			(6,527)
		1,746	Changes in the fair value of investment properties			(2)
		(848)	Investment properties income			(339)
		<b>1,965</b>	<b>Total Finance &amp; Investment Income &amp; Expenditure</b>			<b>2,250</b>
		(16,077)	Council Tax Income			(16,827)
		(26,580)	Non domestic rates income			(29,539)
		18,152	Non domestic rates tariff			18,362
		(76)	Non domestic rates levy			754
		(1,253)	Non-ringfenced government grants			(1,165)
		(15,051)	Capital grants and contributions			(16,403)
		<b>(40,885)</b>	<b>Total Taxation &amp; Non-specific Grant Income &amp; Expenditure</b>			<b>(44,818)</b>
		<b>4,035</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>26,144</b>
		(24,415)	(Surplus) or deficit on revaluation of non-current assets			(6,371)
		14,783	Actuarial (gains) / losses on pension assets / liabilities			(10,263)
		<b>(9,632)</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(16,634)</b>
		<b>(5,597)</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>9,510</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets (assets less liabilities) are matched by the reserves, reported in two categories. The first category are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025 £000's		Note	31 March 2026 £000's
789,312	Property, Plant & Equipment	19	755,849
71,586	Heritage Assets	21	72,460
10,162	Investment Property	20	3,305
-	Intangible Assets		71
302	Long-term Investments	30	302
120,789	Long-term Receivables	30	119,353
-	Other Long-term Assets	34	-
<b>992,151</b>	<b>Long-term Assets</b>		<b>951,340</b>
-	Short-term Investments	30	-
543	Inventories		332
24,328	Short-term Receivables	22	26,583
2,952	Cash and Cash Equivalents	23	14,765
528	Assets Held for Sale	24	568
<b>28,351</b>	<b>Current Assets</b>		<b>42,248</b>
(32,157)	Short-term Borrowing	30	(36,202)
(25,565)	Short-term Payables	25	(27,259)
-	Cash and Cash Equivalents	23	-
-	Grants Receipts in Advance		-
(2,450)	Provisions	26	(1,270)
<b>(60,172)</b>	<b>Current Liabilities</b>		<b>(64,731)</b>
(378)	Long-term Payables	30	(373)
(90)	Provisions	26	(129)
(218,018)	Long-term Borrowing	30	(208,886)
(12,977)	Other Long-term Liabilities	34	(112)
-	Capital Grants Receipts in Advance		-
<b>(231,463)</b>	<b>Long-term Liabilities</b>		<b>(209,500)</b>
<b>728,867</b>	<b>Net Assets</b>		<b>719,357</b>
(75,675)	Usable Reserves		(102,210)
(653,192)	Unusable Reserves	27	(617,147)
<b>(728,867)</b>	<b>Total Reserves</b>		<b>(719,357)</b>



Ian Blofield  
Section 151 Officer

Date: 15th July 2026

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash, and cash equivalents, during the reporting period. The statement shows how the Council generates and uses cash, and cash equivalents, by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation, grant income and from the recipients of services. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

2024/25 £000's		2025/26 £000's
4,035	Net (surplus) or deficit on the provision of services	26,144
(9,903)	Depreciation	(10,236)
(28,068)	Impairment and downward valuations	(56,547)
3,663	(Increase) / decrease in payables	(5,935)
283	Increase / (decrease) in receivables	2,021
10	Increase / (decrease) in inventories	(210)
1,806	Movement in pension liability	2,602
(4,495)	Carried forward non-current assets & non-current assets held for sale, sold or de-recognised	(19,217)
(1,788)	Other non-cash items charged to net surplus/deficit on the provision of services	1,142
(38,492)	Total non-cash movements	(86,380)
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
5,441	Sale of property, plant & equipment, investment property and intangible	22,115
15,051	Other items for which the cash effects are investing/financing cashflows	16,051
20,492	Adjust for investing and financing activities	38,166
<b>(13,965)</b>	<b>Net cash flows from Operating Activities</b>	<b>(22,070)</b>
73,946	Purchase of property, plant & equipment, investments & intangible assets	42,395
-	* Purchase of short-term and long-term investments	-
-	Other payments for investing activities	352
(5,441)	Sale of property, plant and equipment, investments, intangible assets & non-current assets held for sale	(22,087)
(56)	* Proceeds from short-term and long-term investments	-
(15,433)	Other receipts from investing activities	(17,505)
<b>53,016</b>	<b>Net cash flows from investing activities</b>	<b>3,155</b>
(62,000)	Cash receipts of short-term and long-term borrowing	(25,000)
-	Other receipts/payments from financing activities	(55)
18,473	Repayments of short-term & long-term borrowing	30,005
344	Other payments for financing activities	2,152
(43,183)	<b>Net cash flows from financing activities</b>	<b>7,102</b>
(4,132)	Net (increase) or decrease in cash and cash equivalents	(11,813)
1,180	Cash and cash equivalents at the beginning of the reporting period	(2,952)
<b>(2,952)</b>	<b>Cash and cash equivalents at the end of the reporting period (Note 23)</b>	<b>(14,765)</b>

Note \* The 24/25 figures now exclude the gross movement on treasury management daily cash flows and only show those movements considered as investments activities under the CIPFA Code (para 3.4.2.76)

The cash flows for operating activities include the following items:

**2024/25**

£000's

(6,532) Interest Received

7,207 Interest Paid

**2025/26**

£000's

(6,527)

8,547

## NOTES TO THE ACCOUNTS

### 1. Basis of Preparation (Going Concern)

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. The 2015 Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) supported by International Financial Reporting Standards (IFRS), taking into account any subsequent accounting guidance such as Local Authority Accounting Panel (LAAP) bulletins and any statutory requirements.

The Code confirms that the local authority accounts must be prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for twelve months from the date that the accounts are authorised for issue.

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the 'common need of most users'.
- The fact that local authorities carry out functions essential to the local community and are themselves revenue raising bodies (with limits on their revenue raising powers, arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. The Council's accounts are therefore produced under the Code and assume that the Council services will continue to operate for twelve months from the publication of the draft accounts.

## Balances and reserves

The Council identified a £19m savings programme over the MTFP period in the September 2024 Budget Delivery Plan (Report,C/24/07). The MTFP approved in February 2025 reflected the financial challenges at that time, including inflationary and demand pressures facing the Council.

Extract from Table Nine of the Appendix 1 Medium Term Financial Plan 2025/26

£m	2024/25	2025/26
Opening budget gap (Table Two)	1.676	5.540
Transitional Vacancy Provision (Table Two)	-1.120	-1.120
Budget Pressures (Table Three)	2.298	2.975
Finance Settlement (Table Seven)	0.000	0.027
Savings Identified (Table Eight)	-2.142	-2.278
Corporate Savings Target	-0.108	-3.817
<b>Reserves to achieve balance</b>	<b>0.604</b>	<b>1.327</b>
<b>Opening Working Balance</b>	<b>4.031</b>	<b>3.427</b>
<b>Usable Balance Carried Forward</b>	<b>3.427</b>	<b>2.100</b>

The level of annual corporate savings required has been identified in order to achieve a General Fund working balance recommended by the Council's Section 151 Officer of at least £4m by 31 March 2027.

As reported in Note 12 of the 2025/26 financial statements, the Council was holding £18.5m of Earmarked Reserves as at 31 March 2026.

At the time of writing the 2026/27 MTFP the Council had £14.550m of earmarked GF revenue reserves available and set aside for specific eventualities. The level of earmarked reserves was projected forward to 31 March 2027 in the MTFP approved in February 2026. This is also included in the table below and identifies that £15.1m of earmarked reserves is projected to be available to manage budgetary pressure.

Earmarked Reserves	As at	Projected to
	31 March 2026	31 March 2027
	£m	£m
Working Balance	3.7	4.2
General Fund Insurance	0.7	0.7
Service Reserves	3.4	3.4
Repairs & Renewals	0.9	0.9
Business Rates	1.9	1.9
<b>Earmarked Reserves Available for Use</b>	<b>10.6</b>	<b>11.1</b>
Transport	0.3	0.3
Legacies	0.1	0.1
Revenue Grants	3.6	3.6
<b>Other Earmarked Reserves</b>	<b>4.0</b>	<b>4.0</b>

## External borrowing

The Council held external borrowing totalling £248m at 31 March 2025. As at 31 March 2026 this decreased to £243m against an Authorised Limit of £510m, as defined in the Council's Treasury Management policy. This gives additional external borrowing capacity totalling £263m for any capital or revenue spend.

Temporary lending to the Council's arms-length companies is funded from a combination of internal balances and external borrowing. As of 31st March 2026, the Council had £120.788m invested in subsidiary companies. In future periods the Council will be reliant on the repayment of loans to companies to finance the repayment of its own borrowing.

### **Cashflow forecasts**

The Council has undertaken cashflow modelling through to Feb 2027 which demonstrates that the Council will likely need to undertake external borrowing during this time for operational purposes and this can be managed within the approved borrowing limits. The opening cash position for this cashflow modelling is £16.784m of cash and short-term investment balances as at 28 Nov 2025.

### **Subsidiary companies**

The Council's subsidiary companies' ability to continue as a going concern is dependent on their ability to generate profit in the medium term, where applicable, and/or the continued support of the Council. If cash support might be required, then parent guarantee can be put into place.

Management has no intent to liquidate or to cease operations and therefore the going concern basis is appropriate.

- Ipswich Buses Limited generated a small operating profit during the year.
- Other Companies, excluding the Ipswich Borough Assets reported either small profits or marginal positions.
- Ipswich Borough Assets reported a loss, largely drive by reduction in assets valuations.

The Council relies on the subsidiaries to generate revenue income for the Council, which is now a crucial part of the Council's base budget income and part of the financial strategy moving forward. The Council received a gross £5.81m of investment income from the arms-length companies in the 2025/26 financial year. This figure reduces to £5.17m a year by 2029/30 in the Council's Medium Term Financial Plan, allowing for the scheduled repayment of loans.

### **Conclusion**

The Council concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will be a going concern, twelve months from the date of the approval of these financial statements. This is based on its cash flow forecasting and the resultant liquidity position of the Council, taking account of the cash and short-term investment forecast opening balances of £16.784m at 28 Nov 2025 and the ability for planned additional borrowing under the Treasury Management Policy of up to £263m. This borrowing is intended to be sourced from the Public Works Loan Board (PWLB). This demonstrates that the Council has sufficient liquidity over the next twelve months to operate as a going concern. Cash balances on 31 March 2026 were £14.888m.

There continues to be a degree of risk as the companies need to continue to generate contributions and repay loans to the Council in the future however there have been no defaults on repayments and the Council has the ability to refinance any maturing loan which mitigates the risk of future default.

## **1.1 Accounting Policies**

### **A) General Principles**

The glossary of financial terms provides definitions of the accounting terms used in the Statement of Accounts.

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 Accounting policies adopted by the Council have not changed during the year and have been applied on a consistent basis throughout the year.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets (current assets in terms of assets held for sale) and financial instruments.

### **B) Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply 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 those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- The full cost of employees is charged to the accounts of the period within which the employee worked. Accruals are made for salaries and other employee benefits (e.g. annual leave – see separate accounting policy 'Employee Benefits') earned but unpaid at the year-end, where material. No accrual is made for flexi leave, maternity leave or sickness, as the amounts are immaterial.
- Where revenue 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 there is evidence that debts are unlikely to be settled, the balance of receivables is written down (impaired) and a charge made to revenue for the income that might not be collected.

### **C) 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, without penalty, 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.

### **D) 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 by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

From the 1st of April 2024 the implementation of IFRS16 Leases became mandatory this effectively removes the distinction between lessee finance and operating leases. The impact of IFRS16 on the accounts is immaterial for the first year of adoption.

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

#### **E) 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 fixed assets 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 fixed assets attributable to the service

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue (known as the Minimum Revenue Provision or MRP) to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by MRP 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. MRP is not required on the HRA, although Voluntary MRP can be charged.

#### **F) Employee Benefits**

##### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as salaries, paid annual leave and paid sick leave, and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. Where material, an accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following accounting period, being the period in which the employee takes the benefit. Any accrual made is required under statute to be reversed out of the General Fund or Housing Revenue Account Balance by a credit to the Accumulated Absences Account in the Movement in Reserves Statement.

##### 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 relevant service lines within the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Account when the Council can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or HRA 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, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements 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.

### Post Employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme, administered by Suffolk County Council. The scheme is accounted for as a defined benefits scheme.

The liabilities of the 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.

Contribution rates, which are included in the Accounts, are determined by triennial actuarial valuations. The rates payable in 2025/26 were determined by the valuation on 31 March 2022.

Liabilities are discounted to their value at current prices, using a discount rate determined by reference to market yields on high quality corporate bonds at the reporting date.

- discount rates are set by constructing a corporate bond yield curve based on the constituents of the iBoxx AA Corporate bond index

The assets of the 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

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 Comprehensive Income and Expenditure Statement 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net 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 in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result on contribution and benefit payments.

Remeasurements Comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- 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.

In relation to retirement benefits, statutory provisions requires the General Fund and Housing Revenue Account balances 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 transfers 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.

#### Discretionary Benefits

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 are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

#### **G) Events after the Reporting Period**

Events after the reporting period 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.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but 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.

#### **H) 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 or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

#### **I) Financial Instruments**

##### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost.

For loans from the Public Works Loans Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. Where a financial instrument has a maturity of less than 12 months or is a trade or other payable, the fair value is taken to be the principal outstanding or the billed amount.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid, or in accordance with the item 8 determination with respect to the Housing Revenue Account debt. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund or HRA is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

## Financial Assets

Financial assets are classified into three types:

- Fair Value through other Comprehensive Income (FVOCI) - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the CIES when the asset is disposed of.
- Fair Value through Profit and Loss (FVTPL) - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.
- Financial Assets held at amortised cost - These represent loans and loan-type arrangements where repayments of interest and principal take place on set dates and at specified amounts. The amount in the Balance Sheet represents the outstanding principal plus accrued interest. Interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable as per the loan agreement.

The Council's strategy is to hold investments to maturity, in order to collect contractual cash flows, rather than trade in the underlying instruments.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

The Council recognises that financial assets bear a risk that future cash flows might not take place because the counterparty could default on their obligation. The Council therefore recognises expected credit losses on all its financial assets held at amortised cost, either on a 12 month or lifetime basis.

Where credit risk has increased significantly since an instrument was initially recognised, losses are assessed across the lifetime of the asset. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses. For trade receivables the Council recognises expected credit losses on a lifetime basis.

## **J) 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 attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution 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 payables. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions), or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants), in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance or Housing Revenue Account 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 Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **K) Interests in Companies and Other Entities**

Summarised group financial statements have been produced to reflect the Council's material interests in companies and other entities that have the nature of subsidiaries and jointly controlled entities. In the Council's own single-entity accounts, the interests in companies and other entities are recorded at cost, less any provision for losses. The Council has nine related companies:

- 1) Ipswich Buses Limited
- 2) Ipswich Borough Assets Limited
- 3) Ipserv Limited
- 4) Handford Homes Limited
- 5) Stage Event Security Limited
- 6) Ipserv Direct Services Limited
- 7) Handford Lettings Limited
- 8) Ipswich Borough Assets Developments Limited
- 9) Ipserv Employers Limited

### **L) Fair Value Measurement**

The Council measures some of its non-financial assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in 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 the 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 (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.

### **M) Investment Properties**

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.

Expenditure on the acquisition, creation or enhancement of Investment Property 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 or fair value 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.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best use value of the asset from the market participants perspective.

Investment Properties are not depreciated but are revalued annually to ensure they are held at highest and best use value at the balance sheet date. 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 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.

#### **N) Jointly Controlled Operations**

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers 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 Comprehensive Income and Expenditure Statement with the expenditure its incurs and the share of income it earns from the activity of the operation. The Council is involved in two such operations, the joint arrangement with Colchester Borough Council for the running of a joint Museums Service and the Shared Revenues Partnership with Babergh and Mid-Suffolk District Councils.

#### **O) Leases**

For Lessees the traditional distinction between finance leases and operating leases has been removed through implementation of IFRS 16 Leases which is mandatory as of 1st April 2024. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

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 a 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.

#### The Council as Lessor

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in 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 commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### Lease Type Arrangements

Where the Council enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset (e.g. an item of property, plant or equipment) in return for a payment or series of payments, the arrangement is accounted for as a lease as detailed above.

#### **P) Overheads and Support Services**

The costs of overheads and support services are charged service segments in accordance with the Council's arrangements for accountability and financial performance.

#### **Q) 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. Assets valued at £10,000 or more are included in the Accounts.

### Recognition

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.

### Measurement

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 Council does capitalise borrowing costs if the scheme meets the requirement where borrowing costs can be capitalised.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction and Community Assets – historical cost
- Council Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus Assets - the current value measurement is fair value, estimates at highest and best use from a market participant's perspective
- Other Land & Buildings – current value, using a valuation method appropriate for the asset in its existing use
- Infrastructure, Vehicles Plant Furniture and Equipment and Intangible Assets – depreciated historical cost

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

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.

The last full revaluation of assets was at 31 March 2019 by Wilks Head & Eve. For 2025/26 the Council revalued approximately 20% of its assets as at 31 March 2026 and this exercise was carried out by Wilks Head & Eve. The Council intends to revalue approximately 20% of its assets every year going forward, ensuring that all assets are revalued at intervals of no more than 5 years applying appropriate indices in the intervening years in accordance with the 2025/26 code. Where there has been a significant change in an asset it has been revalued accordingly. Council Dwellings have been revalued by Wilks Head & Eve as at 31 March 2026 in accordance with the requirements of Resource Accounting for the Housing Revenue Account. The valuation of land and buildings is undertaken by professionally qualified valuers.

From 2025/26 the Council is required to apply indexation in intervening valuation years to asset categories; Other Land and Buildings, Vehicles Plant Furniture and Equipment (VPFE), Surplus Assets and Right of Use Assets to meet CIPFA 2025/26 Code of Practice to ensure the value of an asset is kept materially up to date for movements in variables i.e. build costs, rental income.

The Council has adopted the following methodology; VPFE has been excluded from indexation on the basis of their relatively short lives and low values and they are all depreciated on a straight line basis which is allowable under the Code. All OLB valued in year and those that have had additions in year are excluded from indexation.

DRC - valued assets are indexed using BCIS all-in tender price index (TPI).

EUV - use index properly evidenced by property transactional evidence and by economic or government region would be preferable – can include land if intrinsically linked to the building.

LAND - an index of movement by region in valuation properly evidenced by market transactional evidence in respect of categories of land including residential, industrial and agricultural.

SURPLUS Assets - used average % change on Residential Development Land Greenfield – Savills / Knight Frank.

OLB - index dependant on Category Land - Farm (Carter Jonas Reports), Industrial or Green (Residential Development Land average Savills / Knight Frank.

EQUIPMENT - Crematorium - Producer Price Index specialist equipment, Sports CPI Index 09.3.2 equipment for Sport, camping and open air recreation.

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.

Gains are credited to the appropriate line(s) in the Surplus or Deficit on Provision of Services (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised) where they arise from the reversal of a revaluation loss previously charged to the Surplus or Deficit on Provision of Services.

Where decreases in value are identified, the revaluation loss is accounted for by:

- 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 insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement.

When an asset is re-valued (revaluation gain and revaluation loss), any accumulated depreciation and impairment at the date of valuation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount of the asset.

Revaluation gains and revaluation 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.

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 Capital Adjustment Account.

#### 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 by:

- 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 insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement

In exceptional cases where an impairment loss is reversed subsequently on the same asset, the reversal is credited to the relevant service line(s) in the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement, 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). Depreciation is calculated on the following basis:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles plant furniture and equipment, Infrastructure and Intangible Assets – straight line over the assessed useful life

Depreciation is recognised in the appropriate line(s) in the Surplus or Deficit on Provision of Services. Depreciation is not permitted to have an impact on the General Fund Balance. The depreciation is therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

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 Capital Adjustment Account.

#### Disposals and Assets Held for Sale

If the carrying amount of an asset will be recovered principally through a sale transaction, that is highly probable to complete within one year from the date of classification, rather than through its continuing use, it is reclassified as a Current 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 Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses recognised in the Surplus or Deficit on Provision of Services on the same asset (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised. Depreciation is not charged on Assets Held for Sale. Where assets are expected to be sold beyond 12 months of the end of the financial year, but the delay in the completion of the sale is beyond the Council's control and there is sufficient evidence that the Council remains committed to the plan to sell the asset, the assets are classified as Non-Current 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 Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement 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 Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts (disposals of £10,000 or below are treated as revenue). A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, 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 and

Housing Revenue Account Balances in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### Componentisation

Where an item of Property, Plant and Equipment is of significant value in relation to the overall asset portfolio and has major components whose cost is significant in relation to the total cost of the asset, the components are depreciated separately.

The Council will apply a de minimis limit of £500,000, below which assets will not be componentised because the asset is not considered significant in relation to the overall value of the Council's asset portfolio. For those above this de minimis limit, there will be a separate de minimis to only consider those components that are significant in relation to the total cost of the asset (20% or above of the total cost). These de minimis limits will be assessed on a regular basis to ensure that the levels are appropriate and do not materially affect the depreciation calculation.

Componentisation for depreciation purposes is applicable to enhancement and acquisition expenditure incurred, and revaluations carried out, from 1 April 2010.

Where part of a Property, Plant and Equipment asset is replaced, the cost of the replacement is recognised in the carrying value of the asset and the carrying amount of those parts that are replaced is derecognised. This recognition and derecognition takes place regardless of whether the replaced part had been depreciated separately.

The Council carried out a componentisation exercise in 2018/19 as part of the revaluation exercise as at 31 March 2019 and this has been reflected in the accounts. When assets with significant componentisation aspects are revalued, the effect will be reflected in the accounts.

#### Reclassifications to Investment Property

Where Property, Plant and Equipment meet the criteria for Investment Property, the asset is reclassified to Investment Property. The asset is revalued immediately before reclassification to Investment Property with any remaining balance on the Revaluation Reserve 'frozen' until such time it is reclassified.

### **R) Heritage Assets**

The Code of Practice on local Council accounting in the United Kingdom 2025/26 defines heritage assets as those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations.

Heritage assets include historical buildings, archaeological sites, military and scientific equipment of historical importance, historic motor vehicles, civic regalia, order and decorations (medals), museum and gallery collections and works of art.

The council holds a range of heritage assets. These include the museum collections which are categorised as follows: Fine Art, Decorative Art, Archaeology, Geology/Biology/Zoology, Ethnography, Local/Social History, Civic Regalia, Costume and Books & Archives.

Other heritage assets held include a number of public art works, statues, war memorials and other items. These are held with the primary objective of increasing the knowledge, understanding and appreciation of local and national history.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council includes various properties within its asset base (e.g. museum buildings, town hall, regent theatre). Although these are historical buildings, they are operational assets i.e. the Council uses them to deliver its services. These are included within property, plant and equipment and valued/depreciated accordingly. The Council's collections of heritage assets are accounted for as follows:

### Museum Collections

The Museum Collection is valued as per the insurance valuation, which under the Code of Practice is an acceptable measure of valuation. Previously, the 'significant' objects were valued on an individual basis, but not all objects were valued and therefore those objects were not previously recognised in the accounts.

### Public Art/Statues/War Memorials

The Council has a number of public art works, statues and war memorials around the borough. There is no readily available valuation held by the Council for the majority of these assets and no definitive market value for these types of assets as they are not normally traded. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of these assets. As such the Council has generally not recognised these assets on the balance sheet. The exception is where cost information is available, in these instances the assets are recognised on the balance sheet at cost.

### Heritage Assets - General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see accounting policy for property, plant and equipment. The council may occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see accounting policy for property, plant and equipment).

For those assets held on the balance sheet they are deemed to have indeterminate lives and a high residual value. Therefore, the Council does not consider it appropriate to charge depreciation.

The museum's collection is managed by the Colchester and Ipswich Museums Service, and they work to ensure the assets are maintained and preserved.

The Public Art/Statues/War Memorials are managed by the Property Services section who ensure the assets are maintained and preserved.

## **S) Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and 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.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and 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.

Provisions are classified on the Balance Sheet as short-term (due to be settled within 12 months of the financial year-end ) or long-term (due to be settled over 12 months of the financial year-end ). For long-term

provisions where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The unwinding of the discount due to the passage of time is recognised as interest within Surplus or Deficit on the Provision of services.

#### **T) Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund or HRA 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 to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund or HRA Balance in the Movement in Reserves Statement so that there is no net charge against council tax or Council house rents for the expenditure.

For each reserve established, the purpose, usage and the basis of transactions are clearly identified. Reserves include earmarked reserves set aside for specific policy purposes and balances that represent resources set aside for purposes such as general contingencies and cash flow management.

Capital reserves are not available for revenue purposes and certain of them can only be used for specific statutory purposes.

The Major Repairs Reserve is required by statutory provision to be established in relation to the HRA in England. The items to be credited to the Major Repairs Reserve are an amount equal to HRA depreciation for the year, and transfers from the HRA required by statutory provision. The former is debited to the Capital Adjustment Account and the latter to the statement of movement on the HRA balance. The amounts debited to the Major Repairs Reserve are expenditure for the HRA capital purposes, repayment of principal on amounts borrowed and transfers to the HRA required by statutory provision.

#### **U) Revenue Expenditure Funded from Capital under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service lines in the Comprehensive Income and Expenditure Statement 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 or HRA Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax or council house rents.

#### **V) Value Added Tax**

VAT payable is included as an expense in the Comprehensive Income and Expenditure Statement only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income in the Comprehensive Income and Expenditure Statement.

#### **W) Agency versus Principal Accounting**

In presenting income and expenditure, the Council takes a view as to whether the income and expenditure it incurs is on an Agency basis or a Principal basis. Agency basis is where the Council incurs income and expenditure on behalf of a third party, usually due to statutory rules and regulations. For example, the collection of Council Tax on behalf of Suffolk County Council and the Police & Crime Commissioner. Principal basis is where the Council incurs income and expenditure on behalf of a third party, but under contract and where risks and rewards are taken. An example is the LA Discretionary Grant scheme

## **2. Accounting Standards that have been issued but not yet adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph of the Code, are:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 202
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

The Code requires implementation from 1 April 2026 and there is therefore no impact on the 2025/26 Statement of Accounts.

### 3. Critical Judgements in applying Accounting Policies

In applying the 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 the Statement of Accounts are:

- Influences on going concern, such as future levels of funding for local government – The future funding for local authorities has a high degree of uncertainty. as does the impact of the inflation increases experienced in 2025/26 The Council has set aside amounts in working balances and reserves which it believes are appropriate based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the Council's track record in financial management. The Council's budget strategy for 2026/27 was approved in February 2026.
- Whether other entities with which the Council has a relationship are subsidiaries, associates or jointly controlled entities - The list of corporate partnerships was reviewed and updated, and each was then analysed to determine the nature of the relationship and therefore the proper accounting treatment. Of all the partnerships, there were nine, Ipswich Buses Limited, Ipswich Borough Assets Limited, Ipswich Borough Assets Developments Limited, Handford Homes Limited, Handford Lettings Limited, Ipserv Limited, Ipserv Direct Services Limited, Ipserv Employers Limited and Stage Event Security Limited, all are subsidiaries that require consolidation in the accounts. The impact of this consolidation is shown in the Group Accounts.

#### 4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or 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 certainty, actual results could be materially different from the 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
Pensions Liability	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 Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the Real Discount Rate assumption would result in an increase in the pension liability of £3.916m; a 1 year increase in member life expectancy would result in an increase in the pension liability of £10.687m; a 0.1% increase in the salary increase rate would result in an increase in the pension liability of £0.147m; a 0.1% increase in the pension increase rate (cpi) would result in an increase in the pension liability of £3.766m.
Arrears	At 31 March 2026, the Council had a balance of sundry receivables of £6.856m.  A review of significant balances suggested that an impairment of doubtful debts of approx. 9% (£0.585m) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a further 50% increase impairment of doubtful debts would require an additional £0.293m to be set aside as an allowance.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for Council Dwellings would increase by £103,383 for every year that useful lives had to be reduced.

#### 5. Material Items of Income and Expense

There are no individually material items of income and expenditure which are not disclosed elsewhere in the Statement of Accounts.

#### 6. Events after the Balance Sheet Date

There are no significant events after the balance sheet date.

## **7. 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 Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against:

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. The balance however is not available to be applied to funding HRA services.

### **Housing Revenue Account Balances**

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for the Council's housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function, or (where in deficit) that is required to be recovered from tenants in future years.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### **Major Repairs Reserve**

The Council is required to maintain the Major Repairs Reserve, which controls the application of HRA depreciation charges. The MRR is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

### **Unusable Reserves**

Descriptions of the unusable reserves are detailed in Note 27.

## 7. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments made to the comprehensive income and expenditure recognised by the Council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves					Unusable Reserves £000's
	General Fund Balance £000's	Housing Revenue Account £000's	Capital Receipts Reserve £000's	Major Repairs Reserve £000's	Capital Grants Unapplied £000's	
<b>2024/25</b>						
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<u>Reversal of items debited/(credited) to Comprehensive Income &amp; Expenditure Statement</u>						
Charges for depreciation and impairment of non-current assets	(3,271)	(6,632)	-	-	-	9,903
Revaluation losses on Property, Plant & Equipment	(22,237)	(5,831)	-	-	-	28,068
Movements in the fair value of Investment Properties	(1,746)	-	-	-	-	1,746
Amortisation of intangible assets	-	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	4,430	10,622	-	-	(889)	(14,163)
Revenue expenditure funded from capital under statute	(1,266)	-	-	-	-	1,266
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	32	916	(5,442)	-	-	4,494
<u>Insert items not debited/(credited) to Comprehensive Income &amp; Expenditure Statement</u>						
Statutory/Voluntary provision for the financing of capital investment	4,014	3,144	-	-	-	(7,158)
Capital expenditure charged against the General Fund and HRA balances	76	15,021	-	-	-	(15,097)
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
From the Capital Receipts Reserve to finance Government capital receipts pool	-	-	-	-	-	-
Capital Receipts applied to fund Capital Expenditure	-	-	11,903	-	-	(11,903)
Transfer from Capital Receipts Deferred to Capital Receipts Reserve	-	-	-	-	-	-
<b>Adjustment primarily involving the Major Repairs Reserve:</b>						
Reversal of Major Repairs Reserves entries credited to the HRA	-	12,322	-	(12,322)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	9,871	-	(9,871)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>						
Difference in finance costs charged to CIES and finance costs in accordance with statutory requirements	-	-	-	-	-	-
<b>Adjustments primarily involving the Pension Reserve:</b>						
Reversal of post-employment benefits debited / (credited) to the Surplus or Deficit on the Provision of Services	(4,628)	(1,061)	-	-	-	5,689
Employer's pension contributions and direct payments to pensioners payable in year	6,097	1,398	-	-	-	(7,495)
<b>Adjustments primarily involving the Accumulated Absences Account:</b>						
Difference in officer remuneration charged to CIES on accruals basis & statutory remuneration chargeable	-	-	-	-	-	-
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Difference in council tax/NNDR income credited to CIES & statutory calculation of council tax income	(1,616)	-	-	-	-	1,616
<b>Total Adjustments</b>	<b>(20,115)</b>	<b>29,899</b>	<b>6,461</b>	<b>(2,451)</b>	<b>(889)</b>	<b>(12,905)</b>
	<b>Usable Reserves</b>					

2025/26

**Adjustments primarily involving the Capital Adjustment Account:**

Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement

	General Fund Balance £000's	Housing Revenue Account £000's	Capital Receipts Reserve £000's	Major Repairs Reserve £000's	Capital Grants Unapplied £000's	Unusable Reserves £000's
Charges for depreciation and impairment of non-current assets	(3,147)	(7,089)	-	-	-	10,236
Revaluation losses on Property, Plant & Equipment	(890)	(55,657)	-	-	-	56,547
Movements in the fair value of Investment Properties	2	-	-	-	-	(2)
Amortisation of intangible assets	-	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	12,947	3,456	-	-	(7,444)	(8,959)
Revenue expenditure funded from capital under statute	(3,555)	-	-	-	-	3,555
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	163	2,735	(22,115)	-	-	19,217

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement

Statutory/Voluntary provision for the financing of capital investment	4,586	3,213	-	-	-	(7,799)
Capital expenditure charged against the General Fund and HRA balances	28	3,182	-	-	-	(3,210)

**Adjustments primarily involving the Capital Receipts Reserve:**

Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts	-	-	-	-	-	-
Capital Receipts applied to fund Capital Expenditure	-	-	5,933	-	-	(5,933)
Transfer from Capital Receipts Deferred to Capital Receipts Reserve	-	-	-	-	-	-

**Adjustment primarily involving the Major Repairs Reserve:**

Reversal of Major Repairs Reserves entries credited to the HRA	-	11,163	-	(11,163)	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	7,706	-	(7,706)

**Adjustments primarily involving the Financial Instruments Adjustment Account:**

Difference in finance costs charged to CIES and finance costs in accordance with statutory requirements	-	-	-	-	-	-
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**Adjustments primarily involving the Pension Reserve:**

Reversal of post employment benefits debited / (credited) to the Surplus or Deficit on the Provision of Services	(3,730)	(918)	-	-	-	4,648
Employer's pension contributions and direct payments to pensioners payable in year	5,819	1,431	-	-	-	(7,250)

**Adjustments primarily involving the Accumulated Absences Account:**

Difference in officer remuneration charged to CIES on accruals basis & statutory remuneration chargeable	-	-	-	-	-	-
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**Adjustments primarily involving the Collection Fund Adjustment Account:**

Difference in council tax/NNDR income credited to CIES & statutory calculation of council tax income	665	-	-	-	-	(665)
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**Total Adjustments**

<b>12,888</b>	<b>(38,484)</b>	<b>(16,182)</b>	<b>(3,457)</b>	<b>(7,444)</b>	<b>52,679</b>
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## 8. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25			2025/26			
Net Expenditure Chargeable to the General Fund & HRA £000's	Adjustments between Funding and Accounting Basis £000's	Net Expenditure in the Comprehensive Income & Expenditure Statement £000's		Net Expenditure Chargeable to the General Fund & HRA £000's	Adjustments between Funding and Accounting Basis £000's	Net Expenditure in the Comprehensive Income & Expenditure Statement £000's
<b>General Fund Services</b>						
2,315	23,724	26,039	Leader - Place	1,935	3,424	5,359
1,824	172	1,996	Deputy Leader - Strategy & Transformation	1,725	102	1,827
2,892	2,689	5,581	Planning & Museums	2,338	270	2,608
5,301	1,089	6,390	Environment & Climate Control	3,757	688	4,445
2,290	2,016	4,306	Housing	2,286	(112)	2,174
5,338	487	5,825	Communities and Sport	5,442	780	6,222
6,067	(246)	5,821	Resources	5,817	(456)	5,361
61	(4,594)	(4,533)	Culture and Customers	452	284	736
<u>(19,657)</u>	<u>12,134</u>	<u>(7,523)</u>	<b>Housing Revenue Account (HRA)</b>	<u>(19,225)</u>	<u>62,103</u>	<u>42,878</u>
<b>6,431</b>	<b>37,471</b>	<b>43,902</b>	<b>Net Cost Of Services</b>	<b>4,527</b>	<b>67,083</b>	<b>71,610</b>
7,390	(47,257)	(39,867)	Other Income & Expenditure	(3,981)	(41,485)	(45,466)
<b>13,821</b>	<b>(9,786)</b>	<b>4,035</b>	(Surplus) / Deficit on Provision of Services	<b>546</b>	<b>25,598</b>	<b>26,144</b>
<b>General Fund</b>						
(23,189)			Opening Balance	(22,546)		
643			(Surplus) / Deficit on Provision of Services	(658)		
<u><b>(22,546)</b></u>			<b>Closing General Fund Balance</b>	<u><b>(23,204)</b></u>		
<b>Housing Revenue Account (HRA)</b>						
(31,104)			Opening Balance	(17,928)		
13,176			(Surplus) / Deficit on Provision of Services	1,208		
<u><b>(17,928)</b></u>			<b>Closing HRA Balance</b>	<u><b>(16,720)</b></u>		

## 9. Expenditure and Funding Analysis - Adjustments between Accounting Basis and Funding Basis

2024/25				2025/26				
Adjustments for Capital Purposes £000's	Net Change to Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's		Adjustments for Capital Purposes £000's	Net Change to Pensions Adjustments £000's	Other Differences £000's	Total Adjustments £000's
23,843	(119)	-	23,724	<b>General Fund Services (GF)</b>	3,632	(208)	-	3,424
268	(96)	-	172	Leader - Place	268	(166)	-	102
2,749	(60)	-	2,689	Deputy Leader - Strategy and Transformation	374	(104)	-	270
1,408	(319)	-	1,089	Planning & Museums	1,297	(609)	-	688
2,120	(104)	-	2,016	Environment & Climate Control	43	(155)	-	(112)
764	(277)	-	487	Housing	1,295	(515)	-	780
28	(274)	-	(246)	Communities and Sport	67	(523)	-	(456)
(4,408)	(186)	-	(4,594)	Resources	616	(332)	-	284
12,463	(329)	-	12,134	Culture and Customers	62,746	(643)	-	62,103
<b>39,235</b>	<b>(1,764)</b>	-	<b>37,471</b>	<b>Housing Revenue Account (HRA)</b>	<b>70,338</b>	<b>(3,255)</b>	-	<b>67,083</b>
				<b>Net Cost Of Services</b>				
(48,830)	(42)	1,615	(47,257)	<b>Other Income &amp; Expenditure from the Expenditure and Funding Analysis</b>	(41,473)	653	(665)	(41,485)
<b>(9,595)</b>	<b>(1,806)</b>	<b>1,615</b>	<b>(9,786)</b>	<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit</b>	<b>28,865</b>	<b>(2,602)</b>	<b>(665)</b>	<b>25,598</b>

### Adjustments for Capital Purposes

This column adjusts for the minimum revenue provision, depreciation, impairments, revaluation gains and losses, capital gains or losses on disposal, along with capital grants recognised in the Comprehensive Income and Expenditure Account but not reflected in management reporting. Other Income and Expenditure includes adjustments for capital grants which were receivable in the year, where conditions were satisfied in the year.

### Net Change for the Pensions Adjustments

This column reflects the removal of employer pension contributions made by the Council as allowed by statute and the replacement with current and past service costs in relation to IAS 19 Employee Benefits. Within Other Income and Expenditure, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Account.

### Other Differences

Within the Other Income and Expenditure line, the difference between what is chargeable under statutory regulations for council tax and non-domestic rates compared to what was projected to be received which is a timing difference.

## 10. Expenditure and Funding Analysis - Segmental Analysis

2024/25		2025/26	
Revenues from External Customers		Revenues from External Customers	
£000's		£000's	
	<b>General Fund Services (GF)</b>		
(2,806)	Leader - Place	(3,410)	
(142)	Deputy Leader - Strategy and Transformation	(160)	
(818)	Planning & Museums	(952)	
(6,411)	Environment & Climate Control	(7,694)	
(1,532)	Housing	(1,372)	
(3,709)	Communities and Sport	(3,902)	
(767)	Resources	(1,211)	
(10,683)	Culture and Customers	(9,077)	
(44,310)	<b>Housing Revenue Account (HRA)</b>	(45,786)	
<b>(71,178)</b>	<b>Total Revenues from External Customers</b>	<b>(73,564)</b>	

## 11. Expenditure and Income Analysed by Nature

2024/25		2025/26	
£000's		£000's	
	<b>Expenditure</b>		
43,374	Employee expenses	42,552	
78,536	Other service expenses	76,495	
37,969	Depreciation, amortisation and impairment	66,781	
7,642	Interest payments	8,465	
1,746	Investment Impairment charge	(1)	
-	Payments to Housing Capital Receipts pool	-	
18,075	Business Rates tariff payment and levy	19,116	
(947)	Gain on the disposal of assets	(2,898)	
(42)	Pension interest cost and expected return on pension assets	653	
<b>186,353</b>	<b>Total Expenditure</b>	<b>211,163</b>	
	<b>Income</b>		
(81,357)	Fees, charges and other service income	(85,967)	
(7,380)	Interest and Investment income	(6,866)	
(42,657)	Income from Council Tax and Non-domestic rates	(46,366)	
(50,924)	Government Grants and Contributions	(45,820)	
<b>(182,318)</b>	<b>Total Income</b>	<b>(185,019)</b>	
<b>4,035</b>	<b>(Surplus) / Deficit on the Provision of Services</b>	<b>26,144</b>	

## 12. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25 and 2025/26.

Earmarked reserves are held for unspent monies where its use has been identified for a specific purpose, or the funds are ring-fenced.

General Fund (GF)	Balance at	Transfers	Transfers	Balance at	Transfers	Transfers	Balance at	Purpose of the Reserve
	1 April			Out				
	2024	2024/25	2024/25	2025	2025/26	2025/26	2026	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Transport	(252)	-	-	(252)	-	-	(252)	Represents the initial investment in Ipswich Buses
GF Insurance	(551)	162	(245)	(634)	264	(54)	(424)	The provision for items not covered by insurance policy
Service Reserves	(6,656)	3,085	(3,139)	(6,709)	3,056	(3,844)	(7,497)	For in year cost pressures/non-recurring expenditure
Repairs & Renewals	(861)	1,393	(1,666)	(1,134)	248	(439)	(1,325)	Ensure assets are maintained to a good standard
Business Rates	(2,981)	675	-	(2,306)	-	-	(2,306)	To provide cover for fluctuations in NDR income
Business Rates S31 Reliefs	-	-	-	-	-	-	-	S31 reliefs to cover collection fund deficit c/f
Legacies	(166)	-	-	(166)	-	-	(166)	Bequests to assist purchase of museum exhibits
Capital Financing	(712)	76	(76)	(712)	28	122	(562)	Revenue contributions to capital outlay
Revenue Grants	(4,053)	1,628	(1,694)	(4,119)	1,392	(1,596)	(4,323)	Unspent government grants and commuted sums to cover the annual maintenance costs of adopted land
Section 106 Grants	(691)	-	(287)	(978)	68	(756)	(1,666)	Section 106 money received, but not yet spent
<b>Total</b>	<b>(16,923)</b>	<b>7,019</b>	<b>(7,107)</b>	<b>(17,010)</b>	<b>5,056</b>	<b>(6,567)</b>	<b>(18,521)</b>	
<b>Housing Revenue Account (HRA)</b>								
Capital Financing	(20,872)	15,021	-	(5,851)	3,182	-	(2,669)	Revenue contributions to Capital outlay that are planned to be used to increase housing stock
Repairs & Renewals	(1,500)	1,000	-	(500)	-	-	(500)	Ensure assets are maintained to a good standard
Sheltered Scheme	(3,943)	-	(1,000)	(4,943)	-	-	(4,943)	To determine future requirements of sheltered homes
IT Reserves	-	-	-	-	-	-	-	To fund replacement/enhancement of IT
HRA Insurance	(274)	352	(78)	(0)	-	-	(0)	The provision for items not covered by insurance policy
Service Reserves	(970)	767	(73)	(276)	70	(1,115)	(1,321)	For in year cost pressures/non-recurring expenditure
Abortive New Build	(300)	-	-	(300)	-	-	(300)	For abortive costs for sites that do not proceed
HRA Tenant satisfaction measures	(15)	-	-	(15)	-	(6)	(21)	For tenant satisfaction measures - surveys
<b>Total</b>	<b>(27,873)</b>	<b>17,140</b>	<b>(1,151)</b>	<b>(11,884)</b>	<b>3,252</b>	<b>(1,121)</b>	<b>(9,754)</b>	

### 13. Trading Undertakings

A number of Council services are involved in a significant level of trading with third parties. The turnover and surplus/deficit of these services are included within the Net Cost of Services in the Comprehensive Income and Expenditure Account and include the following other trading services:

2024/25				2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000's	£000's	£000's		£000's	£000's	£000's
24,103	(2,096)	22,007	Corporate Properties	1,250	(2,552)	(1,302)
5,798	(5,731)	67	Council Halls / Theatres	4,155	(3,849)	306
(2,015)	(3,202)	(5,217)	Car Parks	2,734	(3,468)	(734)
500	(913)	(413)	Crematorium	519	(945)	(426)
1,569	(2,274)	(705)	Trade Refuse	1,715	(2,291)	(576)
<b>29,955</b>	<b>(14,216)</b>	<b>15,739</b>	<b>Total</b>	<b>10,373</b>	<b>(13,105)</b>	<b>(2,732)</b>

The year on year variation in Net Expenditure identified above is partly due to further variations in Capital Charges following asset revaluations, the effect of which is shown as follows:

2024/25				2025/26		
Gross Expenditure excluding Capital Charges	Gross Income	Net Expenditure excluding Capital Charges		Gross Expenditure excluding Capital Charges	Gross Income	Net Expenditure excluding Capital Charges
£000's	£000's	£000's		£000's	£000's	£000's
1,151	(2,096)	(945)	Corporate Properties	1,237	(2,552)	(1,315)
5,665	(5,731)	(66)	Council Halls / Theatres	4,155	(3,849)	306
2,673	(3,202)	(529)	Car Parks	2,734	(3,468)	(734)
510	(913)	(403)	Crematorium	519	(945)	(426)
1,437	(2,274)	(837)	Trade Refuse	1,715	(2,291)	(576)
<b>11,436</b>	<b>(14,216)</b>	<b>(2,780)</b>	<b>Total</b>	<b>10,360</b>	<b>(13,105)</b>	<b>(2,745)</b>

#### 14. Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/26 as follows:

2024/25 £000's		2025/26 £000's
-	Covid19 Grants Reconciliation	(1)
(7)	New Homes Bonus Grant	(5)
(1,005)	Lower Tier Funding	-
(9)	Council Tax Support Funding	-
(30)	Services Grant	-
-	Recovery Grant	(688)
-	Employer NI Grant	(225)
(201)	Revenue Support Grant	(246)
<b>(1,252)</b>	<b>Non-ringfenced Government Grants</b>	<b>(1,165)</b>
(15,051)	Capital Contributions Income	(16,403)
<b>(15,051)</b>	<b>Capital Grants and Contributions</b>	<b>(16,403)</b>
(32,587)	DWP Grants	(25,750)
(2,034)	Homelessness Grant	(2,502)
<b>(34,621)</b>	<b>Grants Credited to Services</b>	<b>(28,252)</b>

#### 15. Councillor Allowances

The Council paid the following amounts to Councillors of the Council during the year:

2024/25 £000's		2025/26 £000's
239	Salaries	248
141	Allowances	126
<b>380</b>	<b>Total Paid to Councillors</b>	<b>374</b>

#### 16. Audit and Inspection

In 2025/26, the Council incurred the following fees relating to external audit inspection:

2024/25 £000's		2025/26 £000's
239	Fees paid to the appointed auditor with regard to external audit	247
23	Fees paid to the appointed auditor with regard to external audit - additional fee re 24/25 accounted for in 25/26	48
	Fees paid in respect of other services provided by the external auditors	
10	- Audit of Housing Capital Receipts	10
15	Fees paid for Housing Benefit Certification of grant claims & returns*	54
<b>287</b>	<b>Total Fees Paid to External Auditors</b>	<b>359</b>

\*Note the 25-26 HB certification fee is for 24-25 fees accounted for in 25-26

## 17. Officer Emoluments

The number of employees, including the Senior Officers shown below, whose remuneration including redundancy payments where applicable, but excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

2024/25 Number of employees	Remuneration band	2025/26 Number of employees
28	£50,000 - £54,999	32
2	£55,000 - £59,999	4
3	£60,000 - £64,999	4
13	£65,000 - £69,999	15
2	£70,000 - £74,999	2
0	£75,000 - £79,999	0
1	£80,000 - £84,999	1
3	£85,000 - £89,999	1
0	£90,000 - £94,999	5
0	£95,000 - £99,999	0
2	£100,000 - £104,999	0
0	£105,000 - £109,999	0
0	£110,000 - £114,999	2
0	£115,000 - £139,999	0
1	£140,000 - £144,999	0
0	£145,000 - £149,999	1

All the Officers are eligible to be members of the Local Government Pension Scheme. The rules of the scheme are set at national level and the employer pension contributions for members, for current service cost, are 23% of annual pay. In addition, each officer who is a member contributes between 5.5% and 12.5% of their salary to the fund, in line with national rules.

The Expenses Allowances does not include expenses that the officers concerned were eligible to claim but did not wish to do so.

The following table sets out the remuneration disclosures for Senior Officers for 2025/26, whose salary is equal to or more than £50,000 per year:

Postholder Information (Post Title)	Note	Salary, including Fees & Allowances £	Expenses Allowances £	Compensation for loss of Office, including Redundancy £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive		145,846	-	-	145,846	32,086	177,932
Director Resources & Housing	1	113,407	-	-	113,407	24,834	138,241
Director Operations & Place		112,882	-	-	112,882	24,834	137,716
Assistant Director Governance	2	83,754	-	-	83,754	18,426	102,180
Assistant Director Place		91,725	-	-	91,725	20,179	111,904
Assistant Director Housing		91,758	-	-	91,758	20,187	111,945
Assistant Director Finance		90,367	-	-	90,367	19,881	110,248
Assistant Director Operations		91,758	101	-	91,859	20,187	112,046
Assistant Director Communities	3	106,778	-	-	106,778	23,491	130,269
Assistant Director Strategy and Change	4	14,496	-	-	14,496	3,189	17,685
<b>Total</b>		<b>942,771</b>	<b>101</b>	<b>-</b>	<b>942,872</b>	<b>207,294</b>	<b>1,150,166</b>

**Note**

1 The Council's Finance Section 151 Officer

2 The Council's Monitoring Officer

3 Post also includes fixed term cover from 2/2/26

4 Post was established in year (previously Director) and occupied from 1/2/26

The following table sets out the remuneration disclosures for Senior Officers for 2024/25, whose salary is equal to or more than £50,000 per year.

<b>Postholder Information (Post Title)</b>	<b>Note</b>	<b>Salary, including Fees &amp; Allowances £</b>	<b>Expenses Allowances £</b>	<b>Compensation for loss of Office, including Redundancy Total £</b>	<b>Remuneration excluding Pension Contributions £</b>	<b>Pension Contributions £</b>	<b>Total Remuneration including Pension Contributions £</b>
Chief Executive		141,324	1,220	-	142,544	32,505	175,048
Director Resources & Housing	1	101,064	-	-	101,064	23,127	124,191
Director Operations & Place		100,553	77	-	100,629	23,127	123,757
Assistant Director Monitoring Officer	2	81,705	-	-	81,705	18,792	100,498
Assistant Director of Place		64,431	-	-	64,431	13,573	78,004
Assistant Director of Housing & Communities		88,913	-	-	88,913	20,450	109,363
Director Strategy and Change	3	70,592	-	-	70,592	16,236	86,828
Assistant Director of Operations		88,913	-	-	88,913	20,450	109,363
Assistant Director of Communities		85,805	-	-	85,805	19,735	105,540
Director Strategy and Change	4	67,183	-	-	67,183	9,620	76,803
<b>Total</b>		<b>890,483</b>	<b>1,296</b>	<b>-</b>	<b>891,780</b>	<b>197,615</b>	<b>1,089,395</b>

#### Note

1 The Council's Finance Section 151 Officer

2 The Council's Monitoring Officer

3 Post was created during the year (Deputy Section 151 Officer)

4 Post was disestablished during the year

#### Exit Packages

The numbers of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the table below:

<b>a) Exit package cost band (including special payments)</b>	<b>b) Number of compulsory redundancies</b>		<b>c) Number of other departures agreed</b>		<b>d) Total number of exit packages by cost band (b + c)</b>		<b>e) Total cost of exit packages in each band</b>	
	<b>2024/25</b>	<b>2025/26</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2024/25</b>	<b>2025/26</b>
£0 - £20,000	16	8	18	16	34	24	182,619	91,676
£20,001 - £40,000	-	-	7	1	7	1	208,456	30,592
£40,001 - £60,000	-	-	-	1	-	1	-	45,615
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	133,062	-
<b>Totals</b>	<b>16</b>	<b>8</b>	<b>25</b>	<b>18</b>	<b>41</b>	<b>26</b>	<b>524,137</b>	<b>167,883</b>

## 18. Related Parties

The Council is required to disclose details of transactions with related parties. Related parties are generally either individuals or organisations that could exert direct or indirect control over the other party or where the parties to a transaction are subject to common control from the same source.

Ipswich Buses Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 14 March 1986) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred £123k of expenditure (2024/25 £112k) and received income of £246k (2024/25 £254k) in dealings with Ipswich Buses Limited. The net amount owed by Ipswich Buses Ltd to the Council as at 31 March 2026 is £21k (2024/25 £119k).

Ipswich Borough Assets Limited (IBA Ltd) is a wholly owned subsidiary of Ipswich Borough Council (incorporated 7 April 2016) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred expenditure of £10k (24/25 £7) and received income of £6.558m (2024/25 £5.82m) in dealings with Ipswich Borough Assets Limited. The net amount owed by Ipswich Borough Assets Ltd to the Council as at 31 March 2026 is £3.758m (2024/25 £5.237m). As at 31 March 2026 Ipswich Borough Assets Ltd owed Ipswich Borough Council £120.8m for loans outstanding (31 March 2025 £121.5m).

Ipserv Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 22 February 2017) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred expenditure of £42k (2024/25 £716k) and received income of £0k (2024/25 £192k) in dealings with Ipserv Limited. The net amount owed by Ipserv Ltd to the Council as at 31 March 2026 is £8k (2024/25 £24k).

Ipserv Direct Services Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 18 December 2018) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred expenditure of £2.831m (2024/25 £3.381m) and received no income in 2025/26 (2024/25 0k) in dealings with Ipserv Direct Services Ltd. The net amount owed by Ipserv Direct Services Ltd to the Council as at 31 March 2026 is £3k (IBC owed net 2024/25 £216k).

Handford Homes Limited is a wholly owned subsidiary of Ipswich Borough Council (incorporated 12 July 2017) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred expenditure of £16.251m (2024/25 £53.457m) and received income of £61k (2024/25 £11k) in dealings with Handford Homes Limited. The net amount owed to the Council by Handford Homes Ltd as at 31 March 2026 is £70k (2024/25 net owed to Handford Homes £2.746m).

Stage Event Security Limited is a wholly owned subsidiary of Ipserv (incorporated 20 September 2013) and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred no expenditure (2024/25 £0k) and received income of £5k (2024/25 £4k) in dealings with Stage Event Security Limited. The net amount owed by Stage Event Security Ltd to the Council as at 31 March 2026 is £1k (2024/25 £44k).

Handford Lettings Limited is solely owned by Handford Homes (incorporated 1 November 2018) which is a wholly owned subsidiary of Ipswich Borough Council and details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council did not incur any expenditure (2024/25 £0k) and received income of £201k (2024/25 £136k) in dealings with Handford Lettings Limited. The net amount owed by Handford Lettings Ltd to the Council as at 31 March 2026 is £23k (2024/25 £0k).

Ipswich Borough Assets Developments Limited (IBAD Ltd) is solely owned by IBA Ltd (incorporated 21 January 2020) which is a wholly owned subsidiary of Ipswich Borough Council. Details of related parties are contained within the Group Statement (Group Accounts).

Ipserv Employers Limited was incorporated on 19 January 2022 and is solely owned by Ipserv Ltd which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence. Details of related parties are contained within the Group Statement (Group Accounts).

During 2025/26 the Council incurred expenditure of £344k (2024/25 £0k) and income was received £100k (2024/25 £1k) in dealings with Ipserv Employers. The net amount owed by/to Ipserv Employers Ltd to the Council as at 31 March 2026 is £0k (2024/25 £0k)

UK 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 benefit). Grants received from government departments are set out in the subjective analysis in Note 11 on reporting for resources allocation decisions and are shown in Note 14.

Members of the Council have direct control over the Council's financial and operating policies. The total of councillor allowances paid in 2025/26 is shown in Note 15. A Register of Councillors' Interests is kept as required by the Local Government Act 2000. The Council paid grants totalling £209,450 to voluntary organisations in which Councillors had either positions on the governing body or were observers for the Council. In addition to grants given to these bodies a further £10,694 was spent by the Council with these bodies in 2025/26.

During 2025/26 there were payments to Ipswich Software Ltd for software maintenance of £28,671 (2024/25 £11,242) which is being disclosed due to a Councillor being the majority shareholder of the company, with another Councillor being their spouse.

Senior Officers do not have any material transactions with related parties.

The Council is involved in two joint arrangements, with Colchester Borough Council for the running of a joint Museums Service and with Babergh and Mid-Suffolk District Councils for the Shared Revenues Partnership.

## 19. Property, Plant and Equipment - Movement on Balances

<b>2024/25</b>	Council Dwellings £000's	Other Land and Buildings £000's	Vehicles, Plant, Furniture & equipment £000's	Infrastructure Assets £000's	Community Assets £000's	Surplus Assets £000's	Assets under Construction £000's	Total Property, Plant and Equipment £000's
<b>Cost or Valuation at 1 April 2024</b>	<b>541,839</b>	<b>110,073</b>	<b>18,911</b>	<b>1,549</b>	<b>9,974</b>	<b>2,444</b>	<b>63,644</b>	<b>748,434</b>
Additions / Donations	25,021	16,176	1,663	-	51	-	27,523	<b>70,434</b>
Revaluation increases / (decreases) in Revaluation Reserve	13,098	5,050	-	-	108	(146)	-	<b>18,110</b>
Revaluation increases / (decreases) in Surplus/Deficit on the Provision of Services	(6,517)	(22,745)	-	-	(61)	-	-	<b>(29,323)</b>
Impairment increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	(420)	-	-	-	-	-	<b>(420)</b>
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-	-
Other Movements in Cost & Valuation	-	20,817	-	-	-	-	(20,817)	-
Disposals	(2,976)	(1,536)	(387)	-	-	-	-	<b>(4,899)</b>
<b>Cost or Valuation at 31 March 2025</b>	<b>570,465</b>	<b>127,415</b>	<b>20,187</b>	<b>1,549</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>802,336</b>
<b>Accumulated Depreciation &amp; Impairment at 1 April 2024</b>	-	<b>(1,163)</b>	<b>(9,191)</b>	<b>(960)</b>	-	-	-	<b>(11,314)</b>
Depreciation charge	(6,203)	(1,710)	(1,925)	(64)	-	-	-	<b>(9,902)</b>
Depreciation written out to the Revaluation Reserve	5,455	1,075	-	-	-	-	-	<b>6,530</b>
Depreciation written out to the Surplus/Deficit on the Provision of Services	729	527	-	-	-	-	-	<b>1,256</b>
Impairment Losses/Reversals written out to the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment Losses/Reversals written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - Disposals	19	5	387	(5)	-	-	-	<b>406</b>
<b>At 31 March 2025</b>	-	<b>(1,266)</b>	<b>(10,729)</b>	<b>(1,029)</b>	-	-	-	<b>(13,024)</b>
<b>Net Book Value as at 1 April 2024</b>	<b>541,839</b>	<b>108,910</b>	<b>9,720</b>	<b>589</b>	<b>9,974</b>	<b>2,444</b>	<b>63,644</b>	<b>737,120</b>
<b>Net Book Value as at 31 March 2025</b>	<b>570,465</b>	<b>126,149</b>	<b>9,458</b>	<b>520</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>789,312</b>

	Council Dwellings £000's	Other Land and Buildings £000's	Vehicles, Plant, Furniture & equipment £000's	Infrastructure Assets £000's	Community Assets £000's	Surplus Assets £000's	Assets under Construction £000's	Total Property, Plant and Equipment £000's
<b>2025/26</b>								
<b>Cost or Valuation at 1 April 2025</b>	<b>570,465</b>	<b>127,415</b>	<b>20,187</b>	<b>1,549</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>802,336</b>
Additions / Donations	68,617	20,069	3,655	-	424	-	(52,545)	<b>40,220</b>
Revaluation increases / (decreases) in Revaluation Reserve	(3,669)	2,326	-	-	-	165	-	<b>(1,178)</b>
Revaluation increases / (decreases) in Surplus/Deficit on the Provision of Services	(56,414)	(1,178)	-	-	-	-	-	<b>(57,592)</b>
Impairment increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Investment Property	-	-	-	-	-	-	-	-
Other Movements in Cost & Valuation	-	3,776	-	-	-	-	(3,776)	-
Derecognition - Disposals	(9,483)	(2,927)	(375)	-	-	-	-	<b>(12,785)</b>
<b>Cost or Valuation as at 31 March 2026</b>	<b>569,516</b>	<b>149,481</b>	<b>23,467</b>	<b>1,549</b>	<b>10,496</b>	<b>2,463</b>	<b>14,029</b>	<b>771,001</b>
<b>Accumulated Depreciation &amp; Impairment at 1 April 2025</b>	-	<b>(1,266)</b>	<b>(10,729)</b>	<b>(1,029)</b>	-	-	-	<b>(13,024)</b>
Depreciation charge	(6,595)	(1,606)	(1,971)	(64)	-	-	-	<b>(10,236)</b>
Depreciation written out to the Revaluation Reserve	5,766	869	-	-	-	-	-	<b>6,635</b>
Depreciation written out to the Surplus/Deficit on the Provision of Services	767	279	-	-	-	-	-	<b>1,046</b>
Impairment Losses/Reversals written out to the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment Losses/Reversals written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - Disposals	62	4	361	-	-	-	-	<b>427</b>
<b>At 31 March 2026</b>	-	<b>(1,720)</b>	<b>(12,339)</b>	<b>(1,093)</b>	-	-	-	<b>(15,152)</b>
	<b>570,465</b>	<b>126,149</b>	<b>9,458</b>	<b>520</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>789,312</b>
<b>Net Book Value as at 31 March 2026</b>	<b>569,516</b>	<b>147,761</b>	<b>11,128</b>	<b>456</b>	<b>10,496</b>	<b>2,463</b>	<b>14,029</b>	<b>755,849</b>

### Revaluations

The Council ensures that all property, plant and equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by Wilks Head & Eve. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The basis for valuation of non-current assets is set out in the Statement of Accounting Policies.

All surplus assets have been valued at Fair Value in accordance with IFRS13. The fair value hierarchy categorises three levels of inputs to valuation techniques to measure fair value as detailed below:

- 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.

All the Council's surplus assets and investment properties have been assessed as Level 2 on the fair value hierarchy for valuation purposes.

The fair value of surplus assets and investment properties have been measured using a market approach, which takes into account quoted process for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's asset portfolio. Market conditions are such that similar properties are actively purchased and sold, and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

In ascertaining the fair value of the Council's surplus assets and investment properties the ultimate aim is to arrive at the notional "Highest and Best use value" for the asset either as a stand-alone asset or in combination with other assets within the principal market whilst ensuring that any alternative use is physically, legally and financially possible.

This has been achieved for these purposes by comparing the "current use" of the asset to the notional "alternative use" based on potential redevelopment on a land value basis for the site(s).

The significant assumptions applied in estimating the fair values are:

- That good title can be shown, and all valid planning permissions and statutory approvals are in place or are likely to be obtained.
- That there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.
- That an inspection of those parts not inspected would not reveal defects that would affect the valuation.

The following statement shows the effective dates of the revaluations for the Property, Plant and Equipment.

	Council Dwellings £000's	Other Land and Buildings £000's	Vehicles, Plant, Furniture & equipment £000's	Infrastructure Assets £000's	Community Assets £000's	Surplus Assets £000's	Assets under Construction £000's	Total Property, Plant and Equipment £000's
Carried at historic costs	-	-	23,467	1,549	10,496	-	14,029	49,541
Value at current value as at:								
31 March 2026	569,516	62,181	-	-	-	2,463	-	634,160
31 March 2025	-	67,902	-	-	-	-	-	67,902
31 March 2024	-	4,239	-	-	-	-	-	4,239
31 March 2023	-	10,407	-	-	-	-	-	10,407
31 March 2022	-	4,753	-	-	-	-	-	4,753
<b>Total Cost or Valuation</b>	<b>569,516</b>	<b>149,481</b>	<b>23,467</b>	<b>1,549</b>	<b>10,496</b>	<b>2,463</b>	<b>14,029</b>	<b>771,001</b>

### Depreciation

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

- Council dwellings: 60 years
- Other buildings: 5 to 60 years
- Vehicles, plant, furniture and equipment: 1 to 15 years
- Infrastructure assets: 25 years

### Commitments Under Capital Contracts

Capital Commitments greater than £250,000 as at 31 March 2026:

<b>Scheme</b>	<b>Amount £000's</b>	<b>Period of Investment</b>	<b>Purpose of Investment</b>
Increased Housing Provision	27,677	1 Year	To provide more Social Housing in Ipswich
Ipswich Standard	16,909	1 Year	Investment to ensure decent homes standard is met
Towns Fund	15,310	1 Year	To help regenerate Ipswich
Waterfront Sites	3,477	1 Year	Regeneration
Museum Project	4,024	1 Year	Investment in the Council's Museum
Broomhill Pool	2,977	1 Year	Investment in the Council's properties
Eastern Gateway	2,512	1 Year	To help regenerate Ipswich
Climate Change	2,331	1 Year	Climate Change initiatives
Corporate Properties	3,284	1 Year	Investment in the Council's properties
Princes St Area Multi Storey car pa	1,826	1 Year	Car Park conversion to allow further redevelopment
Crematorium	1,525	1 Year	Replacement of cremators
Pride in Place	1,500	1 Year	Community investment
East Villa	1,000	1 Year	Investment in the Council's properties
Creative Hub	998	1 Year	Regeneration to promote arts
Sports Facilities	895	1 Year	Investment in Council sports facilities
Fleet/Machinery Replacement	835	1 Year	Investment in the Council's assets
Christchurch Mansion	600	1 Year	Investment in Historic Buildings
Chantry Mansion	500	1 Year	Investment in Historic Buildings
<b>Total</b>	<b><u>88,179</u></b>		

## 20. Investment Properties

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

2024/25 £000's	2025/26 £000's
<b>11,909</b> Opening Balance	<b>10,163</b>
- Additions	-
- Disposals	(6,858)
(1,746) Net gains/(losses) from fair value adjustments	1
- Transfers To/from Property, Plant and Equipment	-
<b>10,163</b> Closing Balance	<b>3,306</b>

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2024/25 £000's	2025/26 £000's
(848) Rental income from Investment Property	(339)
- Direct operating expenses arising from Investment Property	-
<b>(848)</b>	<b>(339)</b>

## 21. Heritage Assets

2024/25 £000's	2025/26 £000's
71,445 Cost or Valuation - Gross Carrying Amount	71,586
141 Revaluation increases/(decreases) recognised in the Revaluation Reserve	874
<b>71,586</b> Closing Balance	<b>72,460</b>
- Accumulated Depreciation & Impairment	-
<b>-</b> Closing Balance	<b>-</b>
<b>71,586</b> Net Book Value	<b>72,460</b>

## 22. Receivables

<b>31 March 2025</b>		<b>31 March 2026</b>
£000's		£000's
4,920	Central government bodies	1,938
6,203	Other local authorities	7,030
182	NHS bodies	(55)
5,472	IBC Subsidiaries	8,797
	<b>Other entities and individuals:</b>	
6,078	Sundry Receivables	6,856
2,338	Council Tax	2,671
1,009	Non Domestic Rates	1,375
832	Housing Rents	702
<b>27,034</b>		<b>29,314</b>
	<b>Less Provision for Bad Debts:</b>	
(654)	Sundry Receivables	(585)
(1,198)	Council Tax	(1,302)
(346)	Non Domestic Rates	(397)
(508)	Housing Rents	(447)
<b>24,328</b>	<b>Total</b>	<b>26,583</b>

The Sundry Receivables Bad Debt provision was established to cover bad debts arising from, in particular, commercial rents and housing benefit overpayments. The Housing Rents Bad Debt Provision was established under the terms of the Housing and Local Government Act 1989 to cover bad debts on Council dwellings relating to a period prior to 1 April 1990. Annual provision continues to be made to cover debts arising since that date.

## 23. Cash and Cash Equivalents

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

<b>31 March 2025</b>		<b>31 March 2026</b>
£000's		£000's
145	Cash Held by the Council	157
2,807	Bank Current Accounts	14,608
<b>2,952</b>	<b>Total</b>	<b>14,765</b>

## 24. Assets Held for Sale

	Current		Non-Current	
	2024/25 £000s	2025/26 £000s	2024/25 £000s	2025/26 £000s
<b>Balance outstanding at start of year</b>	474	528	-	-
Assets newly classified as held for sale:				
Property, plant and equipment	420	-	-	-
Additions	-	-	-	-
Revaluation gains recognised in Revaluation Reserve	(366)	40	-	-
<b>Balance outstanding at year-end</b>	<b>528</b>	<b>568</b>	<b>-</b>	<b>-</b>

## 25. Payables

31 March 2025		31 March 2026
£000's		£000's
(4,475)	Central government bodies	(4,892)
(2,224)	Other local authorities	(3,682)
39	NHS bodies	(11)
(3,010)	IBC Subsidiaries	(668)
	Other entities & individuals:	
(11,053)	Sundry Payables	(12,976)
(1,265)	Council Tax	(1,388)
(1,971)	Non Domestic Rates	(1,583)
(1,604)	Housing Rents	(2,059)
<b>(25,563)</b>	<b>Total</b>	<b>(27,259)</b>

## 26. Provisions

Provisions are defined in the Accounting Policies. Movements during the year were as follows:

	<b>Accumulated Absences Account</b>	<b>Non-domestic rates</b>	<b>Insurance</b>	<b>Total</b>
	£000's	£000's	£000's	£000's
Balance at 1 April 2025	<b>(344)</b>	<b>(1,853)</b>	<b>(343)</b>	<b>(2,540)</b>
Used	(344)	601	66	<b>323</b>
Reversed	344	529	169	<b>1,042</b>
New	-	-	(224)	<b>(224)</b>
<b>Balance at 31 March 2026</b>	<b>(344)</b>	<b>(723)</b>	<b>(332)</b>	<b>(1,399)</b>

The Insurance Provision at 31 March 2026 represents funds set aside for the purpose of providing for liabilities, which are likely or certain to be incurred but are uncertain as to the amount or the date on which they will arise.

Insurance claims are met by an Insurance fund operated by the Council. Insurance premiums are paid into the fund from the revenue account by services requiring insurance cover. Insurance claims less than the policy excesses, and policy excesses, are then met from the Insurance Fund. Risks covered by the fund include: Employers Liability; Third Party Claims; Property; Motor Vehicles; Terrorism and Officials Indemnity within agreed excess levels.

The Non-domestic rates provision at 31 March 2026 represents funds set aside to settle appeals that have been made but not settled.

	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>
	£000's	£000's	£000's
Balance at 1 April 2025	(2,450)	(90)	<b>(2,540)</b>
Balance at 31 March 2026	(1,270)	(129)	<b>(1,399)</b>

The current provision is for items that are expected to be settled within the next 12 months.

For the non-current provision, it is not possible to determine the timing of any potential settlements.

## 27. Unusable Reserves

<b>31 March 2025</b>		<b>31 March 2026</b>
£000's		£000's
(299,432)	Revaluation Reserve	(300,258)
(366,721)	Capital Adjustment Account	(316,319)
(248)	Deferred Capital Receipts Reserve	(248)
12,977	Pensions Reserve	112
(112)	Collection Fund Adjustment Account	(778)
344	Accumulated Absences Account	344
<b><u>(653,192)</u></b>	<b>Total Unusable Reserves</b>	<b><u>(617,147)</u></b>

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). 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.

<b>2024/25</b>		<b>2025/26</b>
£000's		£000's
<b>(278,018)</b>	<b>Balance at 1 April</b>	<b>(299,432)</b>
(29,798)	Upward revaluation of assets	(15,387)
5,382	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	9,017
<b>(24,416)</b>	<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services</b>	<b>(6,370)</b>
2,133	Difference between fair value depreciation and historical cost depreciation	2,308
869	Accumulated gains on assets sold or scrapped	3,237
<b>3,002</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>5,545</b>
<b><u>(299,432)</u></b>	<b>Balance at 31 March</b>	<b><u>(300,257)</u></b>

## 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 values 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.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2024/25 £000's		2025/26 £000's
<b>(351,004)</b>	<b>Balance at 1 April</b>	<b>(366,721)</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
9,903	Charges for depreciation and impairment of non-current assets	10,236
28,068	Revaluation losses on Property, Plant and Equipment	56,547
-	Amortisation of intangible assets	-
1,265	Revenue expenditure funded from capital under statute	3,555
4,494	Non-current assets written off on disposal/sale to the Comprehensive Income & Expenditure Statement	19,217
<u>43,730</u>		<u>89,555</u>
<u>(3,002)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(5,545)</u>
40,728	Net written out amount of the cost of non-current assets consumed in the year	84,010
	Capital financing applied in the year:	
(11,903)	Use of the Capital Receipts Reserve to finance new capital expenditure	(5,933)
(9,871)	Use of the Major Repairs Reserve to finance new capital expenditure	(7,706)
(14,162)	Capital grants/contributions credited to the Comprehensive Income & Expenditure Statement	(8,959)
-	Application of grants to capital financing from the Capital Grants Unapplied Account	-
(7,158)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(7,799)
(15,097)	Capital expenditure charged against the General Fund and HRA balances	(3,210)
<u>(58,191)</u>		<u>(33,607)</u>
1,746	Movements in the market value of Investment Properties to the Comprehensive Income & Expenditure Statement	(2)
<u><b>(366,721)</b></u>	<b>Balance at 31 March</b>	<u><b>(316,320)</b></u>

## Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment 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 pensions funds or eventually pays any pensions for which it is directly responsible. As the Pension Fund is still in net surplus an Asset Credit Ceiling adjustment has to be carried out this results in £0 being held in the Council's balance sheet.

2024/25 £000's		2025/26 £000's
-	<b>Balance at 1 April</b>	<b>12,977</b>
14,783	Remeasurements of the net defined benefit liability	(10,263)
5,689	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	4,648
(7,495)	Employer's pensions contributions and direct payments to retirees payable in the year	(7,250)
<b>12,977</b>	<b>Balance at 31 March</b>	<b>112</b>

## Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2024/25 £000's		2025/26 £000's
(1,728)	<b>Balance at 1 April</b>	<b>(112)</b>
1,616	Amount by which council tax income and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(665)
<b>(112)</b>	<b>Balance at 31 March</b>	<b>(777)</b>

## 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's		2025/26 £000's
<b>344</b>	<b>Balance at 1 April</b>	<b>344</b>
(344)	Settlement or cancellation of accrual made at the end of the preceding year	(344)
344	Amounts accrued at the end of the current year	344
-	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-
<b>344</b>	<b>Balance at 31 March</b>	<b>344</b>

## 28. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2024/25 £000's		2025/26 £000's
<b>314,145</b>	<b>Opening Capital Financing Requirement</b>	<b>327,269</b>
-	PY Adjustment for the historical change in the calculation of the Adjustment A	-
	<b>Capital Investment</b>	
70,432	Property, Plant and Equipment	40,291
1,266	Revenue Expenditure Funded from Capital under Statute	3,555
-	Loans to Companies	-
-	Repayment of Borrowings	-
	<b>Sources of Finance</b>	
(11,903)	Capital Receipts	(5,933)
(14,162)	Government grants and other contributions	(8,959)
	Sums set aside from revenue:	
(24,969)	Direct revenue contributions	(10,916)
(7,158)	Minimum Revenue Provision	(7,799)
(382)	Repayment of Loans	(750)
<b>327,269</b>	<b>Closing Capital Financing Requirement</b>	<b>336,758</b>
	<b>Explanation of Movements in Year</b>	
(114)	Decrease in underlying need to borrowing (supported by government financial assistance)	(114)
13,238	Increase in underlying need to borrowing (unsupported by government financial assistance)	9,604
-	PY Adjustment for the historical change in the calculation of the Adjustment A	-
<b>13,124</b>	<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>9,490</b>

## 29. Leases

The Council leases out property under operating leases for the provision of community services; such as sports facilities, tourism services and community centres, and for economic development purposes; to provide suitable, affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2025 £000's		31 March 2026 £000's
3,552	Not later than one year	3,316
10,803	Later than one year and not later than five years	11,209
39,653	Later than five years	41,102
<b>54,008</b>	<b>Total</b>	<b>55,627</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

### 30. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial Assets	Long-term				Current			
	Investments		Debtors		Investments		Debtors	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Amortised Cost	302	302	120,789	119,353	2,952	14,765	16,497	21,249
Fair Value through profit or loss	-	-	-	-	-	-	-	-
Fair Value through other comprehensive income - designated equity instruments	-	-	-	-	-	-	-	-
Fair Value through other comprehensive income - other	-	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>302</b>	<b>302</b>	<b>120,789</b>	<b>119,353</b>	<b>2,952</b>	<b>14,765</b>	<b>16,497</b>	<b>21,249</b>
Non Financial Assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>302</b>	<b>302</b>	<b>120,789</b>	<b>119,353</b>	<b>2,952</b>	<b>14,765</b>	<b>16,497</b>	<b>21,249</b>

Financial Liabilities	Long-term				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Amortised Cost	(218,018)	(208,886)	(378)	(373)	(32,157)	(36,202)	(14,523)	(13,881)
Fair Value through profit or loss	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>(218,018)</b>	<b>(208,886)</b>	<b>(378)</b>	<b>(373)</b>	<b>(32,157)</b>	<b>(36,202)</b>	<b>(14,523)</b>	<b>(13,881)</b>
Non Financial Liabilities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(218,018)</b>	<b>(208,886)</b>	<b>(378)</b>	<b>(373)</b>	<b>(32,157)</b>	<b>(36,202)</b>	<b>(14,523)</b>	<b>(13,881)</b>

### Fair Values of Assets and Liabilities

Financial assets (represented by loans and receivables) and financial liabilities are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other payables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

<b>31 March 2025</b>			<b>31 March 2026</b>	
Carrying Amounts	Fair Value		Carrying Amounts	Fair Value
£000's	£000's		£000's	£000's
3,254	3,254	Financial Assets carried at Amortised cost	15,067	15,067
137,286	137,286	Receivables	140,602	140,602
<b>140,540</b>	<b>140,540</b>		<b>155,669</b>	<b>155,669</b>

<b>31 March 2025</b>			<b>31 March 2026</b>	
Carrying Amounts	Fair Value		Carrying Amounts	Fair Value
£000's	£000's		£000's	£000's
(250,175)	(226,073)	Financial Liabilities carried at Amortised cost	(245,088)	(208,342)
(14,523)	(14,523)	Payables	(13,881)	(13,881)
<b>(264,698)</b>	<b>(240,596)</b>		<b>(258,969)</b>	<b>(222,223)</b>

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date.

### Financial Instruments Gains & Losses

	<b>2024/25</b>		<b>2025/26</b>	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income & Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income & Expenditure
	£000's	£000's	£000's	£000's
Interest revenue				
Financial assets measured at amortised cost	(6,532)	-	(6,527)	-
Other Financial assets measured at Fair Value through other comprehensive	-	-	-	-
<b>Total Interest revenue</b>	<b>(6,532)</b>	<b>-</b>	<b>(6,527)</b>	<b>-</b>
<b>Interest Expense</b>	<b>7,641</b>	<b>-</b>	<b>8,465</b>	<b>-</b>
<b>Total</b>	<b>1,109</b>	<b>-</b>	<b>1,938</b>	<b>-</b>

## 31. Nature and Extent of Risk Arising From Financial Instruments

### Key Risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates movements.
- Interest rate risk - the possibility that the Council could pay higher costs on variable rate debt.
- Price risk - the possibility that the Council could lose money on its investments.
- Foreign exchange risk - the possibility that the Council could suffer losses on dealings with foreign enterprises.

### Overall Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. The Council manages these procedures for dealing with risk in the following ways:

- The requirements of the Code of Practice were formally adopted by the Council in 2002, and subsequent changes to the code have been adopted by the Council;
- The Council includes a section on Treasury Management in its financial standing orders;
- The Council approves annually in advance prudential indicators for the following three years;
- The Council's authorised borrowing limit was set at £510m in 2025/26
- Its maximum exposures to fixed and variable rates which were 100% for fixed rates and 50% for variable rates in 2025/26

Period	Lower Limit	Upper Limit
Up to 1 Year	0%	50%
1 Year to 2 Years	0%	50%
2 Years to 5 Years	0%	50%
5 Years to 10 Years	0%	75%
Over 10 Years	0%	100%

- Its maximum annual exposures to investments maturing beyond a year which was set at £30m for 2025/26
- An annual investment strategy was approved for 2025/26 which set out the criteria for both investing and selecting investment counterparties in compliance with the Government Guidance;

These were reported as part of the Council's medium term financial plan and approved at Full Council on 10 February 2026 for 2025/26 and this information is available on the Council's website. These items are reported with the annual treasury management strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure.

Actual performance is also reported quarterly as part of the Council's quarterly budget monitoring to Councillors. During 2025/26 the Council stayed within all the above limits approved by Council. Actual performance is also reported after each year, as is a mid-year update.

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's or Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also imposes a maximum amount and time limit for investments in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above.

Additional selection criteria are also applied after this initial criteria is applied.

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council. As at the balance sheet date there are no indicators of impairment that have not been accounted for.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

	Amount at 31 March 2026 £000's	Historical experience of default %	Adjustment for market conditions at 31 March 2026 %	Estimated maximum exposure to default at 31 March 2026 £000's	Estimated maximum exposure to default at 31 March 2025 £000's
	(a)	(b)	(c)	(a) * (c)	
Deposits with banks & financial institutions					
AAA rated counterparties	13,567	0.03%	0.03%	4	-
AA rated counterparties	-	0.02%	0.02%	-	-
A rated counterparties	1,366	0.04%	0.04%	1	-
BBB rated counterparties	-	0.13%	0.13%	-	-
Trade Receivables	21,249	2.12%	2.12%	451	420
<b>Total</b>	<b>36,182</b>			<b>456</b>	<b>420</b>

The Council does not generally allow credit for its trade receivables, such that £14.523m of the £21.249m balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows:

	31 March 2025 £000's	31 March 2026 £000's
Less than three months	9,079	8,153
Three to six months	1,642	2,673
Six months to one year	2,253	2,837
More than one year	724	860
<b>Total</b>	<b>13,698</b>	<b>14,523</b>

To offset the receivables outstanding the Council does have £0m of provisions.

### Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and whilst the PWLB provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities based on the carrying value in the balance sheet is as follows:

	<b>31 March 2025</b>	<b>31 March 2026</b>
	£000's	£000's
Less than one year	(32,157)	(36,202)
Between one and two years	(30,269)	(29,653)
Between two and five years	(58,965)	(58,196)
Between five and ten years	(36,195)	(34,034)
Between ten and twenty years	(52,801)	(48,140)
More than twenty years	(39,789)	(38,863)
<b>Total</b>	<b>(250,176)</b>	<b>(245,088)</b>

The maturity analysis of financial assets based on the carrying value in the balance sheet is as follows:

	<b>31 March 2025</b>	<b>31 March 2026</b>
	£000's	£000's
Less than one year	-	-
Between one and two years	-	-
Between ten and twenty years	302	302
<b>Total</b>	<b>302</b>	<b>302</b>

### Market Risk

The Council look to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

All investments undertaken during 2025/26 met the Council's criteria when the investment was made, in terms of the counterparty with whom the investment was made and was within the limit for that counterparty.

As at 31 March 2026 the Council held investments of £7.188m, based on the carrying value in the balance sheet, with institutions domiciled in the UK.

**Interest rate risk** - The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. 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 and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

All of the Council's borrowing and investments held during 2025/26 were at fixed interest rates.

There could be a risk that when the Council wishes to re-finance borrowings, interest rates could be higher, and this could have an impact on the Council's finances. However, all new borrowing will only be undertaken after an options appraisal process. Interest rates on investments are at an all-time low, with little prospect for an increase in the near future. However, investments will be kept short, to take advantage if and when interest rates do start to increase.

#### **Price Risk**

The Council does not generally invest in equity shares or marketable bonds, but does have shareholdings in Ipswich Buses Limited, which is wholly owned by the Council. Whilst these holdings are generally liquid, the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

#### **Foreign Exchange Risk**

The Council has no foreign exchange exposure.

### **32. Capitalisation of Borrowing Costs**

In 2025/26 the Council capitalised £0k of borrowing costs (2024/25 £0k).

### 33. Pensions

#### Participation in pensions schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension scheme, which is administered locally by Suffolk County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level to balance the balance liabilities with investment assets.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies.

The Fund's Actuary determined the Council's contribution to the Fund for 2025/26. The contribution rate equates to approximately 22% of pay. As at the date of the most recent valuation, the duration of the Employer's funded obligations is 15 years.

The actuarial valuation of the fund's liabilities as at 31 March 2026, in accordance with International Accounting Standard (IAS) 19, was completed in April 2026 by Hymans Robertson, who are an independent firm of actuaries.

A further report was obtained from them to calculate the Asset Ceiling as the pension fund's assets were greater than its liabilities. This accounting adjustment, as directed by IAS19 and IFRIC14, results in a balance deficit although the Fund itself is in surplus.

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II (Limited)*) ruled that certain historic amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Ipswich Borough Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

## Transactions relating to retirement benefits

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

2024/25 £000's	<b>Local Government Pension Scheme</b> Comprehensive Income and Expenditure Statement	2025/26 £000's
	<i>Net Cost of Services:</i>	
5,590	- Current Service Cost	3,995
141	- Past Service Cost	-
-	- Settlements & Curtailments	-
	<i>Net Operating Expenditure:</i>	
(42)	- Net Interest Expense/(Income)	653
<u>5,689</u>	<i>Net Charge to the Surplus or Deficit on the Provision of Services</i>	<u>4,648</u>
(1,695)	- Return on Plan Assets	(8,885)
(515)	- Actuarial Gains and Losses arising on changes in demographic assumptions	(6,198)
(43,579)	- Actuarial Gains and Losses arising on changes in financial assumptions	(5,868)
(2,701)	- Other experience	22,873
63,273	- Pension Asset Ceiling Adjustment	(12,185)
<u><b>20,472</b></u>	<i>Net Charge to the Comprehensive Income and Expenditure Statement</i>	<u><b>(5,615)</b></u>
	<i>Movement in Reserves Statement:</i>	
1,806	- Reversal of Net Charges made to the Surplus or Deficit on the provision of Services for retirement benefits in accordance with IAS19	2,602
	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	
<u><b>7,495</b></u>	- Employer's Contributions payable to scheme	<u><b>7,250</b></u>

## Pensions Assets and liabilities Recognised in the balance sheet (limited by the asset ceiling)

The amount included in the balance sheet arising from the Council's obligation in respect of its defined

2024/25 £000's	<b>Funded Liabilities: Local Government Pension Scheme</b>	2025/26 £000's
(256,829)	Present value of the defined benefit obligation	(267,176)
408,669	Fair value of plan assets	429,249
<u>151,840</u>	<b>Sub-total</b>	<u>162,073</u>
(164,817)	Effect of the Pension Asset Ceiling Adjustment	(162,185)
<u><b>(12,977)</b></u>	<b>Net Asset /(Liability) arising from defined benefit obligation</b>	<u><b>(112)</b></u>

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

2024/25 £000's		2025/26 £000's
<b>391,438</b>	<b>Balance at 1 April</b>	<b>408,669</b>
18,891	Interest Income	23,612
	Remeasurement gains/(losses)	
1,695	The return on plan assets, excluding the amount included in the net interest expense	8,885
-	Other Experience on obligations	(8,746)
7,495	Contributions from employer	7,250
2,065	Contributions paid by scheme participants	2,093
(12,915)	Benefits paid	(12,514)
<b><u>408,669</u></b>	<b>Balance at 31 March</b>	<b><u>429,249</u></b>

## Reconciliation of the Present Value of Scheme Liabilities

2024/25 £000's		2025/26 £000's
<b>294,588</b>	<b>Balance at 1 April</b>	<b>256,829</b>
5,590	Current Service Cost	3,995
141	Past Service Cost	-
14,155	Interest cost	14,712
2,065	Contributions paid by scheme participants	2,093
	Remeasurement gains/(losses)	
(515)	- Actuarial Gains and Losses arising on changes in demographic assumptions	(6,198)
(43,579)	- Actuarial Gains and Losses arising on changes in financial assumptions	(5,868)
(2,701)	- Other experience	14,127
(12,915)	Benefits paid	(12,514)
<b><u>256,829</u></b>	<b>Balance at 31 March</b>	<b><u>267,176</u></b>

## Calculation of the Pension Asset Ceiling for 2025/26

The Pension Asset Ceiling is calculated by working out the difference of the present value (PV) of future employer's contributions x (annuity (in perpetuity) less annuity (over funding time horizon x future service element adjustment) = B and the present value (PV) of employer's future costs x annuity (in perpetuity) =A . If the value of future service costs A is **less** than future contribution B then the Asset Ceiling is set at **£0**.

**Note In the previous year's accounts the table below showed the PV value only not in perpetuity. It's been changed for comparative purposes to align with the new calculation for 25/26**

2024/25 £000's	Calculation	2025/26 £000's
(199,819)	Future employer's cost (in perpetuity)	(200,079)
319,033	Future employer's contributions (in perpetuity)	315,939
<u>119,214</u>	<b>Amount by which future contributions exceed future costs</b>	<u>115,860</u>
<u>0</u>	<b>Asset Ceiling</b>	<u>0</u>
	<b>Reconciliation of the effect of the asset ceiling</b>	
(96,850)	Previous Years Adjustment	(164,817)
(4,694)	Interest on the effect of the asset ceiling	(9,553)
164,817	Net Asset arising from defined benefit obligation	162,185
<u><u>(63,273)</u></u>	<b>Pension Asset Ceiling Adjustment</b>	<u><u>12,185</u></u>

This Pension Asset Ceiling adjustment appears in the Comprehensive Income and Expenditure Statement, and is included under Other Comprehensive Income and Expenditure in the Actuarial (gains) / losses on pension assets/liabilities line.

## Local Government Pension scheme assets comprised

Fair value of the scheme assets:

2024/25		2025/26
£000's		£000's
3,144	Cash and Cash Equivalents	12,181
	Equity Instruments (By Industry type)	
-	- Consumer	-
-	- Manufacturing	-
-	- Energy and Utilities	-
-	- Financial Institutions	-
-	- Health and Care	-
-	- Information Technology	-
-	- Other	-
-	Total Equity	-
	Bonds (By Sector)	
113,668	- Corporate Bonds	107,349
-	- UK Government	-
-	- Other	-
113,668	Total Bonds	107,349
	Property	
27,779	- UK Property	27,261
7,793	- Overseas Property	15,163
35,572	Total Property	42,424
13,202	Private Equity	11,372
	Investment Funds and Unit Trusts	
190,355	- Equities	203,403
-	- Bonds	-
-	- Hedge Funds	-
-	- Commodities	-
39,719	- Infrastructure	34,145
13,008	- Other	18,375
243,082	Total Investment Funds and Unit Trusts	255,923
	Derivatives	
-	- Foreign Exchange	-
<b>408,669</b>	<b>Total Assets</b>	<b>429,249</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The Council's underlying assets and liabilities for retirement benefits at 31 March are shown above. These Liabilities represent the long-term underlying commitment that the Council has to pay retirement benefits.

Liabilities have been assessed using the projected unit method, an estimate of the pensions that will be payable in future years, based on assumptions about mortality rates and salary levels. The actuary determines the rate of employer contribution over the remaining working life of employees necessary to meet all liabilities.

The main assumptions used in their calculation are: -

<b>Local Government Pension Scheme</b>	<b>2024/25</b>	<b>2025/26</b>
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	20.9 years	21.5 years
Women	24 years	24.5 years
Longevity at 65 for future pensioners:		
Men	21.7 years	22.2 years
Women	25.6 years	25.9 years
Rate of increase in salaries	3.75%	4.00%
Rate of increase in pensions	2.75%	3.00%
Rate for discounting scheme liabilities	5.80%	6.20%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of 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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous accounting period.

#### **Changes in assumptions as at 31 March 2026**

	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£000's)</b>
0.1% decrease in Real Discount Rate	1%	3,916
1 year increase in member life expectancy	4%	10,687
0.1% increase in the Salary Increase Rate	0%	147
0.1% increase in the Pension Increase Rate (CPI)	1%	3,766

The assets of the scheme are held separately from those of the company, being managed by an independent investment manager. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employers. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

It is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 2026/27 is £5.371m.

The Fund Actuary, using information provided by the scheme and assumptions determined by the Council in conjunction with the actuary, has provided the above figures. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of the actuarial calculations may be affected by uncertainties within a range of possible values.

Further information can be found in Suffolk County Council's Pension Fund Annual Report, which is available upon request from: The Head of Finance, Endeavour House, Ipswich IP1 2BX.

## HRA INCOME AND EXPENDITURE STATEMENT

The HRA Income & Expenditure Statement shows the economic cost of providing housing services in accordance with generally accepted accounting practices, rather than the amount funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the HRA Statement.

2024/25 £000's	Note	2025/26 £000's
(41,462) Gross Rent Income - Domestic	H1 & H2	(42,894)
(1,298) Gross Rent Income - Commercial		(1,209)
(865) Charges for Services & Facilities		(984)
(219) Contributions from the General Fund		(219)
<b>(43,844) Total Income</b>		<b>(45,306)</b>
12,683 Repairs & Maintenance		11,958
10,600 Supervision and Management		12,589
377 Rents, Rates and Taxes		290
12,463 Depreciation and Impairment of Non-Currents Assets		62,746
22 Debt Management Costs		19
(30) Movement in the allowance for Bad Debts		23
<b>36,115 Total Expenditure</b>		<b>87,625</b>
<b>(7,729) Net Expenditure / (Income) of HRA Services per Comprehensive Income &amp; Expenditure Statement</b>		<b>42,319</b>
206 HRA services share of Corporate and Democratic Core		559
<b>(7,523) Net Expenditure / (Income) of HRA Services</b>		<b>42,878</b>
<b>HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Statement</b>		
(916) (Gain) / Loss on sale of HRA Non-Current Assets		(2,735)
3,450 Interest Payable & Similar Charges		3,303
(1,106) HRA Investment & Interest Income		(381)
(8) Net interest on the defined benefit liability		129
(10,622) Government Grants		(3,503)
<b>(16,725) (Surplus) / Deficit for Year on HRA Services</b>		<b>39,691</b>

## MOVEMENT ON THE HRA STATEMENT

2024/25 £000's	2025/26 £000's
<b>(3,230) Balance on the HRA at the end of the previous year</b>	<b>(6,047)</b>
(16,725) (Surplus) / Deficit for the year on the HRA Income & Expenditure Statement	39,691
29,898 Adjustments between accounting basis and funding basis under statute	(38,484)
<b>13,173 Net Increase / (Decrease) before transfers to or from Reserves</b>	<b>1,207</b>
(15,990) Transfers to/(from) Reserves	(2,131)
<b>(2,817) (Increase)/Decrease in year on the HRA</b>	<b>(924)</b>
<b>(6,047) Balance on the HRA at the end of the current year</b>	<b>(6,971)</b>

HRA adjustments between accounting basis and funding basis under regulations are detailed in Note 7.

HRA transfers to or from Earmarked Reserves are detailed in Note 12.

## NOTES TO THE HOUSING REVENUE ACCOUNT

### H1 Gross Rent Income

This is the total rent income due for the year after allowance is made for voids etc. During the year, 0.83% of lettable properties were vacant (0.54% in 2024/25). Typical rents were £105.78 per week in 2025/26 representing an increase of £2.99 or 2.91% over the previous year.

### H2 Rent Rebates

Assistance with rents is available under the Housing Benefits Scheme for those on low incomes. About 16.8% of the rents collected are made up of benefits paid to tenants (25% in 2024/25).

### H3 Rent Arrears

During the year, 2025/26 rent arrears as a proportion of gross rent income have decreased from 2.01% of the amount due to 1.64%.

2024/25		2025/26
£000's		£000's
832	Arrears at 31 March	702

Amounts written off during the year amounted to £65256.54.

The Housing Revenue Account made a contribution to the provision for bad debts account of £23187.46 in 2025/26, and the aggregate provision for uncollectable debts, as at 31 March 2026 amounted to £446908.34. The provision has decreased due to favourable changes in the debt profile.

### H4 Transfers to/from HRA Earmarked Reserves

The transfers to and from the Housing Revenue Account Earmarked reserves are detailed in Note 12.

### H5 HRA Assets

The balance sheet value of the HRA assets is shown below.

2024/25		2025/26
£000's		£000's
570,465	Council Dwellings	569,516
17,977	Other Land & Buildings	17,813
1,505	Vehicles, Plant & Equipment etc.	1,387
-	Surplus Asset	221
46,496	Assets Under Construction	-
<b>636,443</b>	<b>Total</b>	<b>588,937</b>

The council dwellings included in the Balance Sheet are shown at Existing Use Social Housing Value, which represents 38% of their market value. Their Fair Value assuming vacant possession as at 31 March 2026 is £1,498,727,000. The vacant possession and Balance Sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents.

The depreciation charged on HRA assets is shown below.

<b>2024/25</b>			<b>2025/26</b>	
£000's			£000's	
6,203	Council Dwellings		6,595	
232	Other Land & Buildings		233	
197	Vehicles, Plant & Equipment etc.		261	
<b>6,632</b>	<b>Total</b>		<b>7,089</b>	

The total capital receipts generated during the year was:

<b>2024/25</b>			<b>2025/26</b>	
£000's			£000's	
4,004	Council Houses		12,436	
-	Other Land & Buildings		372	
<b>4,004</b>	<b>Total</b>		<b>12,808</b>	

<b>2024/25</b>			<b>2025/26</b>	
	Analysis of Dwellings in the HRA :-			
4,620	Houses/Bungalows		4,565	
2,645	Flats/Bedsits		2,804	
557	Sheltered Housing Units		530	
<b>7,822</b>	<b>Total</b>		<b>7,899</b>	

#### H6 Housing Revenue Account Capital Expenditure and Financing

<b>2024/25</b>			<b>2025/26</b>	
£000's			£000's	
46,063	Houses		22,239	
-	Other		-	
<b>46,063</b>	<b>Total Expenditure</b>		<b>22,239</b>	
10,550	Usable Capital Receipts		3,509	
15,021	Revenue Contributions to Capital Outlay		3,182	
9,871	Major Repairs Reserve		7,706	
-	Borrowing		4,142	
10,622	External Funding		3,700	
<b>46,063</b>	<b>Total Financing</b>		<b>22,239</b>	

## H7 Major Repairs Reserve

The Major Repairs Reserve is now required to be established in relation to the Housing Revenue Account (HRA). The items credited to the Major Repairs Reserve are an amount equal to HRA depreciation for the year, and transfers from the HRA required by statutory provision. The former is debited to the Capital Adjustment Account and the latter to the HRA appropriations account. The amounts debited to the Major Repairs Reserve are expenditure for HRA capital purposes, where this is to be funded from the Major Repairs Reserve, and transfers to the HRA required by statutory provision. The former is credited to the Capital Adjustment Account and the latter to the HRA appropriations account.

<b>2024/25</b>		<b>2025/26</b>
£000's		£000's
<b>(10,459)</b>	<b>Balance 1 April</b>	<b>(12,909)</b>
<u>(12,321)</u>	Amounts transferred from HRA to Reserve	<u>(11,163)</u>
<b>(22,780)</b>	<b>Income</b>	<b>(24,072)</b>
<u>9,871</u>	Capital Expenditure funded by MRR	<u>7,706</u>
<b>9,871</b>	<b>Expenditure</b>	<b>7,706</b>
<u><b>(12,909)</b></u>	<b>Balance 31 March</b>	<u><b>(16,366)</b></u>

## G6 Group Cash and Cash Equivalents

31 March 2025		31 March 2026
£000's		£000's
145	Cash held by officers	157
2,807	Bank current accounts	14,608
<b>2,952</b>	<b>Ipswich Borough Council Total</b>	<b>14,765</b>
2,050	Ipswich Buses Limited cash and bank balances	1,250
4,183	Ipswich Borough Assets Limited cash and bank balances	1,531
1	Ipswich Borough Assets Development cash and bank balances	1
293	Ipserv Limited cash and bank balances	259
25	Ipserv Direct Services Limited cash and bank balances	34
518	Handford Homes Limited cash and bank balances	700
27	Handford Lettings cash and bank balances	58
137	Stage Event Security Limited cash and bank balances	319
4	Ipserv Employers Ltd	36
<b>10,190</b>	<b>Group Total</b>	<b>18,953</b>

## G7 Group Short-term Borrowing

31 March 2025		31 March 2026
£000's		£000's
(32,157)	Ipswich Borough Council	(36,202)
(16)	Ipswich Buses Limited	-
(750)	Ipswich Borough Assets Limited	(1,623)
(895)	IBA Development	(939)
(24)	Ipserv Limited	-
-	Ipserv Direct	-
(100)	Handford Lettings	-
-	Stage Event Security Limited	-
850	Less intra Group Short-term Borrowing	2,875
<b>(33,092)</b>	<b>Group Total</b>	<b>(36,389)</b>

## G8 Group Short-term Payables

31 March 2025		31 March 2026
£000's		£000's
(4,475)	Central government bodies	(4,892)
(2,224)	Other local authorities	(3,682)
39	NHS bodies	(11)
(3,010)	IBC Subsidiaries	(668)
	Other entities and individuals	
(11,053)	Sundry Payables	(12,976)
(1,265)	Council Tax	(1,388)
(1,971)	Non Domestic Rates	(1,583)
(1,604)	Housing Rents	(2,059)
<b>(25,563)</b>	<b>Ipswich Borough Council Total</b>	<b>(27,259)</b>
(1,649)	Ipswich Buses Limited	(1,760)
(7,459)	Ipswich Borough Assets Limited	(4,849)
(5)	Ipswich Borough Assets Development	(6)
(551)	Ipserv Limited	(368)
(200)	Ipserv Direct Services Limited	(24)
(5,176)	Handford Homes Limited	(2,098)
(77)	Handford Homes Lettings	(175)
(262)	Stage Event Security Limited	(345)
(118)	Ipserv Employers Ltd	(314)
6,244	Less intra Group Payables	17,721
<b>(34,816)</b>	<b>Group Total</b>	<b>(19,477)</b>

## G9 Group Long-term Borrowing

<b>31 March 2025</b>		<b>31 March 2026</b>
£000's		£000's
(218,018)	Ipswich Borough Council	(208,886)
(252)	Ipswich Buses Limited	(252)
(120,789)	Ipswich Borough Assets Limited	(122,089)
-	Ipswich Borough Assets Development	-
-	Ipserv Limited	-
-	Handford Homes Limited	-
121,041	Less intra Group Borrowing	119,605
<b><u>(218,018)</u></b>	<b>Group Total</b>	<b><u>(211,622)</u></b>

## THE COLLECTION FUND

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

### Income and Expenditure Account

Council Tax 2024/25 £000's	Business Rates 2024/25 £000's	Total 2024/25 £000's		Council Tax 2025/26 £000's	Business Rates 2025/26 £000's	Total 2025/26 £000's
(89,837)	-	(89,837)	<b>Local Taxes:</b>	(95,651)	-	(95,651)
-	(57,033)	(57,033)	Council Tax	-	(60,918)	(60,918)
			Business Rates			
			<b>Share of Estimated (Deficits) /</b>			
			<b>Surpluses:</b>			
-	445	445	Suffolk County Council	-	7	7
-	2,223	2,223	Central Government	-	36	36
-	1,779	1,779	Ipswich Borough Council	-	28	28
<b>(89,837)</b>	<b>(52,586)</b>	<b>(142,423)</b>	<b>Income</b>	<b>(95,651)</b>	<b>(60,847)</b>	<b>(156,498)</b>
			<b>Precepts &amp; Demands:</b>			
61,990	-	61,990	Suffolk County Council	66,366	-	66,366
16,076	-	16,076	Ipswich Borough Council	16,882	-	16,882
10,874	-	10,874	Suffolk Police and Crime Commissioner	11,650	-	11,650
			<b>Business Rates:</b>			
-	27,361	27,361	Payment to National Pool	-	29,493	29,493
-	5,472	5,472	Payment to Suffolk County Council	-	5,899	5,899
-	21,889	21,889	Payment to Ipswich Borough Council	-	23,594	23,594
-	183	183	Cost of Collection Allowance	-	184	184
-	1,590	1,590	Enterprise Zone Disregard	-	1,531	1,531
-	13	13	Renewable Energy Disregard	-	7	7
-	213	213	Provision for Business Rates Appeals	-	(2,826)	(2,826)
			<b>Provision for Uncollectable</b>			
			<b>Amounts:</b>			
574	-	574	Council Tax	705	-	705
-	(1,111)	(1,111)	Business Rates	-	128	128
			<b>Write Offs:</b>			
321	-	321	Council Tax	364	-	364
-	1,686	1,686	Business Rates	-	310	310
			<b>Share of Estimated (Deficits) /</b>			
			<b>Surpluses:</b>			
(77)	-	(77)	Suffolk County Council	(75)	-	(75)
(20)	-	(20)	Ipswich Borough Council	(19)	-	(19)
(13)	-	(13)	Suffolk Police and Crime Commissioner	(13)	-	(13)
<b>89,725</b>	<b>57,296</b>	<b>147,021</b>	<b>Expenditure</b>	<b>95,860</b>	<b>58,320</b>	<b>154,180</b>
<b>(112)</b>	<b>4,710</b>	<b>4,598</b>	<b>(Surplus) / Deficit on Fund Movements in Year</b>	<b>209</b>	<b>(2,527)</b>	<b>(2,318)</b>

2024/25 £000's	2024/25 £000's	2024/25 £000's	Statement of Accumulated Balances	2025/26 £000's	2025/26 £000's	2025/26 £000's
356	(4,554)	(4,198)	Opening Balance on Fund	244	156	400
(112)	4,710	4,598	Movement during the year	209	(2,527)	(2,318)
<b>244</b>	<b>156</b>	<b>400</b>	<b>Closing Balance on Fund</b>	<b>453</b>	<b>(2,371)</b>	<b>(1,918)</b>

Council Tax 2024/25 £000's	Business Rates 2024/25 £000's	Total 2024/25 £000's	Collection Fund Balance Share	Council Tax 2025/26 £000's	Business Rates 2025/26 £000's	Total 2025/26 £000's
<b>Council Tax:</b>						
44	-	44	Ipswich Borough Council	80	-	80
170	-	170	Suffolk County Council	317	-	317
30	-	30	Suffolk Police and Crime Commissioner	56	-	56
<b>Business Rates:</b>						
-	62	62	Ipswich Borough Council	-	(948)	(948)
-	16	16	Suffolk County Council	-	(237)	(237)
-	78	78	Central Government	-	(1,186)	(1,186)
<b>244</b>	<b>156</b>	<b>400</b>	<b>Collection Fund Balance Deficit / (Surplus)</b>	<b>453</b>	<b>(2,371)</b>	<b>(1,918)</b>

## NOTES TO THE COLLECTION FUND

### C1 General

This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing Council in relation to Non-Domestic Rates and Council Tax and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with other accounts of the Council.

### C2 Income from Council Tax

The Council set a charge of £419.58 per band D property. Its tax base, i.e. the number of chargeable dwellings in each valuation band, is as follows:

	Number of Chargeable Dwellings	Proportion of Band D Tax	Band D Equivalent Number of Dwellings
Band A Reduced	28	5/9	15
Band A	16,388	6/9	10,926
Band B	20,964	7/9	16,305
Band C	10,499	8/9	9,332
Band D	4,143	1	4,143
Band E	2,163	11/9	2,644
Band F	917	13/9	1,324
Band G	348	15/9	579
Band H	13	18/9	26
	<b>55,461</b>		<b>45,294</b>

Contributions in Lieu (in respect of class "O" exempt dwellings)

-  
**45,294**

Adjustment for changes:

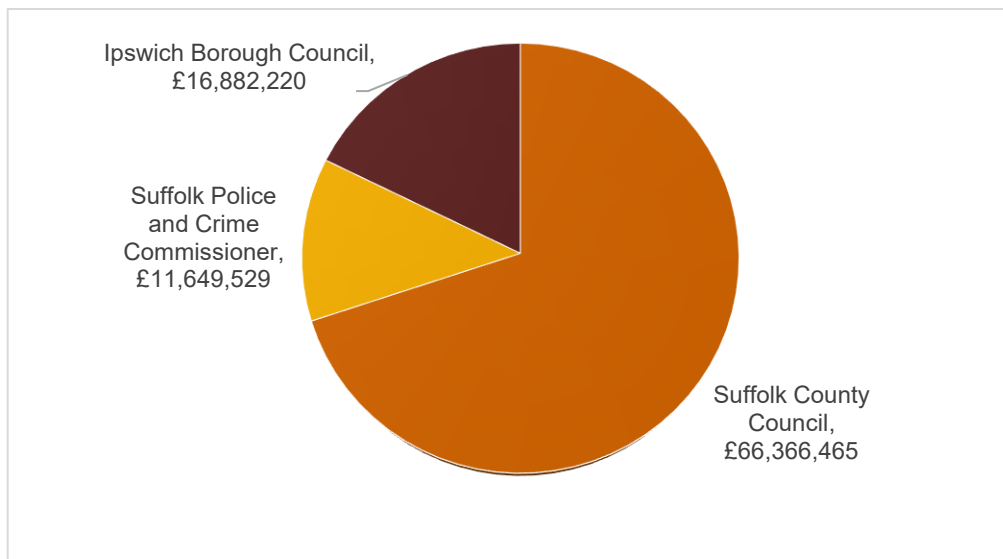
New Dwellings	249
Additional discounts, exemptions, appeals, etc.	411
Technical Changes	-
Discount Scheme	(5,312)
	<b>40,642</b>

Discounted by assumed collection rate of 99%

**40,236**

Part of the Council Tax collected pays for services provided by Suffolk County Council and the Suffolk Police Council. They precept on the Collection Fund for their share of the Council Tax.

In 2025/26 the precepts, shown in comparison with Ipswich Borough Council's share of Council Tax were:



### C3 Income from Non-domestic Rates

The Council collects Non-domestic Rates for its area, which is based on local rateable values multiplied by the rates below. The total amount calculated less allowable reliefs and other deductions, is paid to a central pool managed by Central Government, which in turn pays back to authorities their share of the pool, based on a standard amount per head of adult population.

The non-domestic rateable value as at 31 March 2026 was £145.462m. The NDR Multiplier was 55.5p and the Small Business Multiplier was 49.9p.

### C4 NDR Appeals Provision

The non-domestic rates appeals provision is an estimate of the potential loss of business rates as a result of reductions of net rateable values from current outstanding appeals.

The Valuation Office Agency figures show 1 appeal outstanding with a total rating value of £0.093m in relation to 2017 valuation appeals. An independent rating consultant has reviewed all these claims and estimated the cumulative net loss to the collection fund of appeals back to 2017 to be approximately £0.009m.

In 2023 the business rates were revalued by Central Government so any new appeals will be from 2023. There are 260 appeals outstanding at year-end with a total rating value of £43.474m. The independent rating consultant has estimated the loss on these to be £1.798m.

This gives a total estimated loss of approximately £1.807m for which provision has been made. Ipswich Borough Council's share is 40% £0.723m (24/25 £1.853m).

## **GROUP ACCOUNTS**

### **Introduction**

The Accounting Code of Practice requires Local Authorities with material interests in subsidiary and associated companies to prepare group accounts. This is in accordance with paragraph 9.1.1.7 of the Code. A Local Council group comprises the Local Council and its interest in companies which would be regarded as its subsidiaries or associates if the Local Council was subject to the Companies Act.

### **Accounting Policies**

The Accounting Policies, adopted for Group Accounts, are consistent with the main Accounting Policies.

### **Ipswich Buses Limited**

Ipswich Buses Limited (incorporated 14 March 1986) runs the local buses. The following Directors of Ipswich Buses Ltd are members of Ipswich Borough Council: Cllr Inga Lockington (resigned 31/12/25), Cllr Peter Gardiner (resigned 31/12/25), Cllr Colin Kreidewolf (from 1/1/26), Cllr Gary Foster (from 1/1/26), Cllr Philip McSweeney (from 1/1/26) & the Chief Executive and Executive Director (Operations & Communities).

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Ipswich Buses reported a 52 week period ending 28 March 2026 as this is standard industry practice. The Council has no commitment to meet accumulated deficits or losses of Ipswich Buses Limited.

Copies of the published accounts of Ipswich Buses Limited for the period ended 28 March 2026 can be obtained from Ipswich Buses Limited, Constantine Road, Ipswich, IP1 2DL.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Buses Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £3.743m, representing the Council's share of Ipswich Buses shareholders' funds.

### **Ipswich Borough Assets Limited**

The following Directors of Ipswich Borough Assets Ltd are members of Ipswich Borough Council: Cllr David Ellesmere, Cllr Colin Kreidewolf. The Chief Executive, and the Executive Director (Operations & Communities).

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Ipswich Borough Assets Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipswich Borough Assets.

Copies of the published accounts of Ipswich Borough Assets Limited for the period ended 31 March 2026 can be obtained from Ipswich Borough Assets Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Borough Assets Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £28.269m, representing the Council's share of Ipswich Borough Assets shareholders' funds.

### **Ipserv Limited**

The following Directors of Ipserv Ltd are members of Ipswich Borough Council: Cllr Colin Kreidewolf and Cllr Cathy Frost. The Chief Executive, the Executive Director (Operations & Communities) and the Head of Human Resources are also Directors.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Ipserv Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipserv.

Copies of the published accounts of Ipserv Limited for the period ended 31 March 2026 can be obtained from Ipserv Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipserv Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.141m, representing the Council's share of Ipserv's shareholders' funds.

### **Handford Homes Limited**

The following Directors of Handford Homes Ltd are members of Ipswich Borough Council: Cllr Colin Kreidewolf and Cllr David Ellesmere. The Chief Executive, Executive Director (Operations & Communities) are also Directors.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Handford Homes Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Handford Homes.

Copies of the published accounts of Handford Homes Limited for the period ended 31 March 2026 can be obtained from Handford Homes Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Handford Homes Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.223m, representing the Council's share of Handford Homes shareholders' funds.

### **Stage Event Security Limited**

Stage Event Security Limited was acquired by Ipserv Ltd on 26 April 2018. The Executive Director (Operations & Communities) and the Head of Human Resources and Cllr Colin Kreidewolf are also Company Directors.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by Ipserv Limited. As the Council owns all the allotted shares of Ipserv Ltd, it therefore has a controlling influence.

Stage Event Security Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Stage Event Security.

Copies of the published accounts of Stage Event Security Limited for the period ended 31 March 2026 can be obtained from Stage Event Security Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Stage Event Security Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.219m, representing the Council's share of Stage Event Security's shareholders' funds.

### **Ipserv Direct Services Limited**

Ipserv Direct Services Limited was incorporated on 18 December 2018. The following Directors of Ipserv Direct Services Ltd are members of Ipswich Borough Council: Cllr Colin Kreidewolf and Cllr Cathy Frost. The Chief Executive, the Executive Director (Operations & Communities) and the Head of Human Resources are also

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

Ipserv Direct Services Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipserv Direct Services.

Copies of the published accounts of Ipserv Direct Services Limited for the period ended 31 March 2026 can be obtained from Ipserv Direct Services Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipserv Direct Services Limited. The main effect of this consolidation has been to increase the Council's revenue reserves by £0.027m, representing the Council's share of Ipserv Direct Services shareholders' funds.

### **Handford Lettings Limited**

Handford Lettings Limited was incorporated on 1 November 2018. The following Director of Handford Lettings Ltd is a member of Ipswich Borough Council: Cllr Colin Kreidewolf. The Chief Executive and the Assistant Director of Housing are also Directors.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by Handford Homes which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

Handford Lettings Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Handford Lettings.

Copies of the published accounts of Handford Lettings Limited for the period ended 31 March 2026 can be obtained from Handford Lettings Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Handford Lettings Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.022m, representing the Council's share of Handford Lettings shareholders' funds.

### **Ipswich Borough Assets Developments Limited**

Ipswich Borough Assets Developments Limited was incorporated on 21 January 2020. The following Directors of Ipswich Borough Assets Developments Limited are; Councillors of Ipswich Borough Council: Colin Kreidewolf and David Ellesmere. The Chief Executive, and the Executive Director (Operations & Communities) are also company Directors.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by Ipswich Borough Assets which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Details of the related party transactions are not contained with the Group Accounts as they are not material.

Ipswich Borough Assets Developments Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipswich Borough Assets Developments Limited.

Copies of the published accounts of Ipswich Borough Assets Developments Limited for the period ended can be obtained from Ipswich Borough Assets Developments Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipswich Borough Assets Developments Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.944m, representing the Council's share of Ipswich Borough Assets Developments shareholders' funds.

### **Ipserv Employers Limited**

Ipserv Employers Limited was incorporated on 19 January 2022. The following Colin Kreidewolf (Ipswich Borough Councillor), the Chief Executive and the Head of Human Resources are also Directors of Ipserv Employers limited.

As at 31 March 2026, all the allotted called up ordinary share capital of the Company was owned by Ipserv Ltd which is a wholly owned subsidiary of the Council. The Council therefore has a controlling influence.

Ipserv Employers Limited has an accounting period ending 31 March each year. The Council has no commitment to meet accumulated deficits or losses of Ipserv Employers Limited.

Copies of the published accounts of Ipserv Employers Limited for the period ended can be obtained from Ipserv Employers Limited, Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE.

The summarised group financial consolidated statements presented below show how the financial position of the Council is affected by its interest in Ipserv Employers Limited. The main effect of this consolidation has been to decrease the Council's revenue reserves by £0.006m, representing the Council's share of Ipserv Employers Ltd shareholders' funds.

### **Group Accounting**

The Group accounts for 2025/26 include Ipswich Buses, Ipswich Borough Assets, Ipserv, Ipserv Direct Services, Ipserv Employers Ltd, Handford Homes, Stage Event Security, Handford Lettings and Ipswich Borough Assets Developments.

## GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement of different reserves held by the Group, analysed into usable reserves & other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Group Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council. See Note 7 for details of Adjustments between Accounting Basis and Funding under Regulations.

	Revenue Reserves					Capital Reserves			Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	General Fund Balance	Earmarked General Fund Reserves	s31 Business Rate Relief Compensation Grant Reserve	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account			
<b>Movement in Reserves during 2024/25</b>	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 1 April 2024	10,793	(16,923)	-	(3,230)	(27,873)	(11,742)	(10,459)	(16,120)	(75,554)	(630,655)	(706,209)
<b>Adjustment to opening balances arising from updated subsidiary information received in-year</b>	748								748		748
Surplus or (deficit) on the provision of services	21,335	-	-	(16,725)	-	-	-	-	4,610	-	4,610
Other Comprehensive Income and Expenditure	563	-	-	-	-	-	-	-	563	(9,632)	(9,069)
<b>Total Comprehensive Income and Expenditure</b>	<b>21,898</b>	-	-	<b>(16,725)</b>	-	-	-	-	<b>5,173</b>	<b>(9,632)</b>	<b>(4,459)</b>
Adjustments between accounting & funding basis	(20,115)	-	-	29,900	-	6,461	(2,451)	(890)	12,905	(12,905)	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>1,783</b>	-	-	<b>13,175</b>	-	<b>6,461</b>	<b>(2,451)</b>	<b>(890)</b>	<b>18,078</b>	<b>(22,538)</b>	<b>(4,460)</b>
Transfers to/from Earmarked Reserves (Note 12)	88	(88)	-	(15,988)	15,988	-	-	-	-	-	-
<b>Increase / Decrease in 2024/25</b>	<b>1,871</b>	<b>(88)</b>	-	<b>(2,813)</b>	<b>15,988</b>	<b>6,461</b>	<b>(2,451)</b>	<b>(890)</b>	<b>18,078</b>	<b>(22,538)</b>	<b>(4,460)</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>13,412</b>	<b>(17,011)</b>	-	<b>(6,043)</b>	<b>(11,885)</b>	<b>(5,281)</b>	<b>(12,910)</b>	<b>(17,010)</b>	<b>(56,728)</b>	<b>(653,193)</b>	<b>(709,921)</b>
<b>Movement in Reserves during 2025/26</b>											
Balance at 1 April 2025	13,412	(17,011)	-	(6,043)	(11,885)	(5,281)	(12,910)	(17,010)	(56,728)	(653,193)	(709,921)
Surplus or (deficit) on provision of services	(7,387)	-	-	39,691	-	-	-	-	32,304	-	32,304
Other Comprehensive Income and Expenditure	228	-	-	-	-	-	-	-	228	(16,635)	(16,407)
<b>Total Comprehensive Income and Expenditure</b>	<b>(7,159)</b>	-	-	<b>39,691</b>	-	-	-	-	<b>32,532</b>	<b>(16,635)</b>	<b>15,897</b>
Adjustments between accounting & funding basis	12,888	-	-	(38,483)	-	(16,182)	(3,457)	(7,445)	(52,679)	52,679	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>5,729</b>	-	-	<b>1,208</b>	-	<b>(16,182)</b>	<b>(3,457)</b>	<b>(7,445)</b>	<b>(20,147)</b>	<b>36,044</b>	<b>15,897</b>
Transfers to/from Earmarked Reserves (Note 12)	1,511	(1,511)	-	(2,132)	2,132	-	-	-	-	-	-
<b>Increase / Decrease in 2025/26</b>	<b>7,240</b>	<b>(1,511)</b>	-	<b>(924)</b>	<b>2,132</b>	<b>(16,182)</b>	<b>(3,457)</b>	<b>(7,445)</b>	<b>(20,147)</b>	<b>36,044</b>	<b>15,897</b>
<b>Balance at 31 March 2026 carried forward</b>	<b>20,652</b>	<b>(18,522)</b>	-	<b>(6,967)</b>	<b>(9,753)</b>	<b>(21,463)</b>	<b>(16,367)</b>	<b>(24,455)</b>	<b>(76,875)</b>	<b>(617,149)</b>	<b>(694,024)</b>

## GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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. The Group raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2024/25			2025/26			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000's	£000's	£000's		£000's	£000's	£000's
			General Fund Services (GF)			
30,259	(4,695)	25,564	Leader - Place	10,027	(4,608)	5,419
2,230	(1,332)	898	Deputy Leader - Strategy & Transformation	2,410	(1,143)	1,267
6,402	(1,072)	5,330	Planning & Museums	4,442	(2,102)	2,340
12,732	(7,088)	5,644	Environment & Climate Control	14,489	(10,151)	4,338
7,195	(3,979)	3,216	Housing	5,335	(4,451)	884
11,305	(5,682)	5,623	Communities and Sport	11,968	(5,883)	6,085
41,744	(35,643)	6,101	Resources	35,001	(29,578)	5,423
7,531	(12,064)	(4,533)	Culture and Customers	10,943	(10,207)	736
36,321	(43,844)	(7,523)	Housing Revenue Account (HRA)	88,184	(45,306)	42,878
17,540	(13,464)	4,076	Group Companies	13,194	(8,990)	4,204
<b>173,259</b>	<b>(128,863)</b>	<b>44,396</b>	<b>Cost Of Services</b>	<b>195,993</b>	<b>(122,419)</b>	<b>73,574</b>
			- Government Housing Capital Receipts Pool			-
		(764)	Gain/loss on disposal of non-current assets			(2,862)
		(183)	Capital receipts not from disposal of assets			(39)
		<b>(947)</b>	<b>Other Operating Expenditure</b>			<b>(2,901)</b>
		7,683	Interest payable and similar charges			1,184
		-	- Investment Impairment			-
		(42)	Pensions interest /return on pension assets			653
		(1,187)	Interest receivable & similar income			6,460
		2,428	Changes in fair value of investment properties			5,183
		(7,393)	Investment properties income			(6,564)
		<b>1,489</b>	<b>Financing &amp; Investment Income &amp; Expenditure</b>			<b>6,916</b>
		(16,077)	Council tax income			(16,827)
		(26,580)	Non domestic rates			(29,539)
		18,152	Non domestic rates tariff			18,362
		(76)	Non domestic rates levy			754
		(1,253)	Non-ringfenced government grants			(1,165)
		(15,051)	Capital grants and contributions			(16,403)
		<b>(40,885)</b>	<b>Taxation &amp; Non-Specific Grant Income</b>			<b>(44,818)</b>
		<b>4,053</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>32,771</b>
		557	Taxation			(467)
		<b>4,610</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>32,304</b>
		(24,415)	(Surplus) / deficit on revaluation of non-current assets			(6,371)
		-	(Surplus) / deficit on revaluation of financial assets			-
		15,346	Actuarial (gains) / losses on pension assets / liabilities			(10,035)
		<b>(9,069)</b>	<b>Other Comprehensive (Income) / Expenditure</b>			<b>(16,406)</b>
		<b>(4,459)</b>	<b>Total Comprehensive (Income) / Expenditure</b>			<b>15,898</b>

## GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025	Note	31 March 2026
£000's		£000's
791,657	G1	759,025
71,586		72,460
112,122	G2	100,080
30		78
50	G3	50
736		84
-		-
<b>976,181</b>		<b>931,777</b>
-		-
717	G4	593
25,106	G5	11,455
10,190	G6	18,953
528		568
<b>36,541</b>		<b>31,569</b>
(33,092)	G7	(36,389)
(34,818)	G8	(19,477)
-		-
(2,450)		(1,270)
<b>(70,360)</b>		<b>(57,136)</b>
(1,115)		(455)
(90)		(129)
(218,018)	G9	(211,622)
(13,217)		19
-		-
<b>(232,440)</b>		<b>(212,187)</b>
<b>709,922</b>		<b>694,023</b>
(56,730)		(76,876)
(653,192)		(617,147)
<b>(709,922)</b>		<b>(694,023)</b>

## GROUP CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2024/25		2025/26
£000's		£000's
4,610	Net (surplus) or deficit on the provision of services	32,304
(10,498)	Depreciation	(10,926)
(28,750)	Impairment and downward valuations	(61,732)
(45)	Amortisation	(23)
7,660	(Increase) / decrease in payables	1,548
(4,908)	Increase / (decrease) in receivables	(2,444)
(14)	Increase / (decrease) in inventories	(123)
1,976	Movement in pension liability	2,830
(4,463)	Carried forward non-current assets & non-current assets held for sale, sold or de-recognised	(19,005)
(1,522)	Other non-cash items charged to net surplus/deficit on the provision of services	1,283
(40,564)	Total non-cash movements	(88,592)
5,441	Sale of property, plant & equipment, investment property and intangible	22,115
15,385	Other items for which the cash effects are investing/financing cashflows	16,051
20,826	Adjust for investing and financing activities	38,166
<b>(15,128)</b>	<b>Net cash flows from Operating Activities</b>	<b>(18,122)</b>
77,159	Purchase of property, plant & equipment, investments & intangible assets	44,025
-	* Purchase of short-term and long-term investments	-
-	Other payments for investing activities	352
(5,533)	Sale of property, plant and equipment, investments, intangible assets & non-current assets held for sale	(22,408)
(219)	* Proceeds from short-term and long-term investments	(917)
(15,433)	Other receipts from investing activities	(17,505)
55,974	Net cash flows from investing activities	3,547
(62,000)	Cash receipts of short-term and long-term borrowing	(25,000)
-	Cash receipts from financing activities	(55)
1	Cash payments for the reduction of the outstanding liabilities relating to financial leases	-
18,958	Repayments of short-term & long-term borrowing	28,715
643	Other payments for financing activities	2,152
(42,398)	Net cash flows from financing activities	5,812
(1,552)	Net (increase) or decrease in cash and cash equivalents	(8,763)
(8,638)	Cash and cash equivalents at the beginning of the reporting period	(10,190)
<b>(10,190)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>(18,953)</b>

Note \* The 24/25 figures now exclude the gross movement on treasury management daily cash flows and only show those movements considered as investments activities under the CIPFA Code (para 3.4.2.76)

**G1 Group Property, Plant and Equipment**

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>2024/25</b>								
Cost or Valuation	570,465	127,415	20,187	1,549	10,072	2,298	70,350	802,336
Accumulated Depreciation and Impairment	0	(1,266)	(10,729)	(1,029)	0	0	0	(13,024)
<b>Net Book Value: Ipswich Borough Council</b>	<b>570,465</b>	<b>126,149</b>	<b>9,458</b>	<b>520</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>789,312</b>
Cost or Valuation	-	-	7,754	-	-	-	-	7,754
Accumulated Depreciation and Impairment	-	-	(5,439)	-	-	-	-	(5,439)
<b>Net Book Value: Ipswich Buses Ltd</b>	<b>-</b>	<b>-</b>	<b>2,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,315</b>
Cost or Valuation	-	-	30	-	-	-	-	30
Accumulated Depreciation and Impairment	-	-	(6)	-	-	-	-	(6)
<b>Net Book Value: Stage</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>
Cost or Valuation	-	-	219	-	-	-	-	219
Accumulated Depreciation and Impairment	-	-	(201)	-	-	-	-	(201)
<b>Net Book Value: Ipserv Ltd</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>
Cost or Valuation	570,465	127,415	28,190	1,549	10,072	2,298	70,350	810,339
Accumulated Depreciation and Impairment	-	(1,266)	(16,375)	(1,029)	-	-	-	(18,670)
<b>Group Net Book Value at 31 March 2025</b>	<b>570,465</b>	<b>126,149</b>	<b>11,815</b>	<b>520</b>	<b>10,072</b>	<b>2,298</b>	<b>70,350</b>	<b>791,669</b>
<b>2025/26</b>	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or Valuation	569,516	149,481	23,467	1,549	10,496	2,463	14,029	771,001
Accumulated Depreciation and Impairment	-	(1,720)	(12,339)	(1,093)	-	-	-	(15,152)
<b>Net Book Value: Ipswich Borough Council</b>	<b>569,516</b>	<b>147,761</b>	<b>11,128</b>	<b>456</b>	<b>10,496</b>	<b>2,463</b>	<b>14,029</b>	<b>755,849</b>
Cost or Valuation	-	-	8,921	-	-	-	-	8,921
Accumulated Depreciation and Impairment	-	-	(5,874)	-	-	-	-	(5,874)
<b>Net Book Value: Ipswich Buses Ltd</b>	<b>-</b>	<b>-</b>	<b>3,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,047</b>
Cost or Valuation	-	-	30	-	-	-	-	30
Accumulated Depreciation and Impairment	-	-	(6)	-	-	-	-	(6)
<b>Net Book Value: Stage</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>
Cost or Valuation	-	-	323	-	-	-	-	323
Accumulated Depreciation and Impairment	-	-	(219)	-	-	-	-	(219)
<b>Net Book Value: Ipserv Ltd</b>	<b>-</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104</b>
Cost or Valuation	-	-	2	-	-	-	-	2
Accumulated Depreciation and Impairment	-	-	(1)	-	-	-	-	(1)
<b>Net Book Value: Ipserv Employers Ltd</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
Cost or Valuation	569,516	149,481	32,743	1,549	10,496	2,463	14,029	780,277
Accumulated Depreciation and Impairment	-	(1,720)	(18,439)	(1,093)	-	-	-	(21,252)
<b>Group Net Book Value at 31 March 2026</b>	<b>569,516</b>	<b>147,761</b>	<b>14,304</b>	<b>456</b>	<b>10,496</b>	<b>2,463</b>	<b>14,029</b>	<b>759,025</b>

## G2 Group Investment Properties

31 March 2025		31 March 2026
£000's		£000's
10,162	Ipswich Borough Council Investment Properties	3,305
101,960	Ipswich Borough Assets Limited Investment Properties	96,775
<u>112,122</u>	<b>Group Total</b>	<u>100,080</u>

## G3 Group Long-term Investments

31 March 2025		31 March 2026
£000's		£000's
302	Ipswich Borough Council Long-term Investments	302
-	Ipswich Borough Assets Long-term Investments	-
(252)	Less intra Group Investments	(252)
<u>50</u>	<b>Group Total</b>	<u>50</u>

## G4 Group Inventories

31 March 2025		31 March 2026
£000's		£000's
543	Ipswich Borough Council Inventories	332
174	Ipswich Buses Inventories	188
-	Ipswich Borough Assets Long Inventories	73
<u>717</u>	<b>Group Total</b>	<u>593</u>

## G5 Group Short-term Receivables

31 March 2025		31 March 2026
£000's		£000's
4,920	Central government bodies	1,938
6,203	Other local authorities	7,030
182	NHS bodies	(55)
5,472	IBC Subsidiaries	8,797
	Other entities and individuals:	
6,078	Sundry Receivables	6,856
2,338	Council Tax	2,671
1,009	Non Domestic Rates	1,375
832	Housing Rents	702
<u>27,034</u>		<u>29,314</u>
	Less Provision for Bad Debts:	
(654)	Sundry Receivables	(585)
(1,198)	Council Tax	(1,302)
(346)	Non Domestic Rates	(397)
(508)	Housing Rents	(447)
<u>24,328</u>	<b>Ipswich Borough Council Total</b>	<u>26,583</u>
1,260	Ipswich Buses Limited	1,126
2,223	Ipswich Borough Assets Limited	974
-	Ipswich Borough Assets Development	-
438	Ipserv Limited	152
191	Ipserv Direct Services Limited	17
4,739	Handford Homes Limited	1,673
54	Handford Homes Lettings	95
219	Stage Event Security Limited	221
56	Ipserv Employers Ltd	271
(8,402)	Less intra Group receivables	(19,657)
<u>25,106</u>	<b>Group Total</b>	<u>11,455</u>

## **GLOSSARY OF FINANCIAL TERMS**

### **Accounting Period**

The period of time covered by the accounts, normally a period of twelve months, commencing on 1 April for Local Council accounts.

### **Accruals**

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

### **Capital Charges**

A charge to revenue accounts, including depreciation where appropriate, to reflect the use of non-current assets in the provision of services.

### **Capital Expenditure**

Expenditure on capital assets which have a long-term value to the Council e.g. land, buildings and equipment (known as non-current assets) or the payment of grants to other people for the purchase or improvement of capital assets.

### **Capital Receipts**

Proceeds arising from the sale of capital assets or from the repayment to the Council of capital grants and loans. A proportion of capital receipts may be used to finance additional capital spending.

### **Collection Fund**

The Collection Fund brings together income from council tax, and business ratepayers. From this fund the Borough, County Council's and Police Commissioner precept for their annual net expenditure.

### **Depreciation**

A measure of the cost of the wearing out of a non-current asset, through wear and tear, deterioration or obsolescence.

### **General Fund (GF)**

The Council's main account, which includes all services except Council Housing and the Council's Trading Services. The net expenditure on the account is financed from Government Revenue Support Grant, Non-Domestic Rates and Council Tax.

### **Government Grants**

Payments by Central Government towards Local Council expenditure. They may be specific e.g. Housing Benefits, or general e.g. Revenue Support Grant.

### **Housing Revenue Account (HRA)**

This account covers the provision of Council houses, including supervision and management and repairs and maintenance. There is a statutory requirement to keep this account separate from those of other services, including other housing services.

### **Indexation**

Indexation is a tool used to apply an inflationary increase to assets in the years between professional valuations. Indexation works by considering the relative change in value using indices based on a range of factors – for example, normal inflation, local cost pressures and, for some assets, the scarcity of resources for replacing the assets.

### **Infrastructure Assets**

A type of non-current asset, for example street lighting and sewers.

### **Minimum Revenue Provision (MRP)**

A prudent sum is required by law to be set aside from revenue for the repayment of loan debt.

**Net Book Value**

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

**Precept**

The amount, which a Precepting Council (i.e. a County Council) requires from a Charging Council (Borough/District Council) to meet its expenditure requirements (from the Council Tax collected on behalf of the Precepting Council).

**Provision**

An amount set aside in a separate account to cover known likely losses. An example of a provision is the Insurance Provision.

**Reserves**

An amount set aside in a separate account for future use. Reserves may be capital (can only be used for capital purposes) or revenue (can only be used by revenue accounts). Reserves can be earmarked for a specific purpose or classified as general i.e. not earmarked for a particular purpose, for example the general fund revenue balance.

**Revenue Expenditure Funded from Capital Under Statute**

Expenditure that is classified as capital for funding purposes which does not result in the expenditure being carried on the balance sheet as a non-current asset.

**Section 151 Officer**

The officer with specific legal responsibility for the financial matters of a local authority.

**Work in Progress**

The cost of work done on an uncompleted project at a specified date (in the Statement of Accounts, this is the financial year-end date), which has not been recharged to the appropriate account at that date.