STATEMENT OF ACCOUNTS

2025-2026

BOROUGH OF
BROXBOURNE
www.broxbourne.gov.uk

EM260322

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Introduction to the Borough

The Borough of Broxbourne is in southeast Hertfordshire, with London to the south and Essex to the east. It has an area of approximately 52 square kilometres with a population of around 100,000.

The Borough has excellent transport links, located just off Junction 25 of the M25 with the A10 running north-south through the Borough. There are more than 3,300 hectares of green belt land and 290 hectares of Council maintained green open space. The Lee Valley Regional Park borders the Borough to the east.

Political and Management Structure

The Borough of Broxbourne is made up of 10 wards supported by 30 Councillors (three councillors to each ward). The political make-up of the Council is:

Conservative Party	24 Councillors
Labour Party	3 Councillors
Reform Party	2 Councillors
Conservative (unaligned)	1 Councillor

The Council has adopted the Leader and Cabinet model as its political structure. Throughout the year the Leader of the Council had responsibility for the appointment of the members of the Cabinet and the allocation of areas of responsibility for each Cabinet Member, except for the position of Deputy Leader, who is elected from within the ruling group.

The Corporate Management Team (CMT), led by the Chief Executive, is responsible for implementing the decisions taken by the Council and Cabinet. The other members of CMT during 2025/26 were the Deputy Chief Executive who serves as the Council's S151 officer, the Strategic Director, the Resources Service Director and the Customer and Communications Service Director, Planning and Place Director and Operations Director.

A workforce of about 400 employees delivers Council services from various locations in the Borough. These include the Borough Offices in Cheshunt, two leisure centres, the Spotlight multi-purpose arts and events centre in Hoddesdon, and the 18-hole golf course and driving range at Cheshunt Park as well as the depot at New River Trading Estate Cheshunt.

Corporate Objectives

The Council's objectives are set out in its Corporate Plan covering the period 2024-2029.

The corporate priorities are:

- A thriving economy offering business growth and jobs
- Sustainable living in an attractive environment
- An effective Council, efficient and responsive to the needs of residents.

These priorities will be delivered through a set of objectives which are outlined in the Corporate Plan.

Local Plan and Future Developments

Broxbourne's Local Plan was adopted in June 2020 and sets the framework for development in the Borough until 2033.

A significant amount of investment will be made into the area over the life of the Plan period. By the end of the Plan period 8,000 new homes will have been delivered, 6,000 permanent jobs will have been created with many more created through the construction, outlined in the Plan. As it is five years old, the Local Plan will be reviewed during 2026/27.

The local economy will be strengthened by creating a range of job opportunities in business parks and town centres, with a focus on high-value jobs in new business campuses around the A10.

Planning permission for the Brookfield Riverside project was issued in February 2025. The Brookfield Riverside development will combine the Brookfield Centre and Brookfield Retail Park into a new and expanded town centre with shops, cafes, restaurants and leisure attractions.

The sister project to Brookfield Riverside, Brookfield Garden Village was granted planning permission in August 2025 and will provide approximately 1,250 residential dwellings to complement the 250 outlined in the Brookfield Riverside development. These homes will sit alongside the new town centre and will form a new community. The project also includes a new three form entry primary school, a new Household Waste and Recycling Centre and replacement sites for Broxbourne Council's Vehicle Depot, Halfhide Lane Gypsy and Traveller Site and allotments.

Following the Council's allocation of £1.16 million of government Shared Prosperity Funding, the Council has appointed a dedicated Town Centre Manager to support growth of retail business and the visitor and night-time economy. The grant funding will also helped to provide basic skills for the economically inactive; basic digital skills for employability and tailored skills to meet needs of local employers. It also helped with community safety initiatives, support for cultural and community events and improvements to sport areas and clubs.

The Waltham Cross Regeneration project completed in November 2025. This project secured £14.3 million of funding from the government via its levelling up fund. This combined with around £2 million of Council funding delivered over £14 million of public realm works. Two major projects in Waltham Cross town centre have also been completed using this funding; these are a skills hub to deliver skills and training to residents to improve access to the job market an improved facilities within the park, including a new walking and running track, better drainage of the football pitch and refurbishment of the sports pavilion.

In February 2025 a development agreement was entered into to build 36 two bedroomed flats on land at Bishops College adjacent to the New River. The first block of nine flats will be transferred to the Council as consideration for the land.

A footpath network, water tanks and concrete landings have been installed in a new area of Cheshunt cemetery.

Badger BC Investments Ltd

Badger BC Investments Ltd is a wholly owned subsidiary company of the Council. The Company operates a portfolio of 63 properties, 59 owned and four leased, with two of the owned properties being commercial. 14 of the properties have been developed on land purchased from the Council and 28 of the properties have been developed by the Council and purchased by Badger. The total value of the portfolio as at 31 March 2026 is approximately £19m. In the year the Council received interest of £0.7 million from the Company.

Broxbourne Environmental Trading Services (BEST) Ltd

Broxbourne Environmental Trading Services (BEST) Ltd is the Council's second wholly owned subsidiary. It started trading on 1 April 2019 and delivers the Council's front-line services of waste and recycling collections, cemetery services, management of parks and open spaces including grounds maintenance, markets, street cleaning and enforcement.

Narrative Report to the Statement of Accounts

Capital Programme

The Council had a budget of approximately £33m allocated to capital projects in 2025/26, including £31m for projects carried forward from the previous year. The capital programme was funded from various sources, including capital receipts, Section 106 monies received from planning agreements and earmarked reserves.

£7.6m was allocated to existing land and building works projects to generate additional income, improve operational assets for the Council or to facilitate major development projects.

The Council has funded £17k from the Capital Programme to install CCTV cameras in fly tipping hot spots to tackle waste crime.

Going Concern

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue, note 40 contains a more detailed analysis.

The Council's general fund balance is £6.8 million.

Local Government Reorganisation

In December 2024 central government announced that two tier council structures will cease from 1 April 2028. The Council, along with the nine other district and borough councils in Hertfordshire and the county council submitted its proposals for the future of local government in Hertfordshire in November 2025. The submission included a spine document containing all the relevant information regarding the area. In addition, proposals were submitted for a two unitary model, a three unitary model and a four unitary model. At its meeting on 18 November 2025, Cabinet resolved to support the proposal for a four unitary model in Hertfordshire. Government's outcome of the review of the submission is expected in July 2026.

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Financial Performance for 2025/26

The 2025/26 statement of accounts has been prepared in accordance with the requirements of the CIPFA Local Authority Code of Practice (The Code).

As highlighted above, despite the challenges of the last year, the financial position of the Council continues to be robust. The budget was set on 25 February 2025 at £13.0m.

	2025/26 Revised Budget	Actual as at 31 March 2026	(Under)/Over Spend
	£	£	£
General Fund Position	12,970,618	25,696,499	12,725,881
The Leisure Centres (Trading Position)			(368,826)
Cheshunt Park Golf Centre (Trading Position)			(12,065)
The Spotlight (Trading Position)			251,697
Combined Overall Position			**12,596,687**
Removal of Capital changes that do not affect net operating expenditure			(11,926,575)
Combined Overall Position after Capital costs removed			**670,112**
Additional interest income			(578,787)
National Insurance grant received			(141,785)
Contribution to Broxbourne Sport and Broxbourne Leisure and Culture Reserve			50,460
Final Outturn Position			**-**

Narrative Report to the Statement of Accounts

Corporate Risks

The Council is a complex organisation delivering a range of services across various service areas for our communities. These services are provided against a backdrop of corporate risks which are reviewed and discussed in rotation at each Audit and Standards Committee.

The current top corporate risks identified from the Council's risk register include:

Risk description	Mitigation
Business Continuity (BC): If the Council does not have adequate BC arrangements in place, then significant service disruption may ensue in the event of a significant incident. In particular the risk of a Cyber Security event causing significant financial, operational and reputational damage.	A tested Corporate BC Plan (BCP) is in place and reviewed semi-annually. The BCP ensures the provision of key services in the 72 hours following a disruption. System protections are in place to minimise a Cyber-attack risk. Strategies are in place to minimise the impact should a Cyber threat occur including staff training and isolation of obsolete servers.
Financial Resilience: Inflationary pressures impacting on cost of, and demand for, Council services; Increased cost of projects and fall in revenues.	The Council addresses these risks through the Medium-Term Financial Strategy, the Treasury, Investment and Capital Strategies, financial reserves, the evaluation of proposed capital schemes, through budgetary controls and monitoring and by credit checks and financial monitoring.
Loss of expertise due to inability to retain staff and recruit suitable placements.	A mentor and staff benefits scheme are in place. Communication is maintained through the Staff News and Forum. An appraisal review mechanism is established. Staff training and educational support programmes are established. Service resilience is enhanced by shared services/joint working programmes, the use of agency staff where available and the recruitment programme with succession planning.
Uncertainty and lack of clarity over Local Government Reorganisation negatively impacts the Council's operations and strategic ambitions.	The Council is maintaining communication to staff, residents and stakeholders to ensure an inclusive approach to engagement. Together with its district/ borough counterparts. The Council is in dialogue with the government to ensure Broxbourne's interests are promoted. The progress of 'phase 1' fast-track devolution councils outside Herts is being monitored. Robust budgetary and internal control scrutiny arrangements are being maintained. Governance structures remain in place and are effective.
Failure to put in place effective arrangements to manage H&S risks.	Formal H&S framework in place including Corporate H&S Group, policies and procedures, training and awareness programme, design and accident reporting system. Compliance processes are in place for Council facilities including inspection and maintenance programmes.

Sandra Beck FCCA

Deputy Chief Executive (S151 Officer)

Explanation of the Financial Statements

The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each financial year. The accounts for the year ending 31 March 2026 are set out on pages 12 to 79 of this document and consist of a number of statements. Much of the information in the document is of a technical nature and has been completed to be compliant with the 2025/26 CIPFA Local Authority Accounting Code of Practice (The Code) and Service Reporting Code of Practice (SeRCOP). The statement of accounting policies explains the policies adopted by the Council to complete these accounts.

Statements to the Accounts

The Statement of Responsibilities for the Statement of Accounts identifies the officer who is responsible for the proper administration of the Council's financial affairs. The Certificate of the Deputy Chief Executive (S151 Officer) confirms the validity of the information presented in the accounts.

Core Financial Statements

The **Movement in Reserves Statement** shows the movement in the reserves held by the Council analysed into 'usable reserves' (i.e. those that can be used to fund expenditure) and other 'unusable' reserves. Total reserves at 31 March 2026 were £207.2 million compared with £209.3 million at 31 March 2025. The Movement in Reserves Statement reconciles the £2.1 million deficit on the Comprehensive Income and Expenditure Statement to the movement in the General Fund balance and its accompanying note (note five) provides a breakdown of the adjustments between the accounting basis and funding basis under regulations. These include reversals of depreciation and the adjustments made to comply with International Accounting Standard 19 (employee benefits), entries relating to the financing of capital expenditure from revenue and vice versa, gains on the revaluations of non current assets and actuarial gains and losses on the pension fund.

The **Comprehensive Income and Expenditure Statement** is the primary statement illustrating performance. It summarises the income receivable and expenditure incurred in operating the Council for the year. The statement shows a deficit for 2025/26 of £2.1 million which represents the amount by which expenditure exceeds income. The statement is prepared in accordance generally accepted accounting practices, rather than the amount to be funded from taxation. Income and expenditure is analysed in note three based on the reporting structures that the Council uses for decision making.

The **Balance Sheet** summarises the Council's assets, liabilities and reserves. At 31 March 2026, the Council's net worth was £207.2 million. Other notes provide analysis of various categories of income and expenditure and the additional information that the Council is required to disclose, such as details of capital expenditure and sources of finance, officers' remuneration and information on pensions.

The **Cash Flow Statement** summarises, in cash terms, the Council's transactions with its taxpayers, its customers, its suppliers, the Government and other parties. There are no significant provisions or contingencies included in the Statement of Accounts as at 31 March 26 and there were no material write offs during the year.

The **notes to the accounts** provide support to the core statements to aid understanding.

Note one, the **Expenditure and Funding Analysis,** shows how the Council's annual expenditure is allocated for decision making purposes between the Council's departments and how this expenditure is split between that which is funded from General Fund resources (eg: council tax, business rates, rents and fees and charges) and that which is as a result of accounting practices. The analysis ties back the £5.0 million decrease in reserves shown in the Movement in Reserves Statement and the £3.9 million deficit on the provision of services shown in the Comprehensive Income and Expenditure Statement.

Supplementary Statements

As well as collecting its own tax, the Council collects business rates on behalf of the Government and Hertfordshire County Council and council tax on behalf of Hertfordshire County Council and the Police and Crime Commissioner (as precepts on the council tax). All of this activity is summarised in the Collection Fund Account which is detailed on page 68.

The **report of the auditors** provides an opinion as to whether the accounts present a true and fair view of the Council's financial position.

Statement of Responsibilities for the Statement of Accounts

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 this Council, that officer is the Deputy Chief Executive;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

The Deputy Chief Executive's Responsibilities

The Deputy Chief Executive is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in CIPFA/LASAAC Code of Practice on Local Authority Accounting in United Kingdom (the Code of Practice).

In preparing this Statement of Accounts, the Deputy Chief Executive has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Deputy Chief Executive has also:

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

Certificate of Deputy Chief Executive (S151 Officer)

I certify that this Statement of Accounts presents a true and fair view of the financial position of Broxbourne Borough Council as at 31 March 2026 and its income and expenditure for the year then ended.

Sandra Beck FCCA
Deputy Chief Executive (S151 Officer)

Approval of the Statement of Accounts

I confirm that the Statement of Accounts was approved by the Audit and Standards Committee at its meeting held on _______________.

Cllr Shenis Hassan
Chairman

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (those that can be used to fund expenditure) and

	Note	Total Revenue Reserves	Capital Grants Unapplied	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves Restated	Total Reserves
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2024		**(37,096)**	**(1,644)**	**(2,728)**	**(41,468)**	**(171,152)**	**(212,620)**
Movement in Reserves during 2024/25							
Surplus on provision of services		(3,472)	-	-	**(3,472)**	-	**(3,472)**
Other comprehensive income.		-	-	-	-	6,802	**6,802**
Total Comprehensive Income and Expenditure		**(3,472)**	**-**	**-**	**(3,472)**	**6,802**	**3,330**
Adjustments between accounting basis and funding basis under regulations	**5**	(1,142)	(2,790)	485	**(3,447)**	3,447	**-**
(Increase)/decrease in year		**(4,614)**	**(2,790)**	**485**	**(6,919)**	**10,249**	**3,330**
Balance at 31 March 2025 carried forward		**(41,710)**	**(4,434)**	**(2,243)**	**(48,387)**	**(160,903)**	**(209,290)**
Movement in Reserves during 2025/26							
Deficit on provision of services		3.896	-	-	**3,896**	-	**3,896**
Other comprehensive income		-	-	-	-	(1,805)	**(1,805)**
Total Comprehensive Income and Expenditure		**3,896**	**-**	**-**	**3,896**	**(1,805)**	**2,091**
Adjustments between accounting basis and funding basis under regulations	**5**	(560)	(451)	2,129	**1,118**	(1,118)	**-**
Decrease/(Increase) in year		**3,336**	**(451)**	**2,129**	**5,014**	**(2,923)**	**2,091**
Balance at 31 March 2026 carried forward		**(38,374)**	**(4,885)**	**(114)**	**(43,373)**	**(163,826)**	**(207,199)**

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. Local authorities 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.

		2025/26			2024/25		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	Note	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Chief Executive		6,331	(449)	**5,882**	5,474	(583)	**4,891**
Deputy Chief Executive		623	(644)	**(21)**	691	(689)	**2**
Customer and Communications		11,016	(2,081)	**8,935**	7,543	(2,204)	**5,339**
Operations		11,454	(4,905)	**6,549**	11,756	(4,445)	**7,311**
Planning and Place		33,577	(24,234)	**9,343**	34,133	(27,648)	**6,485**
Resources		3,622	(1,630)	**1,992**	3,668	(1,529)	**2,139**
Broxbourne Sport and Broxbourne Leisure and Culture		7,136	(6,959)	**177**	6,754	(6,177)	**577**
Cost of Services		**73,759**	**(40,902)**	**32,857**	**70,019**	**(43,275)**	**26,744**
Other Operating Income and Expenditure	**7**	166	-	166	1	(124)	(123)
Financing and Investment Income and Expenditure	**8**	9,562	(16,416)	(6,854)	12,955	(15,271)	(2,316)
Taxation and Non Specific Grant Income	**9**		(22,273)	(22,273)		(27,777)	(27,777)
Deficit/(Surplus) on Provision of Services	**3**			**3,896**			**(3,472)**
Surplus/(deficit) on revaluation of non current Assets				(397)			6,307
Actuarial (gains)/losses on pension assets/ liabilities	**32(a)**			(1,408)			495
Other Comprehensive Income and Expenditure				(1,805)			6,802
Total Comprehensive Income and Expenditure				**2,091**			**3,330**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date (31 March 2026) of the assets and liabilities recognised by the Council. The net assets (assets less liabilities) are matched by the reserves held by the Council.

		31 March 2026	31 March 2025
	Note	**£000**	**£000**
Property, Plant and Equipment	**10**	79,258	79,377
Heritage Assets	**11**	626	626
Investment Property	**12**	123,214	125,572
Intangible Assets	**13**	565	1,260
Long Term Debtors	**14(a),16**	17,058	17,423
Non Current Assets		**220,721**	**224,258**
Short Term Investments	**14(a)**	36,449	44,313
Assets Held for Sale	**18**	-	-
Inventories	**15**	48	63
Short Term Debtors	**16**	36,451	31,359
Cash and Cash Equivalents	**14(a),17**	23,594	23,081
Current Assets		**96,542**	**98,816**
Short Term Creditors	**19**	54,353	54,639
Short Term Borrowing	**14(a)**	52,804	52,817
Current Liabilities		**107,157**	**107,456**
Long Term Creditors and Provisions	**20**	2,907	6,328
Non Current Liabilities		**2,907**	**6,328**
Net Assets		**207,199**	**209,290**
Unusable Reserves	**21**	163,826	160,903
Usable Reserves	**page 12**	43,373	48,387
Total Reserves		**207,199**	**209,290**

These financial statements have been authorised for issue on _______________ by the Deputy Chief Executive (S151 Officer)

Sandra Beck FCCA
Deputy Chief Executive (S151 Officer)

Cash Flow Statement

This consolidated statement summarises the Council's inflows and outflows of cash and cash equivalents arising from transactions with third parties for revenue and capital purposes.

Transfers between internal funds and accruals of expenditure and income are therefore excluded.

	Note	2025/26 £000	2024/25 £000
Net deficit/(surplus) on the Provision of Services		**3,896**	**(3,472)**
Adjustments to net surplus on the provision of services for non cash movements	**22**	(5,076)	(18,650)
Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	**22**	12,603	10,754
Net cash inflows from operating activities		11,423	(11,368)
Investing activities	**23**	(15,217)	4,487
Financing activities	**24**	3,281	5,122
Net Increase in Cash and Cash Equivalents		**(513)**	**(1,759)**
Cash and Cash Equivalents at 1 April	**17**	**23,081**	**21,322**
Cash and Cash Equivalents at 31 March	**17**	**23,594**	**23,081**

Note 1 - 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 the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2025/26			2024/25		
	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000
Chief Executive	4,170	1,712	**5,882**	2,952	1,940	**4,892**
Deputy Chief Executive	8	(29)	**(21)**	4	(1)	**3**
Customer and Communications	789	8,146	**8,935**	1,168	4,170	**5,336**
Operations	5,961	588	**6,549**	6,377	933	**7,310**
Planning and Place	6,264	3,079	**9,343**	6,255	230	**6,485**
Resources	(615)	2,607	**1,992**	(880)	3,019	**2,139**
Broxbourne Sport and Broxbourne Leisure and Culture	374	(197)	**177**	633	(57)	**576**
Net Cost of Services	**16,951**	**15,906**	**32,857**	**16,509**	**10,234**	**26,743**
Other Income and Expenditure	(13,223)	(15,738)	(28,961)	(24,983)	(5,232)	(30,215)
Revenue Contribution to Capital	1,286	(1,286)	-	1,555	(1,555)	-
Deficit/(Surplus) on Provision of Services	**5,014**	**(1,118)**	**3,896**	**(6,919)**	**3,447**	**(3,472)**
Opening General Fund Balance and Revenue Reserves at 31 March	(48,387)			(41,468)		
Add deficit/(surplus) in Year	5,014			(6,919)		
Closing Revenue Reserves Balance at 31 March	**(43,373)**			**(48,387)**		

Notes to the Core Financial Statements

Note 2 - Note to the Expenditure and Funding Analysis

2025/26	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	**£000**
Chief Executive	1,811	(98)	(1)	**1,712**
Deputy Chief Executive	-	(43)	14	**(29)**
Customer and Communications	8,234	(116)	28	**8,146**
Operations	645	(50)	(7)	**588**
Planning and Place	3,196	(166)	49	**3,079**
Resources	2,762	(171)	16	**2,607**
Broxbourne Sport and Broxbourne Leisure and Culture	-	(169)	(28)	(197)
Net Cost of Services	**16,648**	**(813)**	**71**	**15,906**
Other Income and Expenditure	166	-	-	166
Financing and Investment Income and Expenditure	2,899	(2,317)	-	**582**
Taxation and Non Specific Grant Income	(16,478)	-	(8)	**(16,486)**
Revenue Contribution to Capital	(1,286)	-	-	**(1,286)**
Difference Between General Fund Surplus and Comprehensive Income and Expenditure Deficit	**1,949**	**(3,130)**	**63**	**1,118**

2024/25	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	**£000**
Chief Executive	2,001	(64)	(8)	**1,929**
Deputy Chief Executive	-	(5)	5	**-**
Customer and Communications	4,171	-	-	**4,171**
Operations	956	(23)	1	**934**
Planning and Place	256	-	(15)	**241**
Resources	3,158	(120)	(22)	**3,016**
Broxbourne Sport and Broxbourne Leisure and Culture	-	(53)	(3)	**(56)**
Net Cost of Services	**10,542**	**(265)**	**(42)**	**10,235**
Other Income and Expenditure	5,467	-	-	**5,467**
Financing and Investment Income and Expenditure	452	40	-	**492**
Taxation and Non Specific Grant Income	(11,242)	-	50	**(11,242)**
Revenue Contribution to Capital	(1,555)	-	-	**(1,555)**
Difference Between General Fund Surplus and Comprehensive Income and Expenditure Deficit	**3,664**	**(255)**	**8**	**3,447**

Notes to the Core Financial Statements

Note 2 - Note to the Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes

Adjustments for capital purposes - this column includes depreciation and revenue expenditure funded by statute (REFCUS) in the service line, and for:

- Other operating expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Taxation and non-specific grant income - adjusts for capital grants received in the year and credited to the Comprehensive Income and Expenditure Statement as they either do not have conditions attached to them or any conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES).

Other Statutory Adjustments

Other statutory adjustments between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute:

- The charge under taxation and business rates income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and non domestic rates that was projected to be received at the start of the year and the income recognised under the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Other Non-Statutory Adjustments

Other non-statutory adjustments represent amounts debited or credited to service areas which need to be adjusted to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- For financing and investment income and expenditure the other non-statutory adjustments column recognises adjustments for interest income and expenditure and changes in the fair values of investment properties.

Note 3 - Expenditure and Income Analysed by Nature

The analysis of income and expenditure by department on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Council's members on the basis of budget reports analysed across departments made up of service areas. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- Commercial property trading activities are reported within the Resources Directorate;
- Bishops' College Old Building commercial letting is reported within the Resources Directorate;
- The activities of the Broxbourne Sport and The Spotlight are treated as a trading operation for management reporting purposes.

The Council's expenditure and income is analysed as follows:

	2025/26	2024/25
	£000	**£000**
Expenditure		
Employee expenses	15,480	15,255
Other operating expenditure	46,069	48,756
Depreciation, amortisation and revenue expenditure funded from capital under statute	16,444	10,567
Revaluation losses on property, plant and equipment	402	-
Pension interest costs and expected return on pension assets	-	40
Interest and investment expenditure	2,431	2,786
Changes in fair value of investment properties	2,494	5,591
Net book value of fixed assets disposed	166	-
Payments to housing capital receipts pool	1	1
Total Expenses	**83,487**	**82,976**
Income		
Government grants	(19,463)	(22,989)
Fees, charges and other service income	(33,431)	(32,390)
Gain on disposal of current and non current assets	-	(124)
Interest and investment income	(3,510)	(4,231)
Income from council tax	(6,015)	(5,910)
Income from business rates	(3,937)	(4,892)
Pension interest income and expected return on pension assets	(2,317)	-
Capital grants and contributions	(10,909)	(11,242)
Other grants and contributions	(9)	(4,670)
Total Income	**(79,591)**	**(86,448)**
Deficit/(Surplus) on the Provision of Services	**3,896**	**(3,472)**

Note 4 - Capital Expenditure and Capital Financing

During 2025/26, in addition to the annual net revenue expenditure on services, the Council spent £15.6 million on various capital schemes (£10.0 million in 2024/25).

	2025/26	2024/25
	£000	£000
Opening Capital Financing Requirement	57,130	57,130
Capital Investment		
Vehicles, plant and equipment	755	1,117
Investment property	136	-
Land and buildings	1,219	1,403
Intangible assets	42	1,409
Community assets	846	35
Infrastructure assets	10	1
Heritage assets	-	116
Assets under construction	28	433
Revenue expenditure funded from capital under statute	12,541	5,500
	15,577	10,014
Sources of Finance		
Capital receipts	(1,693)	(1,597)
Government grants and other contributions	(12,599)	(6,862)
Sums set aside from revenue:		
Direct revenue contributions	(1,286)	(1,555)
	(15,577)	(10,014)
Closing Capital Financing Requirement	**57,130**	**57,130**
Explanation of movements in year		
Increase in underlying need to borrow	-	-
Increase in Capital Financing Requirement	**-**	**-**

Note 5 - Adjustments Between Accounting Basis and Funding Basis Under Regulations

The purpose of this note is to explain the adjustments that are made to the total Comprehensive Income and Expenditure Statement and the funding sources that are allowed by statute as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves against which the adjustments are made.

General Fund Balance

The General Fund records all the receipts of the Council out of which the Council's liabilities are paid, except to the extent that statutory rules might provide otherwise. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the year.

Capital Grants Unapplied

The Capital Grants Unapplied account holds unused grants and contributions which are intended to be spent on future capital projects, where the Council has met the conditions of the grant or contribution that would otherwise require it to be repaid. The terms of the grants restrict the projects these funds can be used on or the financial year in which the funds can be spent.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, these are restricted by statute from being used for any purpose other than to fund new capital expenditure. The balance on the reserve shows the amount that has yet to be applied for these purposes at the year end.

	Usable Reserves			
	General Fund Balance	**Capital Grants Unapplied**	**Capital Receipts Reserve**	**Unusable Reserves**
2025/26	**£000**	**£000**	**£000**	**£000**
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items included in the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(3,166)	-	-	3,166
Movements in the value of investment properties	(2,494)	-	-	2,494
Amortisation of intangible assets	(738)	-	-	738
Capital grants and contributions applied	11,361	-	-	(11,361)
Revenue expenditure funded from capital under statute	(12,541)	-	-	12,541
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	(158)	-	-	158
Insertion of items not included in the Comprehensive Income and Expenditure Statement:				
Capital expenditure charged against the General Fund balance	1,286	-	-	(1,286)
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	451	(451)	-	-

Note 5 - Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

	Usable Reserves			
	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Unusable Reserves
2025/26	**£000**	**£000**	**£000**	**£000**
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	2,930	(2,930)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(1)	-	1	-
Other capital related income credited to the Comprehensive Income and Expenditure Statement	792	-	(792)	-
Adjustments primarily involving the Deferred Capital Receipts Reserve:				
Transfer of cash receipts from Deferred Capital Receipts Reserve	-	-	(10)	10
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited to the Comprehensive Income and Expenditure Statement	(1,537)	-	-	1,537
Employer’s pension contributions	2,467	-	-	(2,467)
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	104	-	-	(104)
Amount by which non domestic rate (NDR) income credited to the Comprehensive Income and Expenditure Statement is different from NDR income calculated for the year in accordance with statutory requirements	3,685	-	-	(3,685)
Adjustment primarily involving the Accumulated Absences Account:				
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	(71)	-	-	71
Total Adjustments	**(560)**	**(451)**	**2,129**	**(1,118)**

Note 5 - Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

	Usable Reserves			
	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Unusable Reserves
2024/25	**£000**	**£000**	**£000**	**£000**
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items included in the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(3,793)	-	-	3,793
Movements in the value of investment properties	(5,591)	-	-	5,591
Amortisation of intangible assets	(1,254)	-	-	1,254
Capital grants and contributions applied	6,765	-	-	(6,765)
Revenue expenditure funded from capital under statute	(5,500)	-	-	5,500
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	(183)	-	-	183
Insertion of items not included in the Comprehensive Income and Expenditure Statement:				
Capital expenditure charged against the General Fund balance	1,555	-	-	(1,555)
Upward valuation of assets	-	-	-	-
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	2,800	(2,800)	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	10	-	(10)
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	288	-	(288)	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	1,684	(1,684)
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(1)	-	1	-

Note 5 - Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

	Usable Reserves			
	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Unusable Reserves
2024/25	**£000**	**£000**	**£000**	**£000**
Other capital related income credited to the Comprehensive Income and Expenditure Statement	902	-	(902)	-
Adjustments primarily involving the Deferred Capital Receipts Reserve:				
Transfer of cash receipts from Deferred Capital Receipts Reserve	-	-	(10)	10
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited to the Comprehensive Income and Expenditure Statement	(1,916)	-	-	1,916
Employer's pension contributions	2,141	-	-	(2,141)
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(69)	-	-	69
Amount by which non domestic rate (NDR) income credited to the Comprehensive Income and Expenditure Statement is different from NDR income calculated for the year in accordance with statutory requirements	2,670	-	-	(2,670)
Adjustment primarily involving the Accumulated Absences Account:				
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	44	-	-	(44)
Total Adjustments	**(1,142)**	**(2,790)**	**485**	**3,447**

Note 6 - Transfers to/(from) Earmarked Reserves

This note sets out the amounts which have been set aside to provide financing for future expenditure plans and the amounts transferred back from earmarked reserves to fund expenditure in 2025/26.

Movements on Earmarked Reserves in 2025/26 were as follows:

	Balance at 31 March 2025	Transfers Out	Transfers In	Balance at 31 March 2026
	£000	£000	£000	£000
Capital Related Reserves				
Capital and Building Works Reserve	**2,509**	(207)	-	**2,302**
Environmental Services Reserve	**330**	(50)	-	**280**
Broxbourne Sport and Broxbourne Leisure and Culture Reserve	**1,628**	(114)	51	**1,565**
TOTAL CAPITAL RELATED RESERVES	**4,467**	(371)	51	**4,147**
Revenue Reserves				
Economic Development Reserve	**897**	(600)	327	**624**
Personnel Reserve	**193**	-	-	**193**
Grave Maintenance Reserve	**17**	(15)	-	**2**
Service Specific Grants Reserve	**2,942**	(225)	163	**2,880**
Service Protection and Enhancement Fund	**3,754**	(24)	27	**3,756**
Housing and Planning Delivery Grant Reserve	**689**	(4)	4	**689**
Performance Reward Grant Reserve	**45**	-	-	**45**
Repairs and Renewals Fund	**459**	-	27	**486**
Park Lane Footbridge Reserve	**318**	-	-	**318**
Brookfield Reserve	**13,600**	-	-	**13,600**
Lottery Grant Reserve	**25**	(4)	-	**21**
Community Safety Projects Reserve	**55**	(17)	-	**38**
Rental Income Protection Reserve	**2,164**	(210)	-	**1,954**
Collection Fund Reserve	**1,590**	(1,181)	270	**679**
Major Road Network Reserve	**163**	(99)	-	**64**
S31 Grant Reserve	**1,926**	-	-	**1,926**
TOTAL REVENUE RESERVES	**28,837**	(2,379)	818	**27,276**
Total Earmarked Reserves	**33,304**	(2,753)	869	**31,423**
Total Movement in Earmarked Reserves in 2025/26				**(1,880)**

In addition to the above the Council also has a General Fund Reserve of £5,846k (2024/25 £6,572k) which results in total usable revenue reserves of £43,373k (2024/25 48,387k).

Note 6 - Transfers to/(from) Earmarked Reserves (continued)

Movements on Earmarked Reserves in 2024/25 were as follows:

	Balance at 31 March 2024	Transfers Out	Transfers In	Balance at 31 March 2025
	£000	£000	£000	£000
Capital Related Reserves				
Capital and Building Works Reserve	**2,655**	(146)	-	**2,509**
Environmental Services Reserve	**385**	(55)	-	**330**
Broxbourne Sport and Broxbourne Leisure and Culture Reserve	**2,343**	(715)	-	**1,628**
TOTAL CAPITAL RELATED RESERVES	**5,383**	(916)	-	**4,467**
Revenue Reserves				
Economic Development Reserve	**777**	(560)	608	**897**
Personnel Reserve	**364**	(171)	-	**193**
Grave Maintenance Reserve	**17**	-	-	**17**
Service Specific Grants Reserve	**7,122**	(4,416)	236	**2,942**
Service Protection and Enhancement Fund	**3,754**	-	-	**3,754**
Housing and Planning Delivery Grant Reserve	**710**	(21)	-	**689**
Performance Reward Grant Reserve	**45**	-	-	**45**
Repairs and Renewals Fund	**459**	-	-	**459**
Park Lane Footbridge Reserve	**318**	-	-	**318**
Brookfield Reserve	**8,121**	-	5,479	**13,600**
Lottery Grant Reserve	**29**	(4)	-	**25**
Community Safety Projects Reserve	**55**	-	-	**55**
Rental Income Protection Reserve	**2,164**	-	-	**2,164**
Collection Fund Reserve	**2,482**	(892)	-	**1,590**
Major Road Network Reserve	**93**	-	70	**163**
S31 Grant Reserve	**3,894**	(1,968)	-	**1,926**
TOTAL REVENUE RESERVES	**30,404**	(8,031)	6,393	**28,837**
Total Earmarked Reserves	**35,787**	(8,947)	6,393	**33,304**
Total Movement in Earmarked Reserves in 2024/25				**(2,483)**

These reserves are an important way of projecting the Council's current resources into the future and preparing to meet future needs. Their purposes are as follows:

- Capital and Building Works Reserve - used to finance capital works including works to the Council's buildings, as well as purchases of vehicles, plant and equipment.
- Services Reserves - used to finance purchases of vehicles and equipment for Environmental Services, Broxbourne Sport and Broxbourne Leisure and Culture.
- Economic Development Reserve - used to invest in the economic well being of the Borough.
- Personnel Reserve - to provide for potential personnel costs.
- Grave Maintenance Reserve - money received to maintain graves in perpetuity.
- Service Specific Grants Reserve - grants received in advance of expenditure being incurred but which need to be recognised as income in the year they are received.
- Service Protection and Enhancement Fund - to protect and enhance services in future years.
- Housing and Planning Delivery Grant Reserve - to fund future expenditure associated with the Local Plan.
- Performance Reward Grant Reserve - to hold performance reward grant funding for future allocation by the Local Strategic Partnership.
- Repairs and Renewals Fund - to enable accelerated maintenance of revenue generating fixed assets.

Note 6 - Transfers to/(from) Earmarked Reserves (continued)

- Lottery Grant Reserve - contributions received from the Broxbourne Community Lottery, set aside to fund grant applications from local organisations.
- Park Lane Footbridge Reserve - to fund the construction of a footbridge over the railway.
- Brookfield Reserve - to fund the future relocation of the Council's depot and allotments.
- Community Safety Project Reserve - to fund community safety initiatives and projects identified by the Council.
- Rental Income Protection Reserve - to be used in the event of a significant drop in the commercial rental income the Council receives.
- Collection Fund Reserve - to be used to smooth the impact of any significant drop in the business rates and council tax income the Council receives.
- Major Road Network Reserve - to be used in future years to fund major road network projects (A10) with Hertfordshire County Council.
- S31 Grant Reserve - to be used in future years to fund the business rates deficit in the Collection Fund.

Note 7 - Other Operating Income and Expenditure

	2025/26	2024/25
	£000	£000
Losses/(gains) on the disposal of current and non current assets	166	(123)
Total	**166**	**(123)**

Note 8 - Financing and Investment Income and Expenditure

	2025/26	2024/25
	£000	£000
Interest payable	2,431	2,786
Pensions interest cost and expected return on pension assets	(2,317)	40
Interest receivable and similar income	(3,510)	(4,231)
Changes in fair value in relation to investment properties	2,494	5,591
Net income from trading operations not in service expenditure analysis	(5,952)	(6,501)
Total	**(6,854)**	**(2,316)**

Note 9 - Taxation and Non Specific Grant Income

	2025/26	2024/25
	£000	£000
Council tax income	(6,015)	(5,910)
Non domestic rates	(3,937)	(4,892)
Non ringfenced Government grants	(816)	(1,063)
Other income	(659)	(4,670)
Capital grants and contributions	(10,846)	(11,242)
Total	**(22,273)**	**(27,777)**

Notes to the Core Financial Statements

Note 10 - Property, Plant and Equipment

2025/26	Land & Buildings £000	Vehicles Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Right Of Use Assets £000	**Total £000**
Cost or Valuation							
At 1 April 2025	64,673	27,701	1,329	5,529	1,062	2,772	**103,066**
Additions	1,219	687	10	-	942	35	**2,893**
Revaluation increases recognised in the Revaluation Reserve	1,487	-	-	213	-	-	**1,700**
Revaluation decreases recognised in the Revaluation Reserve	(1,253)	-	-	(388)	-	-	**(1,641)**
Derecognition - disposals	-	(21)	-	-	-	(95)	**(116)**
Derecognition - write offs	-	(184)	-	-	-	-	**(184)**
At 31 March 2026	66,126	28,183	1,339	5,354	2,004	2,712	**105,718**
Accumulated Depreciation							
At 1 April 2025	-	(22,206)	(1,305)	-	-	(178)	**(23,689)**
Depreciation charge	(648)	(2,182)	(19)	-	-	(317)	**(3,166)**
Depreciation written out on revaluation	339	-	-	-	-	-	**339**
Derecognition - disposals	-	21	-	-	-	9	**30**
Derecognition - write offs	-	26	-	-	-	-	**26**
At 31 March 2026	(309)	(24,341)	(1,324)	-	-	(486)	**(26,459)**
Balance Sheet amount at 31 March 2026	**65,817**	**3,842**	**15**	**5,354**	**2,004**	**2,226**	**79,258**
Balance Sheet amount at 31 March 2025	**64,673**	**5,495**	**24**	**5,529**	**1,062**	**2,594**	**79,377**

Notes to the Core Financial Statements

Note 10 - Property, Plant and Equipment (continued)

2024/25	Land & Buildings £000	Vehicles Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Right Of Use Assets £000	**Total £000**
Cost or Valuation							
At 1 April 2024	74,459	29,345	1,328	2,961	831	-	**108,924**
Additions	1,409	1,117	1	64	486	2,772	**5,849**
Revaluation increases recognised in the Revaluation Reserve	18,989	-	-	3,522	-	-	**22,510**
Revaluation decreases recognised in the Revaluation Reserve	(31,878)	-	-	(40)	-	-	**(31,918)**
Revaluation decreases recognised in the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-	**-**
Derecognition - disposals	-	(56)	-	-	-	-	**(56)**
Derecognition - write offs	-	(2,353)	-	-	-	-	**(2,353)**
Assets reclassifications	1,694	(352)	-	(977)	(255)	-	**110**
At 31 March 2025	64,673	27,701	1,329	5,529	1,062	2,772	**103,066**
Accumulated Depreciation							
At 1 April 2024	(1,988)	(22,131)	(1,285)	-	-	-	**(25,404)**
Depreciation charge	(1,113)	(2,482)	(20)	-	-	(178)	**(3,793)**
Depreciation written out on revaluation	3,101	-	-	-	-	-	**3,101**
Derecognition - disposals	-	65	-	-	-	-	**65**
Derecognition - write offs	-	2,342	-	-	-	-	**2,342**
Depreciation on reclassified assets	-	-	-	-	-	-	**-**
At 31 March 2025	-	(22,206)	(1,305)	-	-	(178)	**(23,689)**
Balance Sheet amount at 31 March 2025	**64,673**	**5,495**	**24**	**5,529**	**1,062**	**2,594**	79,377
Balance Sheet amount at 31 March 2024	**72,471**	**7,214**	**43**	**2,961**	**831**	**-**	83,520

Notes to the Core Financial Statements

Note 10 - Property, Plant and Equipment (continued)

Capital Commitments

The Council has entered into a number of contracts for the construction or enhancement of Property Plant and Equipment in 2025/26 and future years. The total outstanding commitment on such schemes at 31 March 2026 was £0.8 million. The breakdown of this amount by asset category is shown below. Similar commitments at 31 March 2025 were £0.7million.

	£000
Operational buildings	310
Plant assets	425
Intangible assets	-
Assets under construction	94
	829

Revaluations

Valuations of the properties which comprise the Council's property portfolio have been updated to 31 March 2026 in accordance with Module 4 of the Code of Practice on Local Authority Accounting in the United Kingdom. The valuations are in accordance with The Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Valuations of vehicles, plant and equipment are based on depreciated historical cost.

	Land & Buildings	Vehicles Plant & Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	Right of Use Assets	**Total**
	£000	£000	£000	£000	£000	£000	**£000**
Valued at depreciated historical cost	41,279	3,842	15	1,300	2,004	2,226	**50,666**
Valued at current value in 2025/26	24,538	-	-	4,054	-	-	**28,592**
Total Net Book Value	**65,817**	**3,842**	**15**	**5,354**	**2,004**	**2,226**	**79,258**

Note 11 - Heritage Assets

Heritage Assets are those assets which are intended to be preserved in trust for future generations because of their cultural, environmental or historic associations. As such, these assets are assumed to have an indefinite life and are therefore not depreciated.

	Art Collections	Statues & Monuments	Civic Regalia	**Total**
2025/26	£000	£000	£000	**£000**
Cost or Valuation				
At 1 April 2025	200	421	5	626
At 31 March 2026	**200**	**421**	**5**	**626**
2024/25	£000	£000	£000	**£000**
Cost or Valuation				
At 1 April 2024	200	421	5	626
At 31 March 2025	**200**	**421**	**5**	**626**

In addition to the statues and monuments included in Heritage Assets, the Council also considers Goffs Oak war memorial, the remains of Cheshunt Great House and moat at Peace Close and the Theobalds Palace ruins at Cedars Park to be Heritage Assets.

Goffs Oak village centre is marked by a War Memorial which was unveiled on 20 December 1920. It is inscribed with the names of 32 men from the village who were killed in the First World War. A further three names were added following the Second World War.

Cheshunt Great House originally consisted of a large late medieval courtyard building with a vaulted undercroft. It is thought that the site was last occupied in 1450 when it was in the possession of Mari de Santo Paulo, Countess of Pembroke. By the end of the 17th century the area had become known as the Manor of La Monte and Andrews. The house was destroyed by fire in 1965 and the site now consists of the remains of a moated enclosure and associated overflow ditch with the remains of brick arches abutting the ditch on the eastern side indicating where the bridge once stood.

Theobalds Palace was built in 1563 by Lord Burleigh, Secretary of State, Lord High Treasurer and Master of Requests to Queen Elizabeth I. In 1582, the Palace was extended and the extension enclosed part of Cheshunt common fields invoking a riot by the people of Cheshunt and Northaw parishes which had to be quelled by the Earl of Warwick and a troop of soldiers. In 1607 King James I exchanged Theobalds Palace for Hatfield House. James I died at Theobalds in 1625 and was succeeded by Charles I who spent much of his childhood at Theobalds. After the execution of Charles I, Parliament decided that any possessions of the late King be surveyed, valued and sold. The palace was subsequently surveyed and much of it was taken down and the materials sold and the palace now stands in ruins.

Isabel Christie open space and obelisk contains a Meridian Marker in the form of an obelisk. The practice of marking the position of the Meridian for its amenity value, rather than as an alignment aid for telescopes, probably began at the start of the twentieth century. The land for the park was donated in 1897 by Charles Peter Christie, owner of the Christie Brewery in Hoddesdon who erected the obelisk in memory of his late wife, Isabel Constance Christie.

These are not recognised on the Balance Sheet as cost information is not readily available and due to the unique nature of these assets it is not possible to provide a reliable estimate of their value.

The majority of the Council's other heritage assets are reported on the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are reviewed annually.

Note 12 - Investment Property

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

	2025/26	2024/25
	£000	£000
Rental income from investment property*	(10,594)	(11,041)
Direct operating expenses arising from investment property*	4,642	4,540
Total	**(5,952)**	**(6,501)**

* included in ‘Trading Operations’ in Note 8. See also full analysis of trading operations in Note 25

Capital Commitments

There are no restrictions on the Council’s ability to realise the value of its investment property or on the Council’s right to receive income from any proceeds of sale. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment property over the year:

	2025/26	2024/25
	£000	£000
Balance at 1 April	125,572	129,901
Additions	136	1,403
Disposals	-	(141)
Net (losses)/gains from fair value adjustments	(2,494)	(5,591)
Balance at 31 March	**123,214**	**125,572**

Fair Value Hierarchy

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

Valuation Techniques Used to Determine Level 2 Values for Investment Property

The fair value of investment property has been measured using a market approach, which takes into account quoted prices 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 investment 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. There has been no change in the valuation techniques used in the year for investment properties.

Highest and Best Use

In estimating the fair value of the Council’s investment properties, the highest and best use is their current use.

Valuation Process for Investment Properties

The Council’s investment properties have been valued as at 31 March 2026 by a combination of the Council’s internal valuer and external valuers, Wilks, Head and Eve LLP and Colliers, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

Note 13 - Intangible Assets

The Council accounts for its software as Intangible Assets, if that software is not an integral part of a particular IT system and as such accounted for as part of the hardware item of Property, Plant and Equipment. Intangible assets include both purchased licences and internally developed software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are between 3 and 5 years.

The carrying amount of Intangible Assets is depreciated on a straight line basis. The depreciation of £0.74 million charged to revenue in 2025/26 (2024/25 £1.25 million) was mainly charged to the IT administration cost centre and then absorbed as an overhead across all the service headings in the Cost of Services. It is not possible to quantify exactly how much of the depreciation is attributable to each service heading. The movement on intangible asset balances during the year is as follows:

	2025/26	**2024/25**
	£000	**£000**
Gross carrying amounts	9,617	9,582
Accumulated depreciation	(8,357)	(7,103)
Net carrying amount at 1 April	**1,260**	**2,479**
Purchases	43	35
Amortisation for the period	(738)	(1,254)
Net carrying amount at 31 March	**565**	**1,260**
Comprising:		
Gross carrying amounts	9,639	9,617
Accumulated depreciation	(9,074)	(8,357)
Balance at 31 March	**565**	**1,260**

Capital Commitments

The Council has entered into a number of contracts for the replacement, or upgrade, of a number of its software programmes in 2025/26 and future years. The outstanding commitments on such schemes at 31 March 2026 were £0.71 million. Commitments at 31 March 2025 were £0.71 million.

Note 14 - Financial Instruments

(a) Categories of Financial Instruments

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

	Long-Term		Current	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	£000	£000	£000	£000
Investments				
Amortised Cost	-	-	36,449	44,313
Total Investments	**-**	**-**	**36,449**	**44,313**
Debtors				
Amortised Cost	17,058	17,423	16,849	13,441
Total included in Debtors	**17,058**	**17,423**	**16,849**	**13,441**
Borrowings				
Financial liabilities at amortised cost	-	-	52,804	52,817
Total included in Borrowings	**-**	**-**	**52,804**	**52,817**
Creditors				
Financial liabilities at amortised cost	-	-	42,743	42,280
Total Creditors	**-**	**-**	**42,743**	**42,280**

In addition, the Council held four money market funds and a bank deposit account at 31 March 2026. These are defined as short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are therefore treated as 'cash equivalents'. For completeness, these are shown, together with the amounts of cash and bank balance, below.

	31 March 2026	31 March 2025
	£000	£000
Cash equivalents	18,055	18,068
Cash and bank balances	5,539	5,013
	23,594	**23,081**

Note 14 - Financial Instruments (continued)

(b) Income, Expense, Gains and Losses

	31 March 2026	31 March 2025
	£000	£000
Interest income	(3,510)	(4,230)
Total Income in deficit/surplus on the Provision of Services	**(3,510)**	**(4,230)**
Interest expense	2,431	2,786
Total Expense in deficit/surplus on the Provision of Services	**2,431**	**2,786**
Net Gain for the Year	**(1,079)**	**(1,444)**

(c) Fair Values of Assets and Liabilities

Financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value is 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:

- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value.
- The fair value of trade and other receivables and payables is taken to be the invoiced or billed amount less appropriate provision made against the risk of less than full payment.
- The fair value of long term investments have been discounted at the market rate for similar instruments with similar remaining terms to maturity on 31 March.

The fair values calculated are as follows:

	31 March 2026		31 March 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Short term borrowing	52,804	51,650	52,817	51,650

	31 March 2026		31 March 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Short term investments	36,451	36,449	44,313	44,313
Long term debtors	17,058	17,058	17,423	17,423
Short term debtors	16,849	16,849	13,441	13,441

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

Notes to the Core Financial Statements

Note 15 - Inventories

	2025/26	2024/25
	£000	£000
Balance outstanding at 1 April	63	62
Purchases and (issues)	(15)	1
Balance outstanding at 31 March	**48**	**63**

Note 16 - Debtors

Short Term Debtors	31 March 2026	31 March 2025
	£000	£000
Government departments	1,939	6
Other local authorities	18,642	19,017
Other entities and individuals	17,391	18,110
	37,972	**37,133**
Less: Provision for bad and doubtful debts	(1,521)	(5,774)
Total	**36,451**	**31,359**

Long Term Debtors	31 March 2026	31 March 2025
	£000	£000
Mortgages	18	19
Car loans	16	13
Loans to Badger BC Investments Ltd (subsidiary company)	15,349	15,516
Other	1,675	1,875
Total	**17,058**	**17,423**

Note 17 - Cash and Cash Equivalents

	31 March 2026	31 March 2025
	£000	£000
Cash	3	3
Bank current accounts	5,536	5,010
Money market funds	18,055	18,068
Total	**23,594**	**23,081**

Note 18 - Assets Held for Sale

	2025/26	2024/25
	£000	£000
Balance at 1 April	-	130
Disposals	-	(20)
Reclassification	-	(110)
Total	**-**	**-**

Note 19 - Short Term Creditors

	31 March 2026	31 March 2025
	£000	£000
Government departments	7,446	9,235
Other local authorities	11,610	9,571
Other entities and individuals	35,297	35,833
Total	**54,353**	**54,639**

Note 20 - Long Term Creditors and Provisions

Provisions	Insurance Claims	MMI	NDR	IFRS 16	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2025	15	54	1,563	2,270	**3,902**
Provision made during the year	5	-	747	-	**752**
Amount used during the year	-	-	(1,563)	(262)	**(1,825)**
Balance at 31 March 2026	**20**	**54**	**747**	**2,008**	**2,829**

Business ratepayers are entitled to appeal against the rateable value allocated to their property by the Valuation Office Agency (VOA). In the event that an appeal is successful the Council is responsible for repaying its share of the business rate income to the ratepayer. A provision has been included in the Balance Sheet based on the expected outcome of the appeals outstanding with the VOA as at 31 March 2026 as well as an amount for appeals which have not yet been lodged relating to the 2017 revaluation.

Deferred Capital Receipts	2025/26	2024/25
	£000	£000
Balance at 1 April	88	88
Receipts	(10)	-
Balance at 31 March	**78**	**88**
Pensions (Asset)/Liability		
Balance at 1 April	2,338	2,068
Actuarial loss/(gains)	(1,408)	495
Service cost	(3,303)	(1,587)
Pension asset ceiling adjustment	2,373	1,362
Balance at 31 March	**-**	**2,338**
Total	**2,907**	**6,328**

Notes to the Core Financial Statements

Note 21 - Unusable Reserves

	31 March 2026	31 March 2025
	£000	**£000**
Revaluation Reserve	(49,188)	(48,389)
Accumulated Absences Account	189	118
Capital Adjustment Account	(111,965)	(115,887)
Deferred Capital Receipts Reserve	(303)	(313)
Pensions Reserve	-	2,338
Collection Fund Adjustment Account	(2,559)	1,230
Total Unusable Reserves	**(163,826)**	**(160,903)**

(a) Revaluation Reserve

The Revaluation Reserve records, from April 2007, the accumulated gains on the non current assets held by the Council arising from increases in value, as a result of inflation or other factors. The overall balance on the reserve represents the amount by which the current value of non current assets carried in the Balance Sheet is greater because they are carried at their revalued amount rather than their value at 1 April 2007 or subsequent depreciated historical cost. The reserve is not available to finance either revenue or capital expenditure.

	2025/26	2024/25
	£000	**£000**
Balance at 1 April	(48,389)	(40,249)
Upward revaluation of assets	(1,699)	(22,510)
Difference between fair value depreciation and historical cost depreciation	(339)	(3,101)
Downward revaluation not charged to the Comprehensive Income and Expenditure Statement	1,239	17,471
Balance at 31 March	**(49,188)**	**(48,389)**

(b) Accumulated Absences Account

The Accumulated Absences Account shows the difference that would otherwise arise on the General Fund Balance from accruing for untaken leave entitlement at the end of the year. Statutory arrangements require that the impact on the General Fund Balance is removed by transfers to or from this account.

		2025/26		2024/25
		£000		**£000**
Balance at 1 April		118		162
Settlement or cancellation of accrual made at the end of the preceding year	(118)		(162)	
Amounts accrued at the end of the current year	189		118	
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		71		(44)
Balance at 31 March		**189**		**118**

Note 21 - Unusable Reserves (continued)

(c) Capital Adjustment Account

The Capital Adjustment Account accumulates the write down of the historical cost of non current assets as they are consumed by depreciation and impairments or written off on disposal, together with the resources that have been set aside to finance capital expenditure.

	2025/26	2024/25
	£000	£000
Balance at 1 April	(115,887)	(136,640)
Reversal of items relating to capital expenditure charged to or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	3,166	3,813
Amortisation of intangible assets	738	1,254
Revenue expenditure funded from capital under statute	12,541	5,500
Amounts of non current assets written off on disposal or sale as part of the loss on disposal to the Comprehensive Income and Expenditure Statement	158	163
	16,603	10,730
Adjusting amounts written out of the Revaluation Reserve	402	14,447
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	-	(10)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(11,361)	(6,765)
Application of grants to capital financing from the Capital Grants Unapplied account	(2,930)	(1,684)
Capital expenditure charged against the General Fund balance	(1,286)	(1,555)
	(15,577)	(10,014)
Movements in the market value of investment property charged to or credited to the Comprehensive Income and Expenditure Statement	2,494	5,591
Balance at 31 March	**(111,965)**	**(115,887)**

(d) Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2025/26	2024/25
	£000	£000
Balance at 1 April	(313)	(323)
Transfer to the Capital Receipts Reserve upon receipt of cash	10	10
Balance at 31 March	**(303)**	**(313)**

Note 21 - Unusable Reserves (continued)

(e) Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for retirement benefits. The Council accounts for future retirement benefits in the Comprehensive Income and Expenditure Statement as they are earned by employees accruing years of service. Liabilities are also updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the future pension payments. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits accrued by past and current employees and the resources the Council has set aside to meet future payments. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid (see also note 32).

	2024/25	2024/25
	£000	£000
Balance at 1 April	2,338	2,068
Actuarial (gains)/loses on pensions assets and liabilities	(1,408)	495
Reversal of items relating to retirement benefits charged to or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(3,303)	(1,587)
Pension asset ceiling adjustment	2,373	1,362
Balance at 31 March	**-**	**2,338**

(f) Collection Fund Adjustment Account

The Collection Fund Adjustment Account records the difference between the demand on the Collection Fund in the Comprehensive Income and Expenditure Statement and the amount required by regulations to be credited to the General Fund.

	2025/26	2024/25
	£000	£000
Balance at 1 April	1,230	3,831
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(104)	69
Amount by which non domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non domestic rate income calculated for the year in accordance with statutory requirements	(3,685)	(2,670)
Balance at 31 March	**(2,559)**	**1,230**

Note 22 - Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2025/26	2024/25
	£000	£000
Interest received	(3,374)	(4,246)
Interest paid	1,947	3,283
Balance at 31 March	**(1,427)**	**(963)**

Note 22 - Cash Flow Statement - Operating Activities (continued)

Adjustments to the net deficit/surplus on the provision of services for non cash movements:

	2025/26	2024/25
	£000	£000
Depreciation, revaluations and impairments	(4,306)	(5,067)
Increase in creditors	59	(4,727)
(Decrease)/increase in debtors	1,685	(2,455)
(Decrease)/increase in inventories	(15)	(2)
Movement in pension liability	(930)	(225)
Carrying amount of non current assets sold	(158)	(163)
Other non cash items charged to the net surplus/deficit on the provision of services	(1,411)	(6,011)
	(5,076)	**(18,650)**

Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities:

	2025/26	2024/25
	£000	£000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-	288
Any other items for which the cash effects are investing or financing cash flows	12,603	10,466
	12,603	**(10,754)**

Note 23 - Cash Flow Statement - Investing Activities

	2025/26	2024/25
	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	5,249	7,757
Purchase of short term and long term investments	36,000	44,000
Other payments for investing activities	794	-
Proceeds from the sale of non current assets	-	(298)
Proceeds from short term and long term investments	(44,000)	(42,000)
Other receipts from investing activities	(13,260)	(4,972)
Net cash flows from investing activities	**(15,217)**	**4,487**

Note 24 - Cash Flow Statement - Financing Activities

	2025/26	2024/25
	£000	£000
Receipts from short-term borrowing	(52,817)	(53,314)
Council tax and business rates adjustments	2,784	(878)
Repayment of short-term borrowing	53,314	59,314
Balance at 31 March	**3,281**	**5,122**

Notes to the Core Financial Statements

Note 25 - Trading Operations

The Council maintains the following trading units, which operate in a competitive environment.

	2025/26			2024/25		
	Turnover	Expenditure	Deficit/ (Surplus)	Turnover	Expenditure	Deficit/ (Surplus)
	£000	£000	£000	£000	£000	£000
Trading Operations Included in Cost of Services						
Broxbourne Sport	(5,903)	5,414	(489)	(5,135)	5,267	132
The Spotlight	(1,055)	1,722	667	(1,043)	1,542	499
	(6,958)	**7,136**	**178**	**(6,178)**	**6,809**	**631**
Trading Operations Included in Financing and Investment Income and Expenditure						
Commercial Properties	(10,594)	4,642	(5,952)	(11,041)	4,540	(6,501)
	(10,594)	**4,642**	**(5,952)**	**(11,041)**	**4,540**	**(6,501)**
Total Trading Operations	**(17,552)**	**11,778**	**(5,774)**	**(17,219)**	**11,349**	**(5,870)**

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement. They are an integral part of the Council's services to the public (e.g. leisure management). The income and expenditure of Broxbourne Sport and Broxbourne Leisure and Culture is included in the cultural and related services line in the Cost of Services. Only the net surplus achieved by commercial properties is included as Financing and Investment Income and Expenditure (see note 8).

The Broxbourne Sport and Broxbourne Leisure and Culture trading operation runs the Council's two sports centres - Laura Trott and John Warner - as well as other leisure facilities within the Borough such as Cheshunt Park Golf Centre and The Spotlight.

Note 26 - Members' Allowances

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

	2025/26	2024/25
	£000	£000
Allowances (including national insurance contributions)	328	323
Expenses	2	2
Balance at 31 March	**330**	**325**

Note 27 - Officers' Remuneration

The Council is required to disclose the remuneration of senior officers whose salary exceeds £50,000. Senior officers are defined as those who are responsible for departments within the Council, report directly to the Chief Executive and form the Corporate Management Team.

	Year	Salary	Expenses, Fees and Allowances	Pension Contribution	Total
Chief Executive	2025/26	124,651	82	26,222	**150,955**
	2024/25	136,508	109	25,940	**162,557**
Deputy Chief Executive	2025/26	126,503	-	26,910	**153,413**
	2024/25	122,574	31	26,075	**148,680**
Strategic Director	2025/26	123,771	-	26,355	**150,126**
	2024/25	119,577	-	25,532	**145,109**
Planning and Place Service Director	2025/26	70,863	-	15,089	**85,952**
(until 23/07/2024) (from 27/05/2025)	2024/25	41,912	-	7,771	**49,683**
Head of Legal Services	2025/26	-	-	-	**-**
	2024/25	82,522	113	17,960	**100,595**
Operations Service Director	2025/26	87,984	-	17,378	**98,532**
(from 10/03/2025)	2024/25	5,397	-	1,152	**6,549**
Resources Service Director (from 23/09/2024)	2025/26	90,149	-	19,169	**109,318**
	2024/25	45,031	-	8,916	**53,947**
Customer and Communications Service Director (from 23/09/2024)	2025/26	81,154	-	17,378	**98,532**
	2024/25	40,398	-	7,999	**48,397**

The number of employees whose remuneration (excluding employer's pension contributions) was £50,000 or more in bands of £5,000 was:

	2025/26	2024/25
Remuneration Band	**Number of Employees**	
£50,000 - £54,999	15	16
£55,000 - £59,999	12	4
£60,000 - £64,999	4	4
£65,000 - £69,999	4	2
£70,000 - £74,999	4	2
£75,000 - £79,999	1	-
Total	**40**	**28**

Note 27 - Officers' Remuneration (continued)

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£	£
£0-£20,000	-	-	5	1	5	1	10,090	450
£20,001 - £40,000	-	-	1	-	1	-	20,515	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	1	-	1	-	65,413
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,000 - £150,000	-	-	-	-	-	-	-	-
£150,000 +	-	1	-	-	-	1	-	215,647
Total cost included in bandings and in the CIES	**-**	**215,647**	**30,605**	**65,863**	**30,605**	**45,378**	**30,605**	**281,510**

Note 28 - External Audit Fees

The Council has incurred the following fees in relation to the audit of the Statement of Accounts, certification of grant claims and returns:

	2025/26	2024/25
	£000	£000
External audit services	121	169
Certification of grant claims and returns *	46	192
Total	**167**	**361**

* work undertaken by other auditors appointed directly by the Council and not those of the auditors appointed to undertake the financial statements review.

Notes to the Core Financial Statements

Note 29 - Grants

The Council received the following grants and contributions, which are recorded in the Comprehensive Income and Expenditure Statement:

Credited to Taxation and Non Specific Grant Income

	2025/26	2024/25
	£000	£000
Revenue Grants		
Revenue Support Grant	200	178
New Homes Bonus	170	491
Small Business Rate Relief (s31 Grant)	2,525	3,419
National Insurance Contribution	129	-
Other	268	209
Total	**3,292**	**4,297**
Capital Grants and Contributions (used to fund capital expenditure)		
National Highways	-	15
Levelling Up Fund	5,506	6,641
UK Shared Prosperity Fund	61	181
Disabled Facilities Grant	3	-
Other Grants and Contributions	546	306
Planning Benefit Agreements (s106 monies)	2,481	2,356
Total	**8,597**	**9,499**

Housing Benefit Grant	15,337	18,822
Council Tax Benefit Grant	-	10
Benefit Administration Grant	222	223
Covid Assistance	-	61
Household Support Fund	95	110
Homeless Support Grants	1,319	972
Home Office Asylum Disbursement	508	28
Rough Sleeper Initiative	217	200
Police and Crime Commissioner	66	95
Developing Local Air Quality Grant	398	56
UK Shared Prosperity Fund	120	262
Swimming Pool Support Fund	45	-
Other Grants	168	69
Total	**18,495**	**20,908**

Capital Grant Receipts in Advance

Planning Benefit Agreements (s106 monies)	27,553	28,283
Total	**27,553**	**28,283**

Notes to the Core Financial Statements

Note 30 - Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

The UK Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides funding in the form of grants and prescribes the terms of many of the transactions the Council has with other parties (e.g. housing benefits). Government grants received during the year are set out in Note 3 - Expenditure and Income Analysed by Nature and Note 29 on Grants.

The Council has two wholly owned and controlled limited companies, Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd. During the year the companies' boards comprised of five Council Officers. Information concerning these companies is set out in Note 33 on Investments in Companies and Group Relationships. The Council also has a one eighth share in Hertfordshire Building Control Ltd. This company is owned equally by eight Hertfordshire authorities. The Major Development and Projects Co-ordinator sits on the Board of this company.

At the 31 March 2026 Broxbourne Council was owed £2,956,651 by Broxbourne Environmental Services Trading Ltd and £16,423,714 by Badger BC Investments Ltd. It owed £9,926 to Broxbourne Environmental Services Trading Ltd.

Members of the Council have direct control over the Council's financial and operating policies. During 2025/26 the Grants Panel approved grants totalling £51,512 of which £34,374 (£12,789 in 2024/25) was paid to voluntary organisations in which six members had an interest. In each of these cases, the relevant members did not take part in any discussion or decision relating to the grants.

No other material transactions have been identified for disclosure which are not shown elsewhere in the Statement of

Note 31 - Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. 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 Lessee

In 2024/2025 the Council applied IRFS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e., without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability were brought into the balance sheet at 1 April 2024.

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases:

	2025/26	2024/25
Comprehensive income and expenditure statement	**£000**	**£000**
Interest expense on lease liabilities	118	66
Expense relating to exempt lease of low-value items	2	3
Cashflow statement		
Total cash outflows for leases	394	226

Note 31 - Leases (continued)

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	Land and Buildings	Vehicles, Plant and Equipment	Total
	£000	£000	£000
Less than one year	333	63	396
One to five years	1,316	77	1,393
More than five years	1,096	-	1,096
Total undiscounted liabilities	**2,745**	**140**	**2,885**

The Council as Lessor

Operating leases

The Council leases out properties under operating leases for the provision of community services, such as sports facilities 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:

	2025/26	2024/25
	£000	£000
Not later than one year	9,685	4,344
Later than one year and not later than five years	17,285	11,186
Later than five years	45,309	45,309
	72,279	**60,839**

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. In 2025/26 no material contingent rents were receivable by the Council.

Finance Leases

The Council has leased out land at Woollensbrook, Hoddesdon, for a crematorium and cemetery to Westerleigh PLC, on a finance lease with a remaining term of 90 years.

The Council has a total investment in the lease, made up of the minimum lease payments expected to be received over the remaining term. There is not expected to be any residual value in the land when the lease comes to an end. The minimum lease payments comprise settlement of the long term debtor for the right to the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	2025/26	2024/25
Finance lease debtor (net present value of minimum lease payments):	£000	£000
Not later than one year	10	10
Later than one year	126	367
Unearned finance income	734	573
Total	**870**	**950**

Note 31 - Leases (continued)

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Payments	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	£000	£000	£000	£000
Not later than one year	10	10	10	10
Later than one year and not later than five years	40	40	37	39
Later than five years	820	830	89	326
	870	**880**	**136**	**375**

The minimum lease payments do not include lease payments that are contingent on events taking place after the lease was entered into.

Note 32 - Defined Benefit Pension Scheme

Participation in Pension 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 needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, a funded defined benefit scheme administered by Hertfordshire County Council.

(a) Transactions Relating to Post Employment Benefits

The costs of retirement benefits are recognised in the Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, as the charge the Council is required to make against council tax is based on the cash payable in the year, the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2025/26	2024/25
	£000	**£000**
Comprehensive Income and Expenditure Statement		
Service Cost Comprising:		
Current service cost	1,472	1,876
Administration expenses	9	-
Financing and Investment Income and Expenditure		
Net interest expense	56	40
Total Post Employment Benefit Charged to the Surplus of Deficit on the Provision of Services	**1,537**	**1,916**
Other Post Employment Benefit Credited to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(1,612)	2,812
Other actuarial gains	192	-
Actuarial losses/(gains) arising on changes in demographic assumptions	2,500	(1,686)
Actuarial losses arising on changes in financial assumptions	(3,867)	(11,496)
Actuarial (losses)/gains arising on changes in experience assumptions	1,608	(596)
Pension asset ceiling adjustment	(229)	11,461
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**129**	**2,411**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the code	(1,537)	(1,916)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year:		
Employer’s contributions payable to scheme	2,467	2,141

Note 32 - Defined Benefit Pension Scheme (continued)

(b) Pensions Assets and Liabilities Recognised in the Balance Sheet

	2025/26	2024/25
	£000	£000
Opening fair value of scheme assets	125,703	123,760
Interest Income	7,263	5,973
Remeasurement gain/(loss):		
The return on plan assets, excluding the amount included in the net interest expense	1,612	(2,812)
Other actuarial losses	(192)	-
Other expenditure	(9)	-
Contributions from employer	2,467	2,141
Contributions from scheme participants and other employers	1,147	1,138
Benefits paid	(4,570)	(4,497)
Balance at 31 March	**133,421**	**125,703**
Reconciliation of Present Value of the Scheme Liabilities		
Balance at 1 April	87,129	97,739
Current service cost	1,472	1,876
Interest cost	4,946	4,651
Contributions from scheme participants and other employers	1,147	1,138
Remeasurement gain/(loss):		
Actuarial changes in demographic assumptions	2,500	(1,686)
Actuarial changes in financial assumptions	(3,867)	(11,496)
Actuarial changes in experience assumptions	1,608	(596)
Benefits paid	(4,570)	(4,497)
Balance at 31 March	**90,365**	**87,129**

	2025/26	2024/25
	£000	£000
Present value of the defined benefit obligation	(90,365)	(87,129)
Fair value of plan assets	133,421	125,703
Pension asset ceiling adjustment	(43,056)	(40,912)
Net Liability Arising from Defined Benefit Obligation	**-**	**(2,338)**

Note 32 - Defined Benefit Pension Scheme (continued)

(c) Local Government Pension Scheme Assets Comprised:

	2025/26		2024/25	
	£'000		£'000	
Equities	86,898	65%	73,984	59%
Bonds	24,797	19%	29,136	23%
Property	18,038	13%	19,312	15%
Cash	3,688	3%	3,271	3%
	133,421	100%	125,703	100%

(d) Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method to arrive at an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The pension fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries with estimates being based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used in the actuary's calculations are:

	2025/26	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.8 years	21.2 years
Women	24.6 years	24.1 years
Longevity at 65 for future pensioners:		
Men	24.3 years	21.9 years
Women	26.3 years	25.2 years
Rate of inflation	2.9%	2.9%
Rate of increase in salaries	3.3%	3.9%
Rate of increase in pensions	2.9%	2.9%
Rate for discounting scheme liabilities	6.1%	5.8%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The sensitivity analysis 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 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 period.

Note 32 - Defined Benefit Pension Scheme (continued)

(e) Local Government Pension Scheme Assets Comprised:

	Increase in Assumption	Decrease in Assumption
	£000	£000
Rate for discounting scheme liabilities (decrease 0.1%)	-	1,258
1 year increase in member life expectancy	3,366	-
Rate of increase in salaries (increase by 0.1%)	59	-
Rate of increase in pensions (increase by 0.5%)	1,275	-
	4,700	**1,258**

(f) Impact on the Council's Cash Flows

The objectives of the scheme are to keep employer's contributions at as constant a rate as possible. Funding levels are monitored on an annual basis.

(g) Virgin Media Limited v NTL Pension Trustees II Limited

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

It was not previously clear whether the Virgin Media ruling would apply to the LGPS but, following the publication of draft legislation, we do not now expect the ruling to give rise to any additional liabilities.

Note 33 - Investments in Companies and Group Relationships

The Council holds the following investments in companies. These investments have been considered for inclusion within the Council's group boundary, as explained in the accounting policy (13) for Group Accounts. Group accounts have been prepared consolidating Badger BC Investments Limited and Broxbourne Environmental Services Trading Limited.

Name	Nature of Business	Owned %	Nominal Value
Badger BC Investments Ltd	A wholly owned and controlled limited company that was set up to acquire, develop and refurbish homes to provide rental properties to tenants wishing to live in the private sector, but with the assurance that the accommodation is managed by a responsible landlord.	100% Consolidated as a subsidiary in the Group Accounts	£1
Best	A wholly owned and controlled limited company set up to deliver the Council's front-line services of waste and recycling collections, cemetery services, management of parks and open spaces including grounds maintenance, markets, street cleaning and enforcement.	100% Consolidated as a subsidiary in the Group Accounts	£1

In addition to the above, the Council also has an interest in Hertfordshire Building Control Limited, this company is owned equally by eight Hertfordshire authorities. The Council holds 12.5% of the share capital of £8 and is represented on the board. The Company aims to provide a more flexible and efficient response to building control issues across the County. Control is shared equally among the eight partners and the Company operates out of the offices of Welwyn Hatfield Borough Council.

In 2024/25 the Council's share of profit for the year amounted to £2,499 (2023/24 £27,230 loss). In August 2016 the Council made a loan to the Company of £107k and received a payment of £25k in respect of this balance in 2025/26. At the 31 March 2026 a balance of £82k is held in Long Term Debtors on the Balance Sheet.

Note 34 - Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:

Pension 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 discount rate assumption would result in an increase in the pension liability of £1.3 million. However, the assumptions interact in complex ways. During 2025/26, the Council's actuaries advised that the net pension asset had increased by £4.5 million to a net asset of £43.1 million as a result of changes in estimates and the updating of assumptions. The pension valuations have been provided amidst the economic uncertainty of high inflation and thus valuations and estimations are subject to a level of future uncertainty.

Provisions

The Council has made a provision of £54,000 for the levy from the scheme administrator of Municipal Mutual Insurance Limited (in Scheme of Arrangement) (MMI). One of the terms of the original scheme was that if the company failed to secure solvent run off then a contribution would be taken from the scheme creditors of which the Council is one. No demands have been made by the administrator during 2025/26.

This provision is taken from an actuarial assessment based on pessimistic assumptions of the funding required by MMI to meet its financial obligations. The Council could be required to make further levy contributions depending on future claims development and MMI's investment return.

The Council holds the liability for refunding ratepayers who have successfully appealed against rateable value of their

Note 34 - Assumptions made about the Future and Other Major Sources of Estimation Uncertainty (continued)

properties. It is unknown how many of the outstanding appeals will be successful, though estimation techniques have been applied to the outstanding appeals using historic success rate data.

The carrying amount of the provision is £3.9m, of which the Council's share of £1.6 m is reflected in the accounts. An increase in the overall success rate by 5% would change the required provision by £0.19m.

Arrears

At 31 March 2026 the Council had a balance of sundry debtors of £35.6 million. An allowance for the non collection of debt is made at each year end, based on a combination of how long the debt has been outstanding and previous experience of recovery rates. However, the current economic climate means that there is added uncertainty about both the amount of income that the Council is likely to raise and the likely recovery rates. The wide variety of income sources and the different factors affecting each make it difficult to assess the potential impact of future changes and there may be additional credit risks, potential bad debts and write-offs as a result of the rising cost of living and wider economic factors. The total income raised by the Council in 2025/26 from sales, fees and charges and rents was £32.8 million therefore the impact of a 2% decrease in collection rates would be a loss of income of £0.7 million.

Property, Plant and Equipment and Investment Properties

Assets are included on the basis of valuations and assessed useful lives determined by the Council's valuer, on the basis of standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS). The assumptions underlying such valuations (such as market conditions) and the assessment of useful lives are subject to revision and therefore the valuations would also change.

The valuations have been provided amidst the economic uncertainty created as a result of high interest rates and inflation and thus valuations have been reported subject to a Material Valuation Uncertainty clause. The inclusion of the Material Valuation Uncertainty declaration does not mean however, that the valuations can not be relied upon, rather that the declaration has been included to ensure transparency of the fact that, in the current extraordinary circumstances, less certainty can be attached to the valuations that would otherwise be the case. Material uncertainty only applies to leisure and retail assets.

If market conditions are impacted by interest rates, every 5% change in value would be equal to a change in the net assets of the Council of £1 m.

Any change in valuation or useful life of a Property, Plant and Equipment asset would affect the carrying value of the asset on the Balance Sheet and the charge for depreciation or impairment in the Comprehensive Income and Expenditure Statement. It is estimated that the annual depreciation charge for buildings would increase by £0.4 million for every year that useful lives had to be reduced. These changes do not have an impact on the Council's General Fund position as the Council is not required to fund such non cash items from council tax.

Fair Value Measurements

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.

Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for Investment Properties, the Council's chief valuation officer and external valuers).

Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in note 12.

The Council uses the discounted cash flow (DCF) model to measure fair value of some of its operational properties, the Laura Trott Leisure Centre and The Spotlight and Financial Assets (amounts deposited at banks and building societies and amounts lent to other councils). The Council measures the values of its Investment Properties based on fair value market comparables.

Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.

Note 35 - Nature and Extent of Risks Arising from Financial Instruments

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

- Credit risk - the possibility that other parties might fail to pay amounts due the Council.
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments.

Note 35 - Nature and Extent of Risks Arising from Financial Instruments (continued)

- Market risk - the possibility that financial loss might arise for the Council as a result of changes in interest rates.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is undertaken by the Finance Department under policies approved by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management and written policies covering specific areas such as interest rate risk, credit risk and investment of surplus cash are set out in the Treasury Management Policy Statement and Treasury Management Practices.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the Council's customers. The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include rated commercial entities, the UK government, other local authorities and organisations without credit ratings, upon which the Council has received independent investment advice.

Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap entitles and equity prices when selecting commercial entities for investment.

A limit of £5 million is placed on the amount of money that can be invested with a single counterparty (other than the UK government). The Council also sets limits on investments in certain sectors. No more than £18 million in total can be invested for a period longer than one year.

	Amount at 31 March 2026	Historical experience of default	Estimated maximum exposure to default and uncollectability
	£000	%	£000
Customers	7,966	9.1	725

Amounts due by customers at 31 March 2026 and written off during 2025/26 has been used as the basis for the historical experience default percentage.

The Council does not generally extend credit to its customers beyond 14 days. At 31 March 2026, of the total debtor balances for invoiced debt of 7.965 million, the past due amount was 6.153 million, which can be analysed by age as follows:

	31 March 2026	31 March 2025
Customer Debts	**£000**	**£000**
Less than three months	1,545	753
Three months to one year	817	1,243
More than one year	3,791	2,213
Total	**6,153**	**4,209**

Market risk

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. The Council currently has 13 short term borrowings from other Local Authorities. Immediately accessible funds are also maintained in call accounts and money market funds within investments. The level of funds to be committed for periods in excess of one year is limited to 50% of the total investment portfolio. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

All trade and other payables are due to be paid in less than one year.

Note 35 - Nature and Extent of Risks Arising from Financial Instruments (continued)

Market risk (continued)

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments.

A rise in interest rates would have the following effects:

- Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will increase.
- Investments at fixed rates - the fair value of the assets will fall.

Changes in interest receivable on variable rate investments will be debited or credited to the Comprehensive Income and Expenditure Statement and impact on the General Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the Movement in Reserves Statement.

As at 31 March 2026 £59.5 million of the Council's investments had a potential exposure to risk from changes in interest rates.

A +/-1% change in interest rates equates to approximately +/- £595,000 per annum.

As the Council generally has a policy of making a revenue contribution to capital equal to the interest it achieved on its investments, variations in interest rates do not impact on its annual revenue budget.

- Price risk

The Council does not invest in equity shares, other than the wholly owned subsidiaries Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd. Where it has an equity share value of £1 in each subsidiary.

- Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

Note 36 - 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. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- Indexation of property, plant and equipment: CIPFA Bulletin 22
- Heritage assets: Amendments to FRS 102
- Classification and Measurement of Financial Instruments: Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity: Amendments to IFRS 9 and IFRS 7

Note 37 - Events After the Balance Sheet Date

These accounts have been authorised for issue on 30 June 2026 by the Deputy Chief Executive (S151 Officer). Events taking place after this date are not reflected in the financial statements or notes.

Notes to the Core Financial Statements

Note 38 - Accounting Policies

1 General Principles

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code), and the Service Reporting Code of Practice 2025/26 (SeRCOP), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is principally historical cost, modified by the revaluation of certain categories of non current assets and financial instruments.

2 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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- Expenditure in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate of the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

3 Cash and Cash Equivalents

Cash is represented by cash in hand and 'callable' deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months or less from the date of acquisition and that are therefore readily convertible to known amounts of cash 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.

4 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting estimates are accounted for 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 effects of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Any material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5 Charges to Revenue for Non Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the cost of holding non current 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 assets attributable to the service.

Note 38 - Accounting Policies (continued)

The Council is not required to raise council tax to fund depreciation, amortisation, revaluation or impairment losses. These charges are therefore removed from the General Fund Balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement.

6 Council Tax and Non-Domestic Rates

The Council, as a billing authority, acts as an agent, collecting council tax and non-domestic rates (NDR) on behalf of Hertfordshire County Council (and the government for NDR) and, as a principal, collecting council tax and NDR for itself. The Council is required, by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, the Council, Hertfordshire County Council and the government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR: The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council’s share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council’s General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the Collection Fund Adjustment Account is included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council’s share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

7 Employee Benefits

Benefits Payable During Employment: Short term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits for current employees. These benefits are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

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. They are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment or making an offer to encourage voluntary redundancy. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund 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 pension 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 Pension Scheme administered by Hertfordshire County Council. This scheme provides defined benefits to members, earned during employment for the Council. This is accounted for as a defined benefits scheme:

- The liabilities of the pension scheme 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 future earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 6.10% (2024/25 5.80%) (based on the indicative rate of return on the single average gilt yield plus the mean credit spread on AA corporate bonds).
- The assets of the Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

  - Quoted securities – current bid price

Note 38 - Accounting Policies (continued)

- 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

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

  - 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 Income and Expenditure.

  - Contributions paid to the Hertfordshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance 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 appropriations 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 amounts payable to the fund but unpaid at the year end. The negative balance that arises on the Pensions Reserve, thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flow rather than as benefits are earned by employees.

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.

8 Events after the Balance Sheet Date

Events after the Balance Sheet date 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.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Note 38 - Accounting Policies (continued)

9 Financial Instruments

Financial Instruments comprise Financial Assets and Financial Liabilities.

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 are initially measured at fair value and are carried at their amortised cost. 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 rate of interest 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 the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principle 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.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

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 payments of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Council has made an immaterial loan to a voluntary organisation at less than market rate (soft loan). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisation, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact the soft loan on the General Fund Balance is the interest receivable for the financial year. The reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement in the year of repurchase or settlement.

Expected Credit Loss Model

Note 38 - Accounting Policies (continued)

The Council recognises expected credit losses on all of its financial assets held at amortised cost or where relevant FVOCI, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk is not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

10 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 in the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits are required to be consumed by the Council as specified, or the grant or contribution must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried on the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non Specific Grant Income (non ringfenced 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 in the Movement in Reserves Statement. When the grant has been used to finance capital expenditure, it is credited to the Capital Adjustment Account. Where the grant is yet to be used, it is credited to the Capital Grants Unapplied Reserve. Amounts in this reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Business Improvement Districts

A Business Improvement District (BID) was established in Hoddesdon in January 2018, “Love Hoddesdon BID”. The scheme is funded by a Business Improvement District levy paid by non-domestic ratepayers. The Council collects the Business Improvement District levy into a ring fenced account. Love Hoddesdon (a not-for-profit company with governance arrangements and Memorandum and Articles of Association) then invoices the Council for the levy amounts on a regular basis.

11 Heritage Assets

The Council’s Heritage Assets are not only held at the Lowewood Museum but can also be found across the Borough as sites of cultural interest. The museum’s collections of Heritage Assets are held in support of the primary objective of the museum, i.e. increasing the knowledge, understanding and appreciation of the history of the Council and local area. 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 for Heritage Assets as detailed below. The Council’s collections of Heritage Assets are accounted for as follows:

Ceramics, Porcelain Work and Figurines: The collection of ceramics, porcelain work and figurines includes carved figurines held at the museum. These items are held on the Balance Sheet at insurance valuation, which is based on market values. These assets are deemed to have an indefinite life; hence the Council does not consider it appropriate to charge depreciation. The collection is relatively static and acquisitions and donations are rare. When they do occur, acquisitions are recognised at cost and donations recognised at a valuation ascertained by the museum’s curator in accordance with the Council’s policy on ceramics, porcelain works and figurines.

Art Collection: The art collection includes oil paintings and portraits, held on the Balance Sheet at insurance valuation, which is based on market values. The assets are deemed to have an indefinite life; hence the Council does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are recognised at cost and donations are recognised at a valuation ascertained by an external valuer with reference to appropriate commercial markets using up to date information from sales at auction.

General: The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment, e.g. where

Note 38 - Accounting Policies (continued)

an item has suffered physical deterioration or breakage or where doubt arises to its authenticity. Any impairment is recognised and measured in accordance with the Council's policies on impairment.

12 Intangible Assets

Expenditure on non-cash assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) are capitalised when they will bring benefits to the Council for more than one financial year. Intangible assets are carried at amortised cost. The assets are amortised over their useful life with the charge going to the relevant service line in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal of an intangible asset is recorded as Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and 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 and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

13 Interests in Companies and Other Entities

The Council has a two wholly owned subsidiaries, Badger BC Investments Ltd, which has the principal activity of acquiring, developing and refurbishing homes and Broxbourne Environmental Services Trading Ltd which provides services including waste and recycling, street cleaning and grounds maintenance. Both Company's accounts are consolidated into the Council's accounts and the consolidated accounts are included in the Council's Statement of Accounts document. In the Council's own single-entity accounts, the interest in Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd are recorded as financial assets at cost, less any provision for losses.

In addition, the Council also has an interest in Hertfordshire Building Control Limited, this company is owned equally by eight Hertfordshire authorities.

14 Inventories

Inventories are included on the Balance Sheet at the lower of cost and net realisable value.

15 Investment Property

Investment properties are those that are used solely to earn rentals or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or is held for sale. 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 participant's perspective. Properties are not depreciated but are revalued annually according to market conditions at the year end. 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 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 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 and (for any sales proceeds greater than £10,000) the Capital Receipts Reserve.

Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- 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 using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act 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.

Note 38 - Accounting Policies (continued)

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council 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.

16 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

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 Lessee

The Council only holds operating leases as a lessee.

Operating Leases: A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets (value when new less than £3,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

The Council as Lessor

Finance Leases: Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, 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. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal, matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivables are apportioned between:

Note 38 - Accounting Policies (continued)

- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and;
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium is received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve. The written off value of disposals is not a charge against council tax, as the cost of non current assets is fully provided for under separate arrangements for the capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases: Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained on 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.

17 Overheads and Support Services

The costs of overheads and support services are charged to those services that benefit from the supply or service in accordance with the costing principles of the CIPFA Services Reporting Code of Practice 2025/26 (SeRCOP).

The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

18 Property, Plant and Equipment

Assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis are classified as Property, Plant and Equipment.

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 associated with the item will flow to the Council and the services that it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standard of performance of an asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. The Council has selected a de minimis level of £3,000 below which expenditure is not capitalised.

Measurement: Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

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

- Infrastructure and assets under construction – depreciated historical cost.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Assets included on the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years supported by indexation in the intervening periods. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss due to market price fluctuations previously charged to a service revenue account.

Where decreases in value are identified, they are accounted for in the following way:

Note 38 - Accounting Policies (continued)

- 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 on the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains only revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: Assets are reviewed at the end of each financial year as to whether there is any indication that an asset may be impaired. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for in the following ways:

- 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 an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service lines 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 with a determinable finite life (except for non-depreciable land, certain Community Assets and Assets Under Construction), by allocating the value of the asset on the Balance Sheet over the periods expected to benefit from its use.

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 and equipment – straight line over 3-10 years, as advised by a suitably qualified officer.
- Infrastructure (e.g. footpaths and street furniture) – straight line allocation, up to 5 years.

Where an item of Property, Plant and Equipment has major components the cost of which is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the deprecation 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 Non Current Assets Held for Sale: When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an 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 in the Surplus or Deficit in Provision of Services. Depreciation is not charged on Assets Held for Sale.

When an asset is disposed of or decommissioned, the value of the asset on 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 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.

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 Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of non current 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.

Note 38 - Accounting Policies (continued)

19 Provisions, Contingent Liabilities and Contingent Assets

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 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 are measured at the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not 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 met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent Liabilities: A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised on the Balance Sheet but disclosed in a note to the accounts.

20 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 Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to be reflected in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting processes for non current assets, financial instruments, employee benefits and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant accounting policies and notes to the accounts.

21 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 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, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

22 VAT

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

23 Group Accounts

The boundary for Group Accounts is determined by the extent of the Council's control or influence over an entity, and the materiality of the relationship to users of the Council's accounts. Group Accounts are prepared in accordance with IFRS3, IFRS10 and with IAS27 and the Code, where required and material.

Note 39 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 38, 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 concerns the high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to reduce levels of service provision.

Note 40 - Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

To ensure that this basis is appropriate for the going concern period to 30 June 2027, the Council has undertaken forecasting of both income and expenditure, the expected impact on reserves and cashflow forecasting.

The most recent year-end balances, as reported in these statements are as follows :

Date	General Fund	Earmarked Reserves
	£'000	£'000
31/03/2026	6,799	31,423

The expected General Fund and Earmarked Reserve position has a predicted balance of £7.059 million and £31.874 million as at 31 March 2027.

The Council's cash flow forecasting and assessment of the adequacy of the liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing other than to support the capital programme which is consistent with plans and normal practice

The cashflow has forecasted £9.1 million of available cash by the end of June 2027 and £42.5 million of short term borrowing. This short term borrowing will be refinanced during this period.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period. Therefore, alongside statutory guidance, the Council will continue to adopt the going concern basis in preparing these financial statements.

Collection Fund Statement

Collection Fund Income and Expenditure Statement

		2025/26		2024/25	
		Council Tax	Business Rates	Council Tax	Business Rates
	Note	£000	£000	£000	£000
Income					
Income from council tax	2	82,682	-	77,986	-
Income collectable from business ratepayers	3	-	46,944	-	40,414
		82,682	**46,944**	**77,986**	**40,414**
Expenditure					
Precepts and demands					
Hertfordshire County Council		64,841	4,481	61,416	4,267
Hertfordshire Police and Crime Commissioner (council tax only)		9,709	-	9,145	-
Central Government (business rates only)		-	22,405	-	21,336
Borough of Broxbourne	2	5,980	17,924	5,765	17,069
		80,530	**44,810**	**76,326**	**42,672**
Charges to the Collection Fund					
Costs of collection		-	109	-	109
Transitional payment protection payable		-	232	-	207
Increase/(decrease) in bad debt provision		1,682	1,341	2,011	(94)
Decrease in provision for appeals			(2,040)	-	(4,625)
		1,682	**(358)**	**2,011**	**(4,403)**
Distribution of previous years' estimated Collection Fund (deficit)/surplus		(925)	(176)	237	(4,468)
		81,287	**44,276**	**78,574**	**33,801**
Movement on Fund Balance					
(Surplus)/Deficit for year		(1,395)	(2,668)	588	(6,613)
Balance at 1 April		914	2,903	326	9,516
Balance at 31 March		**(481)**	**235**	**914**	**2,903**

Notes to the Collection Fund

Note 1 - General

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.

Note 2 - Council Tax

This tax is a property tax and assumes that two adults are resident in the property. Discounts are available where less than two adults reside. Properties are placed into one of eight valuation bands.

The base upon which the council tax collected is calculated is the total number of dwellings in each valuation band (adjusted for dwellings where discounts apply) and converted to an equivalent number of band D dwellings. For 2025/26 the numbers were:

Band	Value (£)	Number of chargeable dwellings	Equivalent number of dwellings at Band D (after adjustments)
A	up to 40,000	557	316
B	40,001 - 52,000	3,704	2,459
C	52,001 - 68,000	9,745	7,747
D	68,001 - 88,000	14,319	13,297
E	88,001 - 120,000	7,744	8,903
F	120,001 - 160,000	2,950	4,051
G	160,001 - 320,000	2,311	3,698
H	over 320,000	229	438
Total		**41,559**	**40,909**
	Adjustment for local Council Tax Support scheme		(3,525)
			37,384
	Tax base (assuming 98% collection rate)		**36,636**

The Council's own council tax charge was calculated as follows:

	£
Net budget for year	9,860,635
less:	
Revenue Support Grant	(199,684)
Retained Business Rates	(3,820,633)
Contribution from the 2024/25 Collection Fund Surplus	140,143
Demand from Collection Fund	**5,980,461**

The figure of £5,980,461 is divided by the tax base to give a band D tax rate of £163.24 (£158.24 for 2024/25). The average overall band D council tax rate for the Borough, which includes the County Council and police charge is £2,198.11 (£2,094.99 for 2024/25).

Notes to the Collection Fund

Note 3 - Income from Business Ratepayers

The Council collects non-domestic rates for its area which are based on local rateable values multiplied by a uniform rate which for 2025/26 was 55.5p (54.6p for 2024/25).

At the year end the total non-domestic rateable value was £107 million for 2,395 properties (2,328 at 31 March 2025).

Note 4 - Precepts and Demands on the Collection Fund

	2025/26 precept/ demand	Share of 31.03.25 surplus/ (deficit)	2025/26 total	2024/25 total
	£000	£000	£000	£000
Council Tax				
Borough of Broxbourne	5,980	(70)	5,910	5,783
Hertfordshire County Council	64,841	(744)	64,097	61,607
Hertfordshire Police	9,709	(111)	9,598	9,173
	80,530	**(925)**	**79,605**	**76,563**
Business Rates				
Borough of Broxbourne	17,924	(70)	17,854	15,282
Hertfordshire County Council	4,481	(18)	4,463	3,820
Central Government	22,405	(88)	22,317	19,102
	44,810	**(176)**	**44,634**	**38,204**

Group Accounts

Introduction

In order to provide a full picture of the economic and financial activities of the Council, and its exposure to risk, the accounting statements of its subsidiary are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. They include the core accounting statements, similar in presentation and purpose to the Council's accounts, and any explanatory notes considered necessary to explain material movements from the single entity accounts. Where no notes are given, users of the accounts should refer to the notes in the single entity accounts.

Group accounts have been prepared under the requirements of the Code of Practice on Local Authority Accounting, consolidating any subsidiary over which the Council exercises control or influence. The basis for determining the Group Boundary is as set out in the Council's Accounting policies on page 56.

Badger BC Investments Ltd, is a company formed in November 2013, since then the Council has owned 100% of shares (purchased for a cash consideration of £1) and so it has been consolidated as a subsidiary. There are no minority shareholders and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group. Badger BC Investments Ltd was created to acquire, develop and refurbish homes to provide rental properties to tenants wishing to live in the private sector, but with the assurance that the accommodation is managed by a responsible landlord.

Broxbourne Environmental Services Trading Ltd, is a company formed in April 2018, since then the Council has owned 100% of shares (purchased for a cash consideration of £1), and so has been consolidated as a subsidiary. There are no minority shareholders, and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group. Broxbourne Environmental Services Trading Ltd was created to provide waste and recycling collections, cemetery services, and management of parks and open spaces including grounds maintenance, markets, street cleansing and enforcement. The majority of the Company's activities are performed on behalf of the Borough of Broxbourne ("the Council") under a seven-year contract which commenced on 1 April 2019. In addition is provides commercial waste collection services to businesses within the Borough boundary.

Accounting Policies

Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd have prepared the 2024/25 accounts using accounting policies consistent with those applied by the Council and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (those that can be used to fund expenditure) and other reserves.

	Total Revenue Reserves	Capital Grants Unapplied	Capital Receipts Reserve	Total Usable Reserves	Restated Unusable Reserves	Total Authority Reserves	Company Usable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2025	**(34,108)**	**(1,644)**	**(2,728)**	**(41,449)**	**(171,170)**	**(212,778)**	**324**	**(212,295)**
Movement in Reserves during 2024/25								
Deficit on provision of services	(3,937)	-	-	**(3,937)**	-	**(3,937)**	**263**	**(3,937)**
Other comprehensive income	-	-	-	**-**	6,802	**6,802**	**(187)**	**6,615**
Tax expenses for Subsidiary Companies	-	-	-	**-**	-	**-**	**-**	**-**
Total Comprehensive Income and Expenditure	**(3,937)**	**-**	**-**	**(3,937)**	**6,802**	**3,330**	**76**	**3,406**
Adjustments between group accounts and authority accounts	-	-	-	**-**	-	**-**	**(49)**	**(49)**
Adjustments between accounting basis and funding basis under regulations	(1,142)	(2,790)	485	**(3,447)**	3,447	**-**	**-**	**-**
(Increase)/decrease in year	**(4,614)**	**(2,790)**	**485**	**(6,919)**	**10,249**	**3,330**	**27**	**3,357**
Balance at 31 March 2025 carried forward	**(41,710)**	**(4,434)**	**(2,243)**	**(48,387)**	**(160,903)**	**(209,290)**	**352**	**(208,938)**
Movement in Reserves during 2025/26								
Deficit on provision of services								
Other comprehensive income								
Tax expenses for Subsidiary Companies								
Total Comprehensive Income and Expenditure								
Adjustments between group accounts and authority accounts								
Adjustments between accounting basis and funding basis under regulations								
(Increase)/decrease in year								
Balance at 31 March 2026 carried forward	**(41,710)**	**(4,434)**	**(2,243)**	**(48,387)**	**(160,903)**	**(209,290)**	**352**	**(208,938)**

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

	2025/26			2024/25		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Chief Executive				4,675	(582)	**4,093**
Environmental Services				15,795	(5,651)	**10,144**
Finance				32,540	(26,790)	**5,750**
Place				12,479	(3,784)	**8,695**
Legal Services				202	(159)	**43**
Broxbourne Sport and Broxbourne Leisure and Culture				6,725	(6,177)	**548**
Cost of Services				**72,416**	**(43,143)**	**29,273**
Other Operating Income				1	(124)	(123)
Financing and Investment Income and Expenditure				11,304	(15,925)	(4,621)
Taxation and Non Specific Grant Income						(27,777)
Deficit/(Surplus) on Provision of Services						**(3,248)**
Tax expenses for Badger BC Investments Ltd						-
Deficit/(Surplus)						**(3,248)**
Surplus on revaluation of non current assets						6,120
Actuarial losses/(gains) on pension assets/ liabilities						495
Other Comprehensive Income and Expenditure						**6,615**
Total Comprehensive Income and Expenditure						**3,367**

Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date (31 March 2024) of the assets and liabilities recognised by the Council. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group.

	Note	31 March 2026 £000	31 March 2025 £000
Property, Plant and Equipment			82,066
Heritage Assets			626
Investment Property	1		144,456
Intangible Assets			1,268
Long Term Debtors			1,907
Non Current Assets			**230,323**
Short Term Investments			44,313
Assets Held for Sale			-
Inventories			100
Short Term Debtors			28,819
Cash and Cash Equivalents			23,677
Current Assets			**96,909**
Short Term Creditors			55,708
Short Term Borrowing			52,817
Current Liabilities			**108,525**
Long Term Creditors and Provisions			9,769
Non Current Liabilities			**9,769**
Net Assets			**208,938**
Unusable Reserves			160,903
Usable Reserves			48,035
Total Reserves			**208,938**

These financial statements have been authorised for issue on 23 February 2026 by the Deputy Chief Executive (S151 Officer)

Sandra Beck FCCA
Deputy Chief Executive (S151 Officer)

Group Cash Flow Statement

This consolidated statement summarises the Council's inflows and outflows of cash and cash equivalents arising from transactions with third parties for revenue and capital purposes.

Transfers between internal funds and accruals of expenditure and income are therefore excluded.

	2025/26	2024/25
	£000	£000
Net Surplus on the Provision of Services		**(3,367)**
Adjustments to net surplus on the provision of services for non cash movements		(21,842)
Adjustments for items included in the net deficit on the provision of services that are investing and financing activities		10,773
Net cash flows from operating activities		(14,436)
Investing activities		8,239
Financing activities		4,420
Net (increase)/decrease in Cash and Cash Equivalents		**(1,777)**
Cash and Cash Equivalents at 1 April		**21,900**
Cash and Cash Equivalents at 31 March		**23,677**

Notes to the Group Accounts

Notes to the Group Accounts are presented where it is deemed that extra disclosure supporting the Council's notes to the single entity accounts is appropriate. Where notes have not been replicated in the Group Accounts, it is because it is deemed that there is no material change between the Council's single entity notes and Group Accounts.

The single entity accounting policies are also the accounting policies of the Group.

Note 1 - Investment Property

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

	2025/26			2024/25
	Broxbourne Borough Council	Badger BC Investments Ltd	Total	Total
	£000	£000	£000	£000
Rental income from investment property		1,084		**12,462**
Direct operating expenses arising from investment property		(75)		**(4,611)**
Net gain		**1,009**		**7,851**

There are no restrictions on the Group's ability to realise the value of its investment property or on the Group's right to receive income from any proceeds of sale. The Group has no contractual obligations to purchase, develop or enhance investment property.

The following table summarises the movement in the fair value of investment property over the year:

	202526			2024/25
	Broxbourne Borough Council	Badger BC Investments Ltd	Total	Total
	£000	£000	£000	£000
Balance at 1 April		18,884		**149,762**
Purchases		-		**1,403**
Disposals		-		**(1,331)**
Net gains/(losses) from fair value adjustments		48		**(5,378)**
Balance at 31 March		**18,932**		**144,456**

Notes to the Group Accounts

Note 2 - Debtors and Creditors

Group Accounts should eliminate the effect of transactions between the Council and Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd as its subsidiaries, therefore debtors and creditors between these parties have been excluded.

Note 3 - Auditors Remuneration

The Group has incurred the following audit fees payable to KPMG LLP and Ensors LLP relating to external audit services.

	2025/26	2024/25
	£000	**£000**
Broxbourne Borough Council		
- External Audit Services		169
- Certification of Grants and Claims		192
Badger BC Investments Ltd	20	19
Broxbourne Environmental Services Trading Ltd	19	18
		398

Notes to the Group Accounts

Note 4 - Summary of Financial Position of Subsidiary

Badger BC Investments Ltd has been consolidated in the group accounts as a 100% owned subsidiary. The summary of financial position of the company is shown below:

Statement of Comprehensive Income	**2025/26**	**2024/25**
	£000	**£000**
Turnover		1,421
Cost of Sales		(71)
Gross profit		**1,350**
Administrative expenses		(22)
Other expenses		(338)
Provision for bad and doubtful debts		7
(Decrease)/increase in fair value of investment properties		189
Operating (loss)/profit		**1,186**
Interest payable		26
Interest receivable		(719)
(Loss)/profit on ordinary activities before taxation		**491**
Taxation		-
Loss for the financial period after tax		**491**

Summary Balance Sheet	**31 March 2026**	**31 March 2025**
	£000	**£000**
Non Current Assets		
Investment properties		18,884
Current Assets		
Trade debtors		14
Amounts owed by group undertakings		-
Cash and cash equivalents		134
		148
Liabilities		
Trade creditors		94
Amounts owing to group undertakings		961
Long term liabilities		16,416
Total Liabilities		17,471
Net Assets		**1,561**
Capital and Reserves		
Profit and loss account		1,561
Total Equity		**1,561**

Note 4 - Summary of Financial Position of Subsidiary

Broxbourne Environmental Services Trading Ltd has been consolidated in the group accounts as a 100% owned subsidiary. The summary of financial position of the company is shown below:

Statement of Comprehensive Income	**2025/26**	**2024/25**
	£000	**£000**
Turnover		10,152
Cost of Sales		(7,996)
Gross profit		**2,156**
Administrative expenses		(2,683)
Provision for bad and doubtful debts		-
Operating loss		**(527)**
Interest receivable		-
(Loss) on ordinary activities before taxation		**(527)**
Taxation		-
Loss for the financial period after tax		**(527)**

Summary Balance Sheet	**31 March 2026**	**31 March 2025**
	£000	**£000**
Non Current Assets		
Property, Plant and Equipment		3,223
Intangible assets		8
		3,231
Current Assets		
Inventories		37
Trade debtors		116
Amounts owed by group undertakings		13
Cash and cash equivalents		462
		628
Liabilities		
Trade creditors		1,588
Amounts owing to group undertakings		1,720
Long term liabilities		2,464
Total Liabilities		5,772
Net Assets		**(1,913)**
Capital and Reserves		
Profit and loss account		(1,913)
Total Equity		**(1,913)**

Report of the Auditors

Report of the Auditors

Glossary of Financial Terms

Accounting Basis

The basis on which the Council's accounts are prepared whereby expenditure and income are reported when they are incurred.

Accounting Period

The period of time covered by the accounts, normally a period of twelve months, commencing on 1 April for local authority accounts. The end of the accounting period is the balance sheet date.

Accounting Policies

Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

(i) recognising;

(ii) selecting measurement bases for; and

(iii) presenting assets, liabilities, gains, losses and changes to reserves.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

(i) events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or

(ii) the actuarial assumptions have changed.

Accumulated Absences

Holiday entitlements (or any form of leave such as time off in lieu) earned by employees but not taken before the year end which can be carried forward into the following year.

Appointed Auditors

These are the external auditors appointed by Public Sector Audit Appointments Ltd (PSAA). The Council's current approved auditors are Ernst and Young LLP.

Approved Institutions

Funds that are not immediately required may be invested but only with third parties meeting the credit rating criteria approved annually as part of the Council's Treasury Management Strategy.

Arrears

Unpaid, overdue debts.

Audit of Accounts

An independent examination of the Council's accounts to ensure that the relevant legal obligations, accounting standards and codes of practice have been followed.

Balances

The capital or revenue reserves of an authority made up of the accumulated surplus of income over expenditure on the General Fund, etc.

Capital Expenditure

Expenditure on the acquisition of a non current asset or expenditure which adds to and not merely maintains the value of an existing non current asset.

Capital Financing

The raising of money to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, direct revenue financing, usable capital receipts, capital grants, capital contributions and revenue reserves.

Capital Receipt

The proceeds from the disposal of land and other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government, but they cannot be used for revenue purposes.

Cash Equivalents

Cash investments which are held on deposit and are repayable on demand without financial penalty.

Cash Flow Statement

A statement that summarises the inflows and outflows of cash within the Council's accounts.

CIPFA

Chartered Institute of Public Finance and Accountancy. The principal accountancy body dealing with local government finance.

Collection Fund

A separate fund maintained by a billing authority that records the expenditure and income relating to council tax and non domestic rates, including the amounts raised on behalf of and paid over to precepting authorities.

Code of Practice on Local Authority Accounting (The Code)

The Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

Collection Fund Adjustment Account

This account holds the difference between the income (including accruals) held in the Comprehensive Income and Expenditure Statement and the amount required by statutory regulation to be credited to the Collection Fund.

Glossary of Financial Terms

Community Assets

Assets that a local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and allotments.

Comprehensive Income and Expenditure Statement

An account which summarises income generated and money spent in the provision of services for which the Council is responsible.

Consistency

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingency

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non occurrence of one or more uncertain future events.

Contingent Asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the Council's control.

Contingent Liability

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the local authority's control.

Corporate and Democratic Core

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services. Activities include:

- corporate policy making;
- representing local interests;
- support to elected bodies;
- duties arising from public accountability.

Council Tax

This is a local tax set by local councils to help pay for local services.

Creditors

Amounts owed by the Council for goods received or services provided before the end of the accounting period but for which payments have not been made by the end of that accounting period.

Current Assets

Assets which can be classified as cash or cash equivalents, assets held primarily for the purposes of trading (e.g. inventories), or any asset which is expected to be realised within the next financial year.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Deficit

An excess of expenditure over income (or liabilities over assets).

Debtors

Amounts due to the Council before the end of the accounting period but for which payments have not yet been received by the end of that accounting period.

Deferred Capital Receipts

Capital receipts to be received by instalments over agreed periods of time.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments in the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

The measure of the cost or revalued amount of the benefits of the non current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Earmarked Reserves

These are reserves set aside for a specific purpose or a particular service or type of expenditure.

Employee Benefits

Entitlements accrued by employees as part of their employment rights, e.g. annual leave (holiday), sick pay and payments as a result of their employment being terminated before normal retirement age.

Estimation Techniques

The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes to reserves.

Glossary of Financial Terms

Estimation techniques implement the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured. Where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. Estimation techniques include, for example:

- methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a tangible fixed asset consumed in the period;
- different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole rather than individual balances.

Events After the Balance Sheet Date

Events After the Balance Sheet Date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected Rate of Return on Pension Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Extraordinary Items

Material items which derive from events or transactions that fall outside the ordinary activities of the authority and which are therefore expected not to recur frequently or regularly.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Lease

A lease that transfers substantially all of the risks and rewards of a non current asset to the lessee.

Financial Instruments

Any document with monetary value. For example, securities such as bonds and stocks which have value and may be traded in exchange for money.

Financial Reporting Standard (FRS)

Financial Reporting Standards cover particular aspects of accounting practice and set out the correct accounting treatment, for example, of depreciation. Compliance with these statements is mandatory and any departure from them must be disclosed and explained. The standards originated in the commercial sector and some are not directly relevant to local authority accounts.

Funding Basis

The basis according to statute on which the Council determines what resources are available to meet capital and revenue expenditure.

General Fund

The main revenue account of a charging authority. Day to day spending on services is met from the fund.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, towards either revenue or capital expenditure incurred in providing local authority services.

Gross Carrying Amounts

The amount at which an asset is held in the Council's balance sheet.

Heritage Asset

An asset which is held solely for its cultural, environmental or historic associations. This encompasses such things as civic regalia, historical buildings and monuments, museum collections and works of art. Any asset which is used for operational purposes would not be classified as a Heritage Asset. So, for example, within this Council, the Lowewood Museum building itself would not be considered a Heritage Asset as its primary use is as the premises for the museum and thus it is an operational asset.

Housing Benefits

A system of financial assistance to individuals towards certain housing costs, which is administered by local authorities.

Assistance takes the form of rent rebates and rent allowances toward which central government pays a subsidy.

Impairment

A reduction in the value of a non current asset below its carrying amount on the balance sheet.

Infrastructure Assets

Examples of infrastructure assets are highways and footpaths.

Glossary of Financial Terms

Intangible Assets

An asset that brings benefit for more than one financial year, that does not have physical substance but is identifiable and controlled by the owner (e.g. software licences).

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

International Financial Reporting Standard (IFRS) also International Accounting Standard (IAS)

International Financial Reporting Standards cover particular aspects of accounting practice, and set out the correct accounting treatment, for example, of depreciation. Compliance with these statements is mandatory and any departure from them must be disclosed and explained. The standards originated in the commercial sector and some are not directly relevant to local authority accounts.

Inventories

The amount of unused or unconsumed inventories (stock) held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises. Stocks comprise the following categories:

- Goods or other assets purchased for resale;
- Consumable stores;
- Raw materials and components purchased for incorporation into products for sale;
- Products and services in intermediate stages of completion;
- Long term contract balances; and
- Finished goods.

Investments

The commitment of funds to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income or appreciation of the value of the instrument.

Investment Property

Property which is held solely to earn rentals and/or for capital appreciation but not used for the purpose of service delivery.

Liabilities

Money owed to somebody else.

Market value/price

The amount at which an asset could be bought or sold on the open market.

Member

An elected Councillor.

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.

Net Current Replacement Cost

The cost of replacing or recreating a particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non operational assets), less the expenses to be incurred in realising the asset.

Non Current Asset

Any asset which is not regarded as a current asset.

Non Domestic Rates (Business Rates)

These are rates charged on properties other than domestic property. The business rate poundage is set annually by the Government and is a flat rate throughout the country.

Obligating Event

An event which creates a legal or constructive obligation that results in the Council having no realistic alternative to settling that obligation.

Officer

An employee of the Council.

Operating Lease

A lease other than a finance lease.

Operational Assets

Non current assets held and occupied, used or consumed by a local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility or for the service or strategic objectives of the authority.

Pension asset ceiling

The limit on the amount of surplus in the Local Government Pension Scheme that the Council can recognise as an asset on its balance sheet. The surplus is restricted to the present value of the defined benefit obligation less the fair value of plan assets.

Precept

The levy made by one authority on another. Hertfordshire County Council and Hertfordshire Police (Hertfordshire Police and Crime Commissioner) who do not administer the council tax system each levy an amount on the Borough of Broxbourne which collects the required income from local taxpayers on their behalf.

Prior Period Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Property Plant and Equipment

Assets that have physical substance and are held for use in the provision of services.

Provisions

Provisions are sums set aside to meet any liabilities or losses which are likely to be incurred in the future but where there is uncertainty as to the amounts or dates on which they will arise.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

Prudential Code

The Prudential Code, introduced in April 2004, sets out the arrangements for capital finance in local authorities. It constitutes 'proper accounting practice' and is recognised as such by statute.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has the ability to exercise significant influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:

- central government;
- local authorities and other bodies precepting or levying demands on the council tax;
- its subsidiary and associated companies;
- its joint ventures and joint venture partners;
- its members;
- its chief officers; and
- its pension fund.

Related Party Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of all benefits received other than in cash. Pension contributions payable by the employer are excluded.

Reserves

Amounts set aside to meet general items of future expenditure, without being earmarked for any particular service or project.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Revaluation Reserve

An account containing any unrecognised gains or losses arising from the revaluation of non current assets held by the Council. When assets are sold, the gain or loss on sale will be recognised in the Comprehensive Income and Expenditure Statement once all previous entries relating to unrecognised gains or losses have been removed from the accounts.

Revenue Contributions to Capital Outlay

The financing of capital expenditure directly from revenue.

Revenue Expenditure

The day to day running costs an authority incurs in providing services.

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.

Revenue Support Grant

A grant paid by the Government to councils, contributing towards the costs of their services.

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

SeRCOP

Service Reporting Code of Practice (SeRCOP) is CIPFA's accounting recommendations for local authorities that legally constitute proper accounting practice, below the statement of accounts level.

Service Organisation (SO)

A separate trading unit which operates in a competitive environment and which consists of people directly employed by the authority.

Subsidiary

A company that is more than 50% controlled by another company or entitiy. The Council has two wholly owned subsidiaries - Badger BC Investments Ltd and Broxbourne Environmental Services Trading Ltd.

Surplus

An excess of income over expenditure (or assets over liabilities).

Total Cost

The total cost of a service or activity includes all costs which relate to the provision of the service or to the undertaking of the activity.

Trading Operation

Services operating on a “trading” basis which are financed by charges made to recipients of the services.

Useful Life

The period over which the authority will derive benefits from the use of a non current asset.

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