

STATEMENTS OF ACCOUNTS 2025-26
WDA/27/26

Recommendation

That Members:

1. Note the draft accounts for 2025-26 as included at Appendix 1 and summarised in Section 3 of the report;

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STATEMENTS OF ACCOUNTS**WDA/27/26****Report of the Director of Finance****1. Purpose of the Report**

- 1.1 The Authority is statutorily required to prepare a Statement of Accounts that complies with proper accounting practices. The Authority's draft Statements of Accounts for 2025-26 are attached as Appendices.
- 1.2 Audit Committee Members are asked to note the draft Statement of Accounts, which are subject to external audit.

2. Background

- 2.1 The Statutory framework for the preparation and approval of the Authority's Statement of Accounts is set out in the Accounts and Audit (England) Regulations 2015 and the Local Audit and Accountability Act.
- 2.2 The framework means that the Accounts should be prepared in draft by the Director of Finance. Then, following the audit of the accounts, the accounts are adopted formally by the Authority; this can be delegated to Audit Committee.
- 2.3 Audited Accounts for 2024-25 were published on 28th February 2026. The statutory deadline for the publication of draft accounts for 2025-26 is 30th June 2026 with deadline for publishing final, audited accounts being 31st January 2027.

3. The Statements of Accounts

- 3.1 The Authority's accounts were prepared under the provisions of the Code of Practice on Local Authority Accounting (the Code) which is prepared by the Chartered Institute of Public Finance and Accounting (CIPFA).
- 3.2 The Financial Statements for 2025-26 are attached in Appendix 1. Within the statement of accounts, the four key statements are:
- The Comprehensive Income and Expenditure Statement (CIES);
 - The Balance Sheet;
 - The Movement in Reserves Statement (MIRS); and
 - The Cash Flow Statement.
- 3.3 Each of these statements is regarded by the Code as a principal statement and their order is not significant as each has the same precedence. They are supported by notes to the accounts and are underpinned by Accounting Policies that confirm how key transactions and balances have been brought into the accounts.
- 3.4 A comparison of performance and reserves levels to the prior financial year is detailed in the table below

Table1: Comparison to Prior Year Performance

	2024-25 £000	2025-26 £000
Deficit or (Surplus) on Provision of Services	1,759	(3,158)
Other Comprehensive Income	(48,148)	(29,233)
Total Comprehensive Income	(46,389)	(32,391)
Earmarked Reserves	(10,000)	(20,000)
Total General Fund Reserves at Start of the Year	(28,594)	(20,191)
Total General Fund Reserves at End of the Year	(20,127)	(20,375)
Total Unusable Reserves at the End of the Year	(109,035)	(131,242)

- 3.5 There was a small opening balance adjustment to the general fund to correct expenditure on the new CRM that started production in 2024-25 and was completed in 2025-26 that is now recognized as an intangible asset on the balance sheet.
- 3.6 Overall, the performance for the 2025-26 year meant the authority could both increase its general fund and, if approved by the Authority, increase the level of earmarked reserves by £10m.

4. External Audit

- 4.1 The Statement of Accounts for 2025-26 is still in draft form and still subject to external audits review.
- 4.2 This year's audit must be completed and filed by 31st January 2027, though to align ourselves with changes to future deadlines for completion the Authority will be aiming to complete the audit and file its final, audited accounts by 30th November 2026. This means that Final Accounts are scheduled to be presented at the Audit committee meeting set for 26th November 2026.

5. Building Back Assurance

- 5.1 As previously reported to members, the 2024-25 accounts were subject to a disclaimer of audit opinion. Officers are currently working with the external auditor to build back assurance and limit the level of audit qualification for 2025-26 with a view to moving to clean audit opinion by 2026-27.
- 5.2 The authority has received £50k in grant funding from MHCLG in order to facilitate this.

6. Risk implications

- 6.1 There is a risk that the Authority will fail to comply with the statutory requirements regarding the approval of the statement of accounts; recognising the changes in the requirements and putting in place new arrangements mitigates the risk.
- 6.2 There is also a risk that the Authority's financial position will be misstated and the levels of balances available will be uncertain. This risk is mitigated by the fact that the ledger is maintained by a third-party Council and were the balances available to be different from those reported as available the third-party provider would advise the Authority immediately.

7. HR Implications

7.1 There are no HR implications.

8. Environmental Implications

8.1 There are no environmental implications.

9. Financial Implications

9.1 The Authority's balances on the General Fund available for supporting revenue costs may be different from those reported.

10. Legal Implications

10.1 The Authority will comply with its legal obligation regarding the statement of accounts by approval of the statement.

11. Conclusion

11.1 Members are therefore requested to approve the Authority's Statement of Accounts for 2025-26.

The contact officer for this report is: Chris Kelsall
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: chris.kelsall@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972.

Appendices

Appendix 1: Statement of Accounts, 2025-26