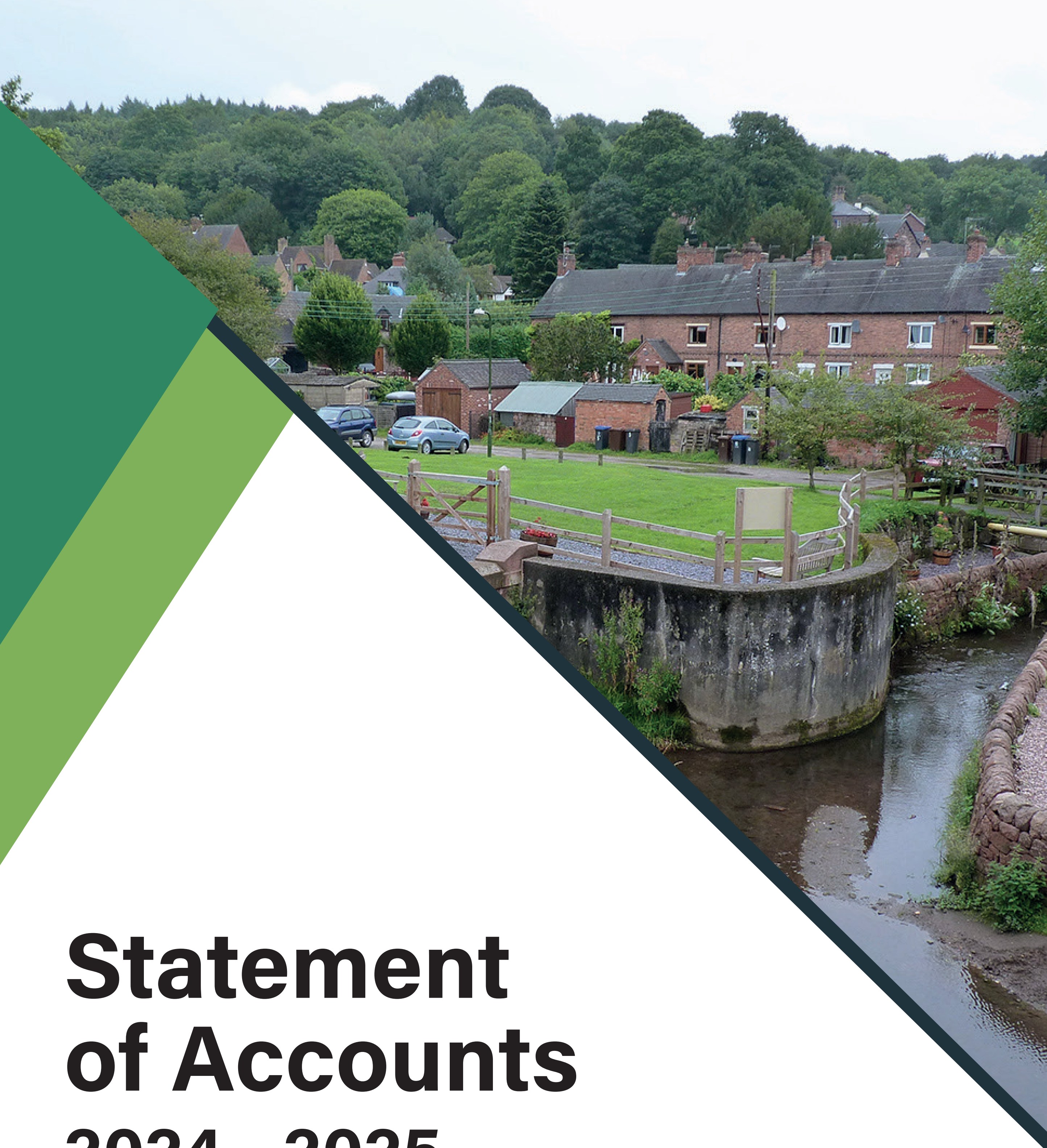


Statement of Accounts

2024 - 2025

STAFFORDSHIRE moorlands DISTRICT COUNCIL

ACHIEVING • EXCELLENCE

Contents

Chief Finance Officer's Narrative Report

The Council's Statement of Accounts for the year ended 31 March 2025, together with the accompanying notes, explains how the Council spent receipts of council tax, business rates and other sources of funding on the provision of services during the year. The narrative report provides a financial summary focusing on the current financial challenges and opportunities as identified within the Council's Medium-Term Financial Plan (MTFP), details of the financial performance for 2024/25, a focus on the Council's Corporate Plan, risk and performance framework, identification of the Council's key strategic partnerships, and an explanation of the key financial statements. These statements have yet to be audited and so may be subject to change.

Staffordshire Moorlands District

The district of Staffordshire Moorlands covers an area of 57,600 hectares, of which 32% is classed as rural, and serves a resident population of 95,800[1]. There are 45,179 domestic households on the council tax valuation list and 3,160 non-domestic properties on the business rates list as at 31 March 2025.

Local authorities have continued to face significant financial challenges over recent years managing cost pressures within services and greater volatility in financing streams where there has been a shift in focus towards locally generated income streams, such as council tax, business rates, and other income, with core central government funding reduced substantially. This increases the control and influence the Council has over locally generated income but makes it more vulnerable to fluctuations within the local economy, increasing financial risk.

Future Challenges and Opportunities

The narrative below sets out some of the more significant elements of local government policy and finance that have or may have an impact on the financial position of the Council:

Local Government Reorganisation and English Devolution: In December 2024 the Government announced its plans to fundamentally reform local government and extensions of its programme of devolving powers to English regions that were not yet configured to benefit to date, areas such as Staffordshire. Local Government Reorganisation (LGR) will see change across Staffordshire with all existing unitary and second tier authorities (like Staffordshire Moorlands District Council) ceasing to exist and successor entities delivering their services. For Staffordshire, this is looking like a two-authority solution with a north to south configuration. However, at the time of writing, the specific nature of the configuration is to be determined along with exact details of the

[1] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimatesenglandandwalescensus2021

timing of changes, although 2028 would appear to be the year for changes to come into operation. The deadline for proposals for reorganisation is 28th November 2025. The Council will be submitting to Government its own proposal for reorganisation. English Devolution (ED) for Staffordshire will provide greater local powers for funding and spending although plans have yet to be established for Staffordshire's response to the opportunity. Whilst these changes will be profound and have long-lasting and far-reaching consequences there is insufficient detail to inform changes to the Council's operations and any accounting changes that may be necessary. What is certain for the proposed LGR changes is that the Alliance with High Peak Brough Council, which spans two counties, will come to an end. The specific requirements for this will be taking shape over the coming years and a new reserve has been established to manage related costs.

Business rates: As part of the current Business Rates Retention system, local authorities (the billing authority, county council and fire authority) retain a proportion of 50% of any growth in business rates over and above a centrally established baseline after a system of tariffs and levies. The review of the Retention system has not yet progressed, therefore, as in previous years, no financial assumptions of a new system have been included with the Council's financial plans thus far.

Council tax: The Council has the capacity to vary council tax levels, but any increase above a threshold set by government is subject to a local referendum. For both 2024/25 and 2025/26, the threshold was 3%. The Council set a 2.99% Band D increase in both years.

New homes bonus: This is a grant awarded to authorities who demonstrate an increase in housing provision on an annual basis. The Council received £13,440 in 2024/25. This funding increased in the provisional local government finance settlement in December 2024 to £50,680 for 2025/26 relating to the most recent levels of housing growth in the district. The Medium Term Financial Plan (MTFP) assumes a continuation of this level of funding in some form in the following years pending the outcome of the Government's current consultation.

Other government funding: The provisional local government finance settlement in December 2024 confirmed government support to the Council in 2025/26 consisting of Funding Floor Grant of £427,590 and a Revenue Support Grant of £123,310. It is assumed that these grants will continue throughout the plan. In addition, Employer National Insurance Contributions Funding of £99,435 for 2025/26 was confirmed in February 2025 – this was less than the £194,000 funding estimated at budget setting and lower than the estimated £360,000 additional cost to be incurred.

Inflation pressures: The high- and variable inflation environment experienced over the last few years have placed significant stress on the finances of the Council and its partner organisations. The continued global volatility arising out of the conflicts in Ukraine and

Gaza, together with supply chain issues across numerous sectors of the economy, have an on-going impact on all services areas across the Council. Costs have shown signs of stabilising over recent months, albeit at increased levels, but the global trade environment that is being informed by the US Government's tariff and trade arrangements is being monitored for its effects.

Levelling Up: Under the UK Government's Levelling Up agenda to support local economic growth and regenerate town centres and high streets, the Council was successful in its bid to round 2 of the Levelling Up Fund (LUF) and was awarded £17.1million to regenerate Leek town centre. The funds are being used to deliver three projects: the creation of a wellbeing hub at Brough Park Leisure Centre, improvements to the Butter and Trestle markets which is now complete and operating successfully, and refurbishment works at the Grade II listed Nicholson Institute. The Council has also been allocated an award of £3,428,937 from the UK Shared Prosperity Fund (UKSPF)[2] as part of the Levelling Up agenda in its support for places across the UK to deliver enhanced outcomes. The allocation of funding to the Council is based on the three investment priorities of UKSPF: Communities & Place, Supporting Local Business, and People & Skills. The funding is to be used by 31 March 2025.

Efficiency programme: With the continuing underlying principles of protecting frontline service delivery, maintaining staffing levels, and moving towards being self-financing (i.e. not as reliant on direct government funding), the development of the Efficiency Strategy commenced in conjunction with stakeholders in the Autumn of 2022. The programme of £890,000 in savings was included in the 2025/26 MTFP approved in February 2025. This programme is profiled across 2024/25 £250,000, 2025/26 £250,000, 2026/27 £300,000 and 2027/28 £90,000; no target was added for 2028/29. Given a range of cost pressures and other factors £91,440 of the 2024/25 £250,000 target was delivered, with a further £37,440 identified at budget setting applicable for 2025/26. Corrective action has been implemented, and shortfalls are planned to be delivered in the remaining periods of the MTFP. The Council carries the longstanding earmarked reserve of £500,000 established to support with costs of delivering the programme and any reprofiling requirements.

Climate change action: The Council has undertaken various works in the last two years contributing to its ambition of becoming carbon neutral in its internal operations and within the services it delivers by 2030. These include:

- Replacement of the fossil fuel heating system at Biddulph Valley Leisure Centre with an integrated air source heat pump and photovoltaic panel system. This work was funded in part by a £1.9million grant from the Public Sector Decarbonisation Scheme and is expected to reduce carbon emissions by approximately 300 tonnes per year

[2] https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-allocations

- The refurbishment works at the Butter Market Hall in Leek included the removal of the gas heating system and its replacement with an air source heat pump and solar panel system together with the replacement of the Trestle Market roof to improve insulation. The works funded by the Levelling Up Fund and internal Council resources
- Installation of low energy LED lighting in the car parks it operates funded by £0.13million from internal Council resources
- Vehicle replacement programme to the value of £0.55million incorporating clean engine Euro 6 technology into the Council's waste collection, streets, and horticulture fleet
- Installation of Electric Charging points in the Council's Car Park at Stockwell Street in Leek, and at South Moorlands Leisure Centre in Cheadle, funded by the Council's Climate Change Reserve
- LED lighting has been installed throughout Moorlands House, the Council's main offices in Leek funded by the Council's Climate Change reserve.

Wider initiatives around agile working and virtual meetings have also reduced the Council's carbon footprint by reducing the number of miles travelled by its employees in the course of delivering Council services.

Going Concern

The Statement of Accounts 2024/25 has been prepared on a 'going concern' basis. This means the Council considers that it has sufficient financial resources to be able to continue in operation for the foreseeable future. The Council has a firmly embedded financial planning process, which includes a rolling four-year MTFP. This includes the Chief Finance Officer's statement regarding the adequacy of reserves and balances.

As part of establishing the Council's Medium Term Financial plans all service areas engage with finance to identify cost pressures and opportunities. A forward look is taken to assess possible impacts of government policy along with an assessment of key risks. Where this exercise leads to provisional fundings gaps, the Council's efficiency programme is reassessed to determine the extent to which it may need to be developed along with any other measures to ensure there is a balanced financial position.
All known events that could impinge on the Council's ability to continue as a going concern are mitigated systematically. For example, budget deficits are addressed through a well-developed approach towards the achievement of efficiency savings, which has a proven track record of success. There is an established quarterly reporting process to Cabinet to monitor in year financial performance. The Council's finances, performance, and procurement are scrutinised by the Finance and Performance Committee, with cash and the liquidity position and overall treasury function is scrutinised by the Audit & Accounts Committee.

Risk Management

The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay, or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis, and how risks should be mitigated and managed. In addition to the identification of risks, managers also quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's risk registers. There are three aspects of risk register: strategic, operational and project. The registers are reviewed on a quarterly basis and reported to the Corporate Risk Management Group and bi-annually to the Audit and Committee on an exception basis.

2024/25 Financial Performance

Revenue spending

Revenue spending represents the net cost of consuming supplies and providing services delivered by the Council in its day-to-day business during the year. The financial planning process for 2024/25 was driven by the need to provide effective services while satisfying the on-going economic pressure to become ever more efficient in our use of resources, delivering high levels of value for money for our residents and businesses.

Planned spend

The 2024/25 net general fund budget was set at £12,713,400 with £1,159,850 to be funded from reserves.

Actual spend

The Council’s actual performance against budget resulted in a £23,448 operating surplus in 2024/25, analysed in the table below:

		Budget	Actual	Variance
		£	£	£
Activities		12,713,400	13,669,712	956,312
Funding:	External	(11,553,550)	(12,280,498)	(726,948)
	Reserves	(1,159,850)	(1,412,662)	(252,812)
Operating Deficit / (Surplus) in the Year			**(23,448)**	**(23,448)**
Adding back the actual net use of reserves in year				1,412,662
Gives the decrease in Reserves Generated in 2024/25				**1,389,214**

Activities within the year were £956,312 above expectations. The significant variances of net spend compared with the budget which contribute to this are reported in the Finance, Procurement and Performance Report, Appendix A: Fourth Quarter Provisional Outturn Financial Review as summarised here:

- Customer services £111,841 underspend relating to staff vacancies and printing and postage
- Leisure centres £58,122 underspend following the mobilisation of the new company and the first 6 months of trading for Alliance Leisure Ltd
- ICT £166,409 overspend relating to contracts inflation, modernising equipment and professional services to develop the ICT strategy
- Property services £363,978 overspend arising from a shortfall on car park income and increased transaction costs; net overspend on general property maintenance; shortfall on rental income; and costs of installing LED lighting in public buildings as part of the Council's initiatives on climate change
- Benefits £142,017 overspend due to benefit awards not eligible for subsidy grant compounded by a general reduction in grant funding support
- Development services £243,991 overspend largely relating to shortfall on planning fee income and the cost of planning appeals
- Waste & Fleet £84,616 overspend arising primarily out of the temporary closure of the Fowlchurch Waste Transfer Station
- Leisure services £55,415 overspend on leisure development projects funded by grants received in prior years

Funding levels achieved were £726,946 above expectations. This was primarily due to £629,781 increase under the Business Rates Retention scheme, arising out of a smaller levy payable to the Business Rates Pool and a windfall from the previous year. The Council also benefitted from an increase in s31 grants receipts and a surplus levy distribution from central government. In addition, there was also an increase of £97,167 in actual central government funding received compared to that included in the MTFP.

The use of reserves was £252,812 greater than budgeted due to the Council drawing on reserves previously earmarked to cover particular elements of service expenditure.

The General Revenue Reserve is primarily held as a contingency to provide the Council with operational funds and as a safeguard against financial risk which could not be anticipated, a relatively recent example being the Coronavirus pandemic. Current risk-based assessments set the Council's need for a revenue contingency at £1.349million although the current economic climate and volatile financial environment means that this should be regarded as a minimum level and a greater degree of headroom may be required. At the end of 2024/25 the reserve stood at £1.760million, which is £411,000 above the minimum contingency level. In addition, the balance sheet shows reserves relating to the Joint Operation consolidation of the Council Controlled Companies, Alliance Environmental Services (AES) and Alliance Norse (ANL), of £308,000 and £158,000 respectively. The aggregate of these reserves is £877,000 above the minimum contingency level.

The current Medium Term Financial Plan approved in February 2025 anticipates the use of £89,230 in 2025/26 being offset by a contribution to reserves of £443,780 over the remaining life of the plan.

How the money was spent

The Comprehensive Income & Expenditure Statement (CIES) (page 20) summarises the resources that have been generated and consumed in providing services and managing the Council. It shows net expenditure for the year was £15.872million across the service areas around which the Council organises its budget. This figure includes nominal charges made for the use of capital assets and future pension liability. Their inclusion is a requirement to allow comparison between councils as to the true cost of providing services. However, statutory provisions require that such charges are excluded from the amount charged to council taxpayers.

The Expenditure and Funding Analysis (EFA) (page 24) reconciles the service outturn reported in the CIES with the £13.669million spend on activities as measured against the 2024/25 budget. The table below summarises that reconciliation and, by adding in external sources of funding and the use of reserves, reveals the actual gross expenditure and income behind the £0.023million surplus generated in the year.

	Gross Expenditure	Gross Income	Net Expenditure
	£'000	**£'000**	**£'000**
CIES	38,731	(22,859)	15,872
Nominal Adjustments	(1,042)	(1,161)	(2,203)
EFA	**37,689**	**(24,020)**	**13,669**
Funding:			
External		(12,280)	(12,280)
Reserves		(1,412)	(1,412)
	37,689	**(37,712)**	**(23)**

Capital spending

Capital spending either maintains or creates new assets that will contribute to the Council's aims and objectives over more than one year. The Council plans and budgets for capital expenditure by means of a four-year 'rolling' capital programme. This programme was last updated in February 2025 and included capital commitments of £45.1million over the period 2025/26 to 2028/29.

How the money was spent

The actual spend in 2024/25 was £14.704million. Major areas of capital expenditure and significant individual projects included:

- Levelling Up Fund (LUF) – Nicolson Institute, Brough Park Leisure Centre and Leek Butter Market (£8.307million)

- Fleet management – acquisition and enhancement of vehicles through direct purchase for the Council's joint operation, Alliance Environmental Services (£0.422million)
- Housing standards – disabled facilities grants (DFG) (£3.217million)
- Regeneration –UK Shared Prosperity Capital Funding (£1.897million) external grants supporting business initiatives and environmental improvements.

How it was paid for

There are several sources from which the Council can fund capital expenditure. In 2024/25 this included £13.571million external grants, £0.191million general fund reserves, and £0.941million borrowing need.

The balance sheet perspective

At the end of 2024/25 the Council's net worth, as reported on the Balance Sheet, stood at a net asset value of £47.781million. When compared to a opening value of £38.724million at the beginning of the year. This represents an increase in net worth of £9.057million – the main causes being an increase in the value of assets (long term and net current) at the end of the year and a decrease in the Council's pension liability.

31 March 2024		31 March 2025
£'000		£'000
41,523	Long Term Assets	47,253
10,000	Capital Loan - Service Investment (Housing)	10,000
10,020	Net Current Assets (debtors, inventories, less creditors, other liabilities)	14,958
(7,688)	Borrowing	(11,131)
(12,997)	Pensions Liability	(11,166)
(2,134)	Other Long Term Liabilities and Provisions	(2,133)
38,724	**Net Assets**	**47,781**
25,315	**Represented by: Usable Reserves**	**14,241**
13,409	**: Unusable Reserves**	**33,540**

The Council's Corporate Plan

Following the local elections in May 2023, the Council developed a new Corporate Plan covering the period 2023-2027 which supports the vision of 'Achieving excellence in the delivery of high-quality services that meet the needs and aspirations of our communities'. The vision is articulated by four aims which are supported by a number of objectives that provide the framework for delivery of individual service plans:

Aim 1: Help create a safer and healthier environment for our communities to live and work

- Increased supply of good quality affordable homes
- Develop a positive relationship with communities

- Effective relationship with strategic partners
- Effective support of community safety arrangements including CCTV
- Provision of sports facilities and leisure opportunities focused upon improving health
- Enhance the distinctive culture, creativity and heritage of the district
- Improve residents' access to benefits and financial support

Aim 2: Use resources effectively and provide value for money

- Effective use of financial and other resources to ensure value for money
- Ensure services are easily available to all our residents in the appropriate channels and provided "right first time"
- A high performing and well-motivated workforce
- Effective procurement with a focus on local business
- Effective use of ICT
- More effective use of Council assets
- Strong and effective democratic processes

Aim 3: Help create a strong economy by supporting further regeneration of towns and villages

- Encourage business start-ups and enterprises
- Flourishing town centres that support the local economy
- Encourage and develop tourism
- High quality development and building control with an "open for business" approach
- Maintain and deliver an effective Local Plan

Aim 4: Protect and improve the environment and respond to the climate emergency

- Effective recycling and waste management
- Meeting the challenges of climate change
- Provision of high quality public amenities, clean streets and environmental health
- Provision of quality parks and open spaces
- Car parking arrangements that meet the needs of residents, businesses and visitors

Our Performance Framework, which measures our success in delivering the Corporate Plan, also reflects the three pillars of value for money: economy, efficiency and effectiveness and is fully aligned to the Council's corporate objectives. The Council publishes an Annual Report, which takes stock of the progress made in delivery of the Corporate Plan objectives and uses comparative performance and cost measures to help shape the Council's refreshed objectives.

Our Performance in 2024/25

The Council used a range of financial and other indicators to measure performance in 2024/25. At the end of March, 69% of the Council's performance targets for the year had been met, a 1% increase on last year. The Council also exceeded its targets in a number of areas including processing of new benefit claims and change of circumstance, planning processing times, collection rates for business rates and council tax, community clean-up campaigns, street and environmental cleanliness, estimated kg residual waste and missed bins.

The areas which fell short of target include the use of temporary accommodation (homelessness), major developments allowed on appeal and planning enforcement cases resolved in 13 weeks, sundry debt collection rate, complaint handling within target, FOI response times, estimated % waste recycled.

For those measures that fell below the target set for the year we have developed actions for improvement, where feasible, as part of our performance reporting to senior managers and members. As well as comparing performance over time and against target, we also compare our performance with other Councils nationally through local benchmarking clubs and data platforms such as CFOi Insights, Place Analytics and LG Inform.

Delivering against our Corporate Aims

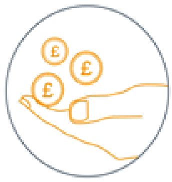
The Council's Corporate Plan has four key aims, and below we have highlighted some of our achievements last year in relation to each of them.

Aim 1: Help create a safer and healthier environment for our communities to live and work:

- ✓ Processed 99.78% of Housing Benefit cases correctly and exceeded processing targets for both new claims and change of circumstances.(the best in Staffordshire)
- ✓ Refreshed the Communication Strategy to ensure there is a more effective dialogue and engagement with residents.
- ✓ Monitored 26 CCTV incidents and 10 events.
- ✓ Moved the operation and management of the Councils leisure facilities into a wholly owned council company (branded under MyActive) delivering physical activity, health and wellness through the centres and wider facilities.
- ✓ Expanded the work we do in our priority areas with new Move More engagement works in Biddulph, Leek and Cheadle, including new partnerships with John Hall Wellness Garden (Rethink) and Support Staffordshire.
- ✓ Completed the work to improve energy efficiency at Biddulph Leisure Centre (MyActive Biddulph) : the work was grant funded by Sport England Swimming Pools Support Fund.
- ✓ Completed full refurbishment of Glebeville play area in Leek as part of on-going Play Investment Fund work to improve our play areas.

- ✓ Refurbishment of Brough Park Leisure Centre (MyActive Leek) LUF project commenced in November utilising the £17.1m funding awarded from the Governments Levelling Up Fund.

Aim 2: Use resources effectively and provide value for money:

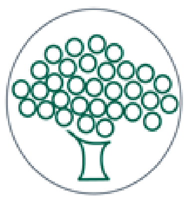


- ✓ Carried out an accommodation and IT review, creating new meeting rooms and updating the IT equipment.
- ✓ Continued the apprenticeships for three staff (Alliance): (1x level 4 and 2 x level 7) and utilised 100% of the apprentice levy.
- ✓ Continued the development and implementation of the 'Alliance: Our Future' programme, along with the service culture reviews.
- ✓ Hosted the final Corporate Peer Challenge progress review whereby the Peers reviewed the recommendations from the February 2022 and February 2024 visits. The challenge was held on site for one day and included meetings with councillors and staff.
- ✓ Completed the development of the new SharePoint intranet launched in May 2025.
- ✓ Collected 99.48% of business rates and 98.4% of council tax due (the best in Staffordshire).
- ✓ Paid 97.65% of invoices in line with the terms of contract.
- ✓ Implemented 96.5% of internal audit recommendations within timescale.
- ✓ Created and implemented a new project management framework and re-aligned the transformation programme.

Aim 3: Help create a strong economy by supporting further regeneration of towns and villages:

- ✓ Completed work on the transformation of Leek's indoor market halls utilising the funding from the Governments £17.1m Levelling Up Fund together with additional funding from the Council.
- ✓ Commenced refurbishment and repurpose of the Nicholson Institute In conjunction with Staffordshire County Council.
- ✓ Launched a range of grants to support Community, Arts, Culture, Heritage and Events
- ✓ Achieved a rate of 10.5% for empty town centre shops (national average is 13.8%).
- ✓ Determined 100% of 'major' planning applications in time and exceeded target for 'minor' and 'other' planning applications.
- ✓ Supported local accommodation providers to raise their profile and commissioned an Accommodation Acceleration Plan.
- ✓ Visitor-spend in the area totalled £539.51m and there were 2.3m overnight stays.

Aim 4: Protect and improve the environment:



- ✓ Launched the Nature in Your Neighbourhood partnership project with the Staffordshire Wildlife Trust and other stakeholders.

- ✓ Achieved 100% air quality compliance against national reporting requirements in relation to air quality.
- ✓ Inspected 100% of 'high risk' and 'routine permitted' premises to schedule.
- ✓ Maintained the Green Flag award at Ladderedge Country Park for the 11th consecutive year.
- ✓ Supported 337 community clean-up campaigns.
- ✓ Collected 399 fly tipping incidents.
- ✓ Established the Waste Working Group focused on actions associated with delivery of the new waste collection arrangements and completed a tender exercise for capital purchases (vehicle and caddies).
- ✓ Achieved low residual estimated waste tonnages and fulfilled 99.96% of waste collections
- ✓ Secured £1.1 million from the Government's Public Sector Decarbonisation (PSDS) Scheme for an energy project at Brough Park Leisure Centre. The project will see conventional gas heating systems be replaced by air source heat pumps and solar panels, making a significant contribution to the Councils net zero aspirations.

Key Strategic Partnerships

In 2008 Staffordshire Moorlands District Council entered a **Strategic Alliance** (the Alliance) with our neighbours, High Peak Borough Council. The primary aim of the Alliance is to drive through service improvements through joint working whilst reducing costs to increase value-for-money and minimise future council tax increases. The arrangement, which features a fully integrated Joint Senior Management Team and widespread joint service delivery, crosses both county and regional boundaries. The Alliance sits at the heart of the Council's Efficiency Strategy.

Alliance Environmental Services Limited (AES): the Council established a Council controlled company in 2017 with Alliance partner High Peak Borough Council and Ansa (a subsidiary of Cheshire East Council) to deliver waste collection, street cleansing, grounds maintenance and fleet management services. The collaborative arrangement has been assessed to be a joint operation and is therefore consolidated into the single entity financial statements of both Councils. This is described in note 2: Interests in companies & other entities and joint arrangements. On 1 April 2025 the shares held by Ansa were transferred to Cheshire East Council.

Alliance Norse Limited (ANL): The Council established a in Council controlled company 2022 with Alliance partner High Peak Borough Council and Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) to deliver facilities management, property and other maintenance services, and the Council's Disabled Facilities Grant programme. The collaborative arrangement has been assessed to be a joint operation with and is therefore consolidated into the single entity financial statements of both Councils respectively. This is described in note 2: Interests in companies & other entities and joint arrangements.

Alliance Leisure Ltd.
on behalf of High Peak Borough Council & Staffordshire Moorlands District Council

Alliance Leisure Limited (ALL): The Council established a Council controlled company in 2024 with Alliance partner High Peak Borough Council to deliver health and fitness services across the Staffordshire Moorlands and High Peak areas. The collaborative arrangement has been assessed to be a joint operation and is therefore consolidated into the single entity financial statements of both councils. This is described in note 2: Interests in companies & other entities and joint arrangements.

Reporting of the Financial Statements

The Statement of Accounts for the year ended 31 March 2025 has been prepared in accordance with the Accounts and Audit Regulations 2015. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by the International Financial Reporting Standards.

Martin Owen, MBA FCCA CMgr FCMI
Executive Director (Resources) & Chief Finance Officer
Date:18th December 2025

Certificate of Approval by Audit & Accounts Committee

I confirm that these accounts were approved by the meeting of the Audit and Accounts Committee held on 28th November 2025

Councillor Matthew Spooner
Chair of the Audit & Accounts Committee
Date : 18th December 2025

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 Executive Director & Chief Finance Officer (CFO)
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Executive Director's Responsibilities

The Executive Director (CFO) is responsible for the preparation of the Council's financial statements, which under the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice') are required to present the true and fair financial position of the Council at the accounting date and its income and expenditure for the year.

In preparing this Statement of Accounts, the Executive Director (CFO) has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and decisions that were reasonable and prudent
- Complied with the Code of Practice.

The Executive Director (CFO) 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 the Executive Director (CFO)

I certify that this Statement of Accounts gives a 'true and fair' view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year.

Martin Owen, MBA FCCA CMgr FCMI
Executive Director (Resources) & Chief Finance Officer Date: 18th December 2025

Statement of Accounting Policy

The purpose of this section is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

1. Accounting Policies

The Accounting Policies included at the foot of this Statement of Accounts have been applied in producing the statements. They are based on best practice and legislative requirements, including CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom for 2024/45 (the Code).

2. Accounting Standards Issued, Not Adopted

A number of new or amended standards have been issued in the Code for the forthcoming year, which are not yet adopted. The Council is required to disclose any information relating to the impact of an accounting change that will be required by the new standard.

These new or amended standards may provide clarification but are unlikely to have a significant impact on the amounts anticipated to be report in the financial statements of this Council:

- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

These new or amended standards are anticipated to be of limited application to this Council:

- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in part 1 of this section, the Council has had regard to the materiality of the transactions being reported. It has also had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgment made in the Statement of Accounts is:

- The collaboration companies Alliance Environmental Services Ltd (between Staffordshire Moorlands District Council, High Peak Borough Council and Ansa Environmental Services Ltd), Alliance Norse Ltd. (between Staffordshire Moorlands District Council, High Peak Borough Council and Norse Commercial Services Ltd), and Alliance Leisure Ltd (between Staffordshire Moorlands District Council and High Peak Borough Council) have been determined to be Joint Operations and are therefore consolidated in to Staffordshire Moorlands District Council's and High Peak Borough Council's single entity financial statements, i.e. there is no requirement for separate group accounts. The relationship, details of this assessment and financial performance and results of the companies are included in note 2: Interests in companies & other entities and joint arrangements.

4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are:

Pensions liabilities – uncertainties: Estimation of the net liability to pay pensions depends on several 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 (Note 4f highlights key assumptions). A 1% change in the assessed carrying value of the Council's pension liability equates to £111,660 (total £11,166,000).

Pension funds exist to provide retirement benefits into the future and their valuation reflects both these commitments and the predicted income streams from contributions and investments over the long term. This extended timeframe means that while valuations may reflect immediate economic conditions their impact will tend to smooth out over time.

Asset valuations – uncertainties: The valuations of property, plant and equipment reported in the Balance Sheet and the related depreciation charges made to the CIES are based on an estimation of their value and asset life. A firm of qualified valuers is engaged by the Council to carry out, for the major assets, a programme of physical valuations to ensure that their carrying values are subject to professional and independent assessment. A 1% change in the assessed carrying value of the Authority's assets equates to £471,080 (total £47,108,000).

Financial Statements

Movement in Reserves Statement (MIRS)

The movement in the year on the different reserves held by the Council is analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus/ (deficit) on the provision of services shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. This is different from the statutory amounts required to be charged to the general fund balance for Council Tax setting purposes. The net increase/ decrease before transfers to earmarked reserves shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Notes	General Fund & Earmarked Reserves	Capital		Total Usable Reserves	Unusable Reserves	Total Council Reserves
			Receipts Reserve	Grants Unapplied			
		£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 carried forward		**(10,063)**	**0**	**(5,674)**	**(15,737)**	**(28,306)**	**(44,043)**
(Surplus) or deficit on the provision of Services		**94**	0	0	**94**	0	**94**
Other Comprehensive Income and Expenditure		**0**	0	0	**0**	5,225	**5,225**
Total Comprehensive Income and Expenditure		**94**	0	0	**94**	5,225	**5,319**
Adjustment between accounting basis & funding basis under regulations	5	**1,518**	(82)	798	**2,234**	(2,234)	**0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	12	**1,612**	(82)	798	**2,328**	2,991	**5,319**
Balance at 31 March 2024 carried forward		**(8,451)**	**(82)**	**(4,876)**	**(13,409)**	**(25,315)**	**(38,724)**
(Surplus) or deficit on the provision of Services		**(6,207)**	0	0	**(6,207)**	**0**	**(6,207)**
Other Comprehensive Income and Expenditure		**0**	0	0	**0**	(2,850)	**(2,850)**
Total Comprehensive Income and Expenditure		**(6,207)**	0	0	**(6,207)**	(2,850)	**(9,057)**
Adjustment between accounting basis & funding basis under regulations	5	**7,787**	(55)	(2,357)	**5,375**	(5,375)	**0**
Net (Increase)/Decrease before Transfers to Earmarked Reserves	12	**1,580**	(55)	(2,357)	**(832)**	(8,225)	**(9,057)**
Balance at 31 March 2025 carried forward		**(6,871)**	**(137)**	**(7,233)**	**(14,241)**	**(33,540)**	**(47,781)**

Comprehensive Income & Expenditure Statement

Showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations; which may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24					2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Notes	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
400	(1)	399	Alliance Leadership Team		304	0	304
106	0	106	Audit		115	0	115
1,126	(1)	1,125	ICT		1,086	(10)	1,076
57	0	57	Human Resources		79	0	79
607	0	607	Member Services		687	0	687
2,655	(864)	1,791	Property Services		5,755	(1,026)	4,729
10,702	(10,849)	(147)	Benefits		10,813	(10,914)	(101)
854	(317)	537	Revenues		722	(329)	393
978	(856)	122	Planning Applications		1,045	(596)	449
59	0	59	Building Control		59	(1)	58
636	(4)	632	Customer Services		591	(3)	588
256	(10)	246	Legal Services		302	(15)	287
217	(53)	164	Electoral Services		95	(24)	71
1	(133)	(132)	Licensing		2	(123)	(121)
809	(478)	331	Regeneration		3,013	(2,951)	62
531	(30)	501	Communities and Cultural		838	(35)	803
480	(363)	117	Housing Strategy		586	(439)	147
330	0	330	Transformation		388	(23)	365
229	(45)	184	Community Safety and Enforcement		198	(50)	148
444	0	444	Finance and Procurement		492	0	492

611	(232)	379	Corporate Finance		475	(453)	22
6,869	(2,784)	4,085	Waste Collection		5,743	(1,903)	3,840
903	(334)	569	Street Scene		894	(328)	566
1,587	(234)	1,353	Leisure Services		343	(55)	288
0	0	0	Leisure Centres		2,106	(1,031)	1,075
950	(237)	713	Horticulture		1,143	(219)	924
3,402	(1,983)	1,419	Environmental Health		857	(2,331)	(1,474)
35,799	**(19,808)**	**15,991**	**Cost of Services**		**38,731**	**(22,859)**	**15,872**
1,703	(82)	1,621	Other Operating Expenditure	3a	2,147	(123)	2,024
445	(1,482)	(1,037)	Financing and Investment Income and Expenditure	3b	4,371	(1,496)	2,875
	(16,481)	(16,481)	Taxation and Non-Specific Grant Income and expenditure	3c		(26,978)	(26,978)
		94	**(Surplus) or Deficit on Provision of Services**				**(6,207)**
		(14)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	13a			(643)
		5,239	Remeasurement of the net defined pension benefit liability	4b			(2,207)
		5,225	**Other Comprehensive Income and Expenditure**				**(2,850)**
		5,319	**Total Comprehensive Income and Expenditure**				**(9,057)**

Balance Sheet

Providing an overall summary of the financial position of the Council at the year end. It shows the Council's balances and reserves and its long-term indebtedness, and the value at the balance sheet date of the assets and liabilities recognised by the Council.

31 March 2024		Notes	31 March 2025
£000			**£000**
36,370	Property, Plant & Equipment	6a	41,745
584	Heritage Assets		584
4,375	Investment Properties	6b	4,623
194	Intangible Assets		156
10,122	Long Term Debtors	8	10,145
51,645	**TOTAL LONG TERM ASSETS**		**57,253**
5,641	Short Term Investments	14a	3,216
84	Inventories		114
4,767	Short Term Debtors	8	8,687
8,841	Cash and Cash Equivalents	7	13,340
19,333	**TOTAL CURRENT ASSETS**		**25,357**
0	Cash and Cash Equivalents	7	0
(3,084)	Short Term Borrowings	14a	(6,527)
(8,739)	Short Term Creditors	9	(10,265)
(696)	Provisions	10	(134)
(12,519)	**TOTAL CURRENT LIABILITIES**		**(16,926)**
(4,604)	Long Term Borrowing	14a	(4,604)
(12,997)	Pensions Liability	4c	(11,166)
(203)	Other Long Term Liabilities		(331)
(1,931)	Grants Receipts in Advance - Capital	11	(1,802)
(19,735)	**TOTAL LONG TERM LIABILITIES**		**(17,903)**
38,724	**TOTAL NET ASSETS**		**47,781**
13,409	Usable Reserves	12	14,241
25,315	Unusable Reserves	13	33,540
38,724	**TOTAL RESERVES**		**47,781**

The audited accounts were approved on 18th December 2025

Martin Owen, MBA FCCA CMgr FCMI
Executive Director (Resources) & Chief Finance Officer

Cash Flow Statement

The inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2023/24		Notes	2024/25
£000			**£000**
(94)	Net Surplus/(Deficit) on the Provision of Services		6,207
12,886	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	**17a**	1,070
(2,334)	Adjust for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	**17a**	(8,550)
10,458	**Net Cash Flows from Operating Activities**		**(1,273)**
1,418	Investing Activities	**17c**	2,091
(12,605)	Financing Activities	**17d**	3,681
(729)	**Net Increase or (Decrease) in Cash and Cash Equivalents**		**4,499**
9,570	Cash and Cash Equivalents at the Beginning of the Reporting Period	**7**	8,841
8,841	**Cash and Cash Equivalents at the End of the Reporting Period**		**13,340**

Notes to the Financial Statements

Some of the notes to the core financial statements are dictated by statute while others are included to add clarity.

1. Amounts reported for resource allocation decisions

Decisions about resource allocation are taken by the Council's Cabinet based on financial reports prepared on a different basis from the accounting policies used in the financial statements: no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the CIES), and the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in year.

The following tables analyse and show the relationship between the statutory statements and the financial information reported to and used by the decision makers.

1a. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Council (government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2023/24				2024/25		
Net Expenditure to General Fund Balance	**Adjustments Funding & Accounting**	**Net Expenditure in the CIES**		**Net Expenditure to General Fund Balance**	**Adjustments Funding & Accounting**	**Net Expenditure in the CIES**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
394	5	399	Alliance Leadership Team	333	(29)	304
99	7	106	Audit	118	(3)	115
1,055	70	1,125	ICT	1,018	58	1,076
57	0	57	Human Resources	79	0	79
607	0	607	Member Services	688	(1)	687
1,089	702	1,791	Property Services	1,098	3,631	4,729
(147)	0	(147)	Benefits	(101)	0	(101)
527	10	537	Revenues	397	(4)	393
99	23	122	Planning Applications	463	(14)	449
59	0	59	Building Control	58	0	58
620	12	632	Customer Services	593	(5)	588
243	3	246	Legal Services	287	0	287
164	0	164	Electoral Services	71	0	71
(132)	0	(132)	Licensing and Land Charges	(121)	0	(121)
199	132	331	Regeneration	381	(319)	62
423	78	501	Communities and Cultural	461	342	803
123	(6)	117	Housing Strategy	145	2	147
326	4	330	Transformation	367	(2)	365
168	16	184	Community Safety and Enforcement	134	14	148
425	19	444	Finance and Procurement	509	(17)	492
705	(326)	379	Corporate Finance	505	(483)	22
3,565	520	4,085	Waste Collection	3,494	346	3,840
474	95	569	Street Scene	461	105	566
208	1,145	1,353	Leisure Services	194	94	288
0	0	0	Leisure Centres	468	607	1,075
662	51	713	Horticulture	853	71	924
536	883	1,419	Environmental Health	716	(2,190)	(1,474)
12,548	**3,443**	**15,991**	**Cost of Services**	**13,669**	**2,203**	**15,872**
(10,936)	(4,961)	(15,897)	Other Income and Expenditure	(12,088)	(9,991)	(22,079)
1,612	**(1,518)**	**94**	**Cost of Services**	**1,581**	**(7,788)**	**(6,207)**
(10,063)			**Opening General Fund Balance**	**(8,451)**		
1,612			Less (Surplus) or Deficit in Year	1,581		
(8,451)			**Closing General Fund Balance**	**(6,870)**		

1b. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the general fund to arrive at the amounts in the CIES:

2023/24					2024/25			
Adjustments for Capital Purposes	Net Change of the Pension Adjustment	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net Change of the Pension Adjustment	Other Differences	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
0	9	(4)	5	Alliance Leadership Team	0	(3)	(26)	**(29)**
0	3	4	7	Audit	0	(1)	(2)	**(3)**
70	0	0	70	ICT	58	0	0	**58**
0	0	0	0	Human Resources	0	0	0	**0**
0	0	0	0	Member Services	0	(1)	0	**(1)**
498	3	201	702	Property Services	3,431	(1)	201	**3,631**
0	0	0	0	Benefits	0	0	0	**0**
0	10	0	10	Revenues	0	(4)	0	**(4)**
0	8	15	23	Planning Applications	0	(3)	(11)	**(14)**
0	4	8	12	Customer Services	0	(2)	(3)	**(5)**
0	1	2	3	Legal Services	0	(1)	1	**0**
0	0	0	0	Electoral Services	0	0	0	**0**
0	0	0	0	Licensing	0	0	0	**0**
41	4	87	132	Regeneration	(290)	(2)	(27)	**(319)**
68	4	6	78	Communities and Cultural	349	(1)	(6)	**342**
0	1	(7)	(6)	Housing Strategy	0	(1)	3	**2**
0	3	1	4	Transformation	0	(2)	0	**(2)**
16	0	0	16	Community Safety and Enforcement	14	0	0	**14**
0	6	13	19	Finance and Procurement	0	(2)	(15)	**(17)**
(225)	(1,124)	1,023	(326)	Corporate Finance	(255)	(1,050)	822	**(483)**
453	65	2	520	Waste Collection	359	(11)	(2)	**346**
95	0	0	95	Street Scene	105	0	0	**105**
1,145	0	0	1,145	Leisure Services	94	0	0	**94**
0	0	0	0	Leisure Centres	607	0	0	**607**
51	0	0	51	Horticulture	71	0	0	**71**
876	9	(2)	883	Environmental Health	(2,189)	(3)	2	**(2,190)**
3,088	**(994)**	**1,349**	**3,443**	**Cost of Services**	**2,354**	**(1,088)**	**937**	**2,203**
(4,349)	413	(1,025)	(4,961)	Other Income and Expenditure	(8,904)	618	(1,705)	(9,991)
(1,261)	**(581)**	**324**	**(1,518)**	**Difference between General Fund (Surplus)/ Deficit and CIES**	**(6,550)**	**(470)**	**(768)**	**(7,788)**

Adjustments for capital purposes

Adjustments to general fund balances to meet the requirement of generally accepted accounting practices:

Within cost of services:

- adds in depreciation and impairment on assets used by the service
- adjusts for any revaluation gains and losses on those assets.

Within other income and expenditure:

- Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- Statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year
- Credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net change for the pension adjustments

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

Within cost of services:

- 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.

Within other income and expenditure:

- Records the net interest on the defined benefit liability charged to the CIES.

Adjustments for other differences

Other differences between amounts debited/ credited to the CIES and amounts payable/ receivable to be recognised under statute:

Within cost of services:

- Statutory adjustment for a financial instrument relating to a decision to issue a soft loan (below market rates)
- Accounting for the employee accumulated absence liability.

Within other income and expenditure:

- Adjustments to the general fund for the timing differences for premiums and discounts
- The difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the

income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the collection fund.

1c. Expenditure and income analysed by nature

This represents a subjective analysis of the surplus/ deficit on the provision of services as reported in the CIES.

2023/24		2024/25
£000		**£000**
9,873	Employee Expenses	10,800
21,393	Other Service Expenses	27,022
4,800	Depreciation, Amortisation and Impairment	1,527
0	Fair Value change in Investment Properties	3,414
179	Interest Payments	339
1,557	Precepts & Levies	1,667
144	Derecognition and Disposal Value of Fixed Assets	480
37,946	**Total Expenditure**	**45,249**
(5,951)	Fees, Charges & Other Service Income	(6,176)
(1,201)	Interest and Investment Income	(1,161)
(7,485)	Council Tax	(7,840)
(4,900)	Business Rates	(5,952)
(12,982)	Government Grant	(14,117)
(5,251)	Capital Grants and Contributions	(15,928)
(82)	Capital Receipts	(282)
(37,852)	**Total Income**	**(51,456)**
94	**(Surplus) or Deficit on the Provision of Services**	**(6,207)**

1d. Segmental Analysis

This Table shows a further breakdown by service of fees, charges and other income reported at 1c.

2023/24		2024/25
£000	**Fees, Charges and Other Income**	**£000**
(1)	Alliance Leadership Team	
0	ICT	(10)
(1,062)	Property Services	(1,230)
(68)	Benefits	(186)
(178)	Revenues	(209)
(726)	Planning Applications	(502)
0	Building Control	(1)
(4)	Customer Services	(3)
(10)	Legal Services	(15)
(3)	Electoral Services	(4)
(130)	Licensing	(123)
(175)	Regeneration	(124)
(4)	Communities and Cultural	(6)
(59)	Housing Strategy	(130)
0	Finance and Procurement	0
(57)	Corporate Finance	(59)
(2,783)	Waste Collection	(1,902)
(334)	Street Scene	(328)
0	Leisure Services	(1)
0	ALL Direct	(1,006)
(237)	Horticulture	(219)
(120)	Environmental Health	(118)
(5,951)	**Total Analysed on a Segmental Basis**	**(6,176)**

2. Net cost of services

The following notes consider transactions included in the Cost of Services in the CIES in more detail.

2a. Members' allowances

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

2023/24		2024/25
£		**£**
378,170	Allowances	392,974
4,957	Expenses	6,610
383,127	**Total**	**399,584**

2b. Officers' remuneration (senior employees)

Under the management arrangements for the Alliance, costs and responsibilities for senior posts are shared between Staffordshire Moorlands District Council and High Peak Borough Council based on the proportion of time allocated to the two Councils including Housing Revenue Account responsibilities at High Peak. In line with the regulations, the remuneration of senior officers is included in the disclosure within the Statement of Accounts of the Authority for which they are employed and paid.

2024/25	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension contrib)	Pension Contribution	Total (inc Pension contrib)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Senior Officer with Salary over £150,000							
Chief Executive Officer - A Stokes	187,297	26,761	214,058	41,767	255,825	153,844	101,981
Senior Officers with Salary over £50,000 to £150,000							
Executive Director(Resources) & Chief Financial Officer	121,609	963	122,572	27,191	149,763	89,858	59,905
Executive Director (Governance & Commissioning)	143,850	3,555	147,405	32,079	179,484	107,690	71,794
Head of Audit	70,384	4,678	75,062	15,696	90,758	54,455	36,303
Head of Finance	78,544	963	79,507	17,515	97,022	58,213	38,809
Head of Environmental Health	70,384	3,486	73,870	15,696	89,566	44,783	44,783
Head of Revenues & Benefits	70,384	963	71,347	15,696	87,043	43,521	43,522
Head of Communities & Climate Change	67,723	4,561	72,284	15,102	87,386	52,432	34,954
Head of Democratic Services	67,662	1,295	68,957	15,089	84,046	42,023	42,023
	877,837	**47,225**	**925,062**	**195,831**	**1,120,893**	**646,819**	**474,074**

In the above note, the Council has disclosed all senior officers who have remuneration over £50,000. There is a recharge to High Peak BC of £646,819 for the posts paid by Staffordshire Moorlands District Council. However, as several of the Directors and Senior Service Managers are employed and paid by High Peak Borough Council, there is a recharge back to Staffordshire Moorlands District Council of £315,408 as detailed below.

2024/25	Salary, Fees and Allowances	Expenses Allowances	Total (excl pension contrib.)	Pension Contribution	Total (incl pension contrib.)	Charge to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director (Community Services)	62,457	963	63,420	13,053	76,473	30,589	45,884
Head of OD & Transformation	78,544	963	79,507	16,416	95,923	38,369	57,554
Head of Legal & Electoral Services	78,544	963	79,507	16,416	95,923	38,369	57,554
Head of Development Services	78,544	963	79,507	16,416	95,923	47,961	47,962
Head of Housing	40,961	963	41,924	8,704	50,628	10,123	40,505
Head of Customer Services	70,384	963	71,347	14,710	86,057	38,726	47,331
Head of Leisure & Environmental	49,730	963	50,693	10,289	60,982	30,491	30,491
Head of Leisure & Environmental	14,076	241	14,317	2,942	17,259	8,630	8,629
Head of Regeneration	70,384	963	71,347	14,710	86,057	43,029	43,028
Head of Assets	28,920	401	29,321	6,044	35,365	17,683	17,682
	572,544	**8,346**	**580,890**	**119,700**	**700,590**	**303,970**	**396,620**

Executive Director (Community Services) started in September 2024
Head of Housing started in March 2025; the post previously filled by Agency costing £8,409
Head of Leisure & Environmental left in January 2025 and was replaced also in January 2025.
Head of Assets started in October 2024; the post was previously filled by Agency costing £32,795

2023/24 comparatives

2023/24	Salary, Fees and Allowances	Expenses Allowances	Total (excl pension contrib.)	Pension Contrib.	Total (incl Pension contrib.)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Chief Executive Officer*	179,211	36,712	215,923	39,964	255,887	148,009	107,878
Executive Director (Resources) & Chief Financial Officer	119,093	963	120,056	26,558	146,614	87,968	58,646
Executive Director & Monitoring Officer	140,474	4,015	144,489	31,326	175,815	105,489	70,326
Head of Audit	68,667	6,910	75,577	15,313	90,890	54,534	36,356
Head of Finance	79,103	963	80,066	17,640	97,706	58,624	39,082
Head of Environmental Health	68,667	5,241	73,908	15,313	89,221	44,610	44,611
Head of Revenues & Benefits	68,667	963	69,630	15,313	84,943	42,471	42,472
Head of Communities & Climate Change	63,420	4,561	67,981	14,143	82,124	49,274	32,850
Head of Democratic Services	63,360	6,300	69,660	14,129	83,789	41,895	41,894
	850,662	**66,628**	**917,290**	**189,699**	**1,106,989**	**632,874**	**474,115**

2023/24	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension contrib)	Pension Contrib.	Total (inc. Pension contrib.)	Charge to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director (Community Services)	171,097	963	172,060	19,796	191,856	76,742	115,114
Head of OD & Transformation	76,539	963	77,502	15,997	93,499	37,400	56,099
Head of Legal	76,539	963	77,502	15,997	93,499	37,400	56,099
Head of Regeneration	68,667	963	69,630	14,351	83,981	41,991	41,990
Head of Development Services	76,539	963	77,502	15,997	93,499	46,750	46,749
Head of Housing	68,667	963	69,630	14,351	83,981	16,796	67,185
Head of Commissioning	60,706	963	61,669	12,687	74,356	37,178	37,178
Head of Customer Services	68,667	963	69,630	14,351	83,981	37,791	46,190
	667,421	**7,704**	**675,125**	**123,527**	**798,652**	**332,048**	**466,604**

The number of non-senior management employees whose remuneration, including benefits in kind, but excluding employer's pension contributions, was £50,000 or more, is summarised in bands of £5,000 in the table below.

2023/24		2024/25
	Remuneration Banding	
1	£50,000 - £54,999	6
1	£55,000 - £59,999	1
2	**Total**	**7**

Termination benefits paid to the Council's non senior employees

As with 2023/24; there were no termination benefit departures during 2024/25.

2c. 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.

Central government has effective control over general operations of the Council. It provides the statutory framework, provides most of the funding and prescribes the terms of many transactions with other parties (such as Housing Benefit).

Local authorities such as Staffordshire County Council, Staffordshire Police and Crime Commissioner and Staffordshire Fire and Rescue Authority and local Parish Councils issue precepts on the Council which are shown in the Collection Fund. The County administers the Council's pension fund. There are other transactions with these authorities involving service provision and funding.

Council members make disclosures of relevant interests to the Council's Monitoring Officer and have to make declarations on individual committee decisions. The Register of Member Interests is open to public inspection, subject to prior notice, at Moorlands House. Members have direct control over the Council's financial and operating policies. The Council also nominates Members to sit on outside bodies. Several Council Members are also Members of Staffordshire County Council, local parish councils, or various local voluntary organisations, which the Council supports financially. Those charitable organisations that received Council funding that could be considered a material proportion of their total turnover, where Members have declared an interest were:

Charity	Funding
	£000
Foxlowe Arts Centre	28
Staffordshire North and Stoke-on-Trent Citizens Advice Bureau	90
Sandylane Centre Brown Edge	35
Staffordshire Wildlife Trust	150
Biddulph Youth & Community Zone	52
Rudyard Lakre Trust	34
@21 Youth Club	10
Hollington Village Hall	39

Officers have scope, in some circumstances, to influence Council policy. The Chief Executive Officer maintains a record of officer interests which, together with the Council's standards and procedures, acts as a guard against undue influence.

Related party transactions: Material transactions with central and other local government organisations are separately reported throughout the statements, including the analyses of precepts, grants, and pension contributions. There are no material transactions or evidence suggesting undue influence in relation to members or officers.

Subsidiary, associated companies or joint arrangements: The Council has a Strategic Alliance with High Peak Borough Council, whilst retaining its political and financial independence and accountability. The Strategic Alliance has joined with Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) in the joint operation Alliance Norse Ltd (ANL), Ansa (a wholly owned subsidiary of Cheshire East Council) in the joint operation Alliance Environmental Services Limited (AES), – the shares held by Ansa were transferred to Cheshire East Council on 1 April 2025. and with Alliance Leisure Limited (ALL) delivers health and fitness services and is wholly owned by its members, Staffordshire Moorlands District Council and High Peak Borough Council

Note 2: Interests in other companies gives further detail about the Strategic Alliance, AES, ANL and ALL,

2d. Audit costs

The costs set out below have been incurred in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors Grant Thornton.

2023/24		2024/25
£000		£000
146	Fees payable to the appointed auditors for external audit services carried out for the year	163
36	Fees payable to the external auditors for the certification of grant claims and returns for the year	30
9	Fees payable in respect of other services provided by the external auditors during the year	17
191	**Total**	**210**

2e. Interests in companies & other entities and joint arrangements

The Council has financial interests with several entities and actively pursues working in partnership with other organisations where this can improve efficiency and effectiveness in achieving key priorities. Some of the more significant joint arrangements are detailed below:

Strategic Alliance with High Peak Borough Council

The strategic Alliance between Staffordshire Moorlands District Council and High Peak Borough Council was formally sealed on 11 June 2008. The Alliance involves continuous development of joint working at all levels, producing savings through joint procurement, expertise and staff to ultimately improve service provision. Any costs and savings incurred and accruing in an accounting period are accounted for by the relevant Council. The Alliance-related expenditure of Staffordshire Moorlands District Council amounted to £3.961million in 2024/25 (£3.359million in 2023/24). The corresponding income received from High Peak Borough Council was £4.316million in 2024/25 (£3.75million in 2023/24).

	Paid by SMDC to HPBC	Paid by HPBC to SMDC
	£000	£000
Contribution to Employee Costs	3,196	2,627
Contribution to Other Costs	765	1,689
Total	**3,961**	**4,316**

Alliance Environmental Services Ltd: company number 10760856

Alliance Environmental Services Ltd (AES) delivers waste, fleet, street cleansing and grounds maintenance services in the Staffordshire Moorlands and High Peak areas. The company was incorporated under the Companies Act 2006 on 9 May 2017 as a private company limited by shares. During the year the company had three shareholders: Staffordshire Moorlands District Council, High Peak Borough Council and Ansa, a wholly owned subsidiary of Cheshire East Council. It had issued ordinary shares of £1.00 each in the volume of 150 to Ansa, 25 to Staffordshire Moorlands District Council and 25 to High Peak Borough Council. The shares held by Ansa were transferred to Cheshire East Council on 1 April 2025.The registered office of the company is c/o Ansa Environmental Services Ltd, Environmental Hub C/o Ansa Environmental Services Limited, Cledford Lane, Middlewich, Cheshire, England, CW10 0JR.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out the terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement. The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a joint operation. A joint operation does not require separate group accounts, instead a proportion of the company's balance sheet and the outturn on service expenditure and income, in line with the percentage provision of services to each Council, are consolidated line by line into the Council's own CIES, cash flow statement and balance sheet. This consolidation has the effect of analysing the elements of the management fee paid to AES for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is shown on the company's balance sheet in reserves. During the year, AES has provided services in proportion of 47% to Staffordshire Moorlands District Council and 53% to High Peak Borough Council. These proportions are consolidated into the respective Councils' financial statements.

Draft AES Accounts	Movement from AES Draft Accounts to Published		
2023/24	**2023/24**	**Council share of AES Income and Expenditure Statement**	**2024/25**
£000	**£000**		**£000**
(7,435)	377	Turnover	(6,793)
6,513	(365)	Cost of sales	5,768
(922)	**12**	**Gross profit**	**(1,025)**
921	(20)	Administrative expenses	1,025
(1)	**(8)**	**Profit from operating activities**	**0**
(17)	0	Finance costs	(32)

4	1	Corporation tax	26
(14)	**(7)**	**(Profit)/ loss for year**	**(6)**

Draft AES Accounts	**Movement from AES Draft Accounts to Published**		
31 March 2024	**31 March 2024**	**Council Share of AES Balance Sheet**	**31 March 2025**
£'000	**£'000**		**£'000**
1,403	0	Current assets	1,353
1,403	**0**	**Total**	**1,353**
(1,108)	7	Current liabilities	(1,045)
0	0	Long term liabilities	0
(1,108)	**7**	**Total**	**(1,045)**
295	**7**	**Total Net Assets**	**308**
		Capital and Reserves	
281		Brought forward retained earnings	302
14	7	Retained Earnings	6
295	**7**	**Total Reserves**	**308**

This share of the company's profit is included in the net expenditure position in the Council's CIES for waste collection, fleet, streets, and horticulture services along with the net management fee paid to the company:

2023/24	**AES net management fee included in CIES**	**2024/25**
£'000		**£'000**
6,199	**Net management fee**	**5,608**
(14)	Joint Operation profit allocation	(6)
6,185	**Total**	**5,602**

Alliance Norse Ltd: company number 13861679
Alliance Norse Limited (ANL) delivers facilities management, property and other maintenance services and the Councils' Disabled Facilities Grant programme in the Staffordshire Moorlands and High Peak areas. The company has three shareholders: Staffordshire Moorlands District Council, High Peak Borough Council and Norse Commercial Services Ltd, a trading arm of the Norse Group which is wholly owned by Norfolk Country Council. The company was incorporated under the Company Act 2006 on 20 January 2022 as a private company limited by shares. It has issued ordinary shares of £0.25 each in the volume of 30 to Norse Commercial Services Ltd, 5 to Staffordshire Moorlands District Council and 5 to High Peak Borough Council. The registered office of the company is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement. The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a joint operation. A joint operation does not require separate group accounts, instead the Council's share of the company's Balance Sheet and the outturn on service expenditure and income are consolidated line by line into the Council's own CIES, cash flow statement and balance sheet. This consolidation has the effect of analysing the elements of the total fee paid to ANL for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is shown on the company's balance sheet in reserves. During the year ANL has provided services in proportion of 9% to Staffordshire Moorlands District Council and 91% to High Peak Borough Council (18% to the General Fund activities, and 73% to the Housing Revenue Account (HRA) activities). These proportions are consolidated into the respective Councils' financial statements.

2023/24	Council share of ANL Income and Expenditure Statement	2024/25
£000		**£000**
(3,019)	Turnover	(4,222)
3,144	Cost of sales	3,678
125	**Gross profit**	**(544)**
(159)	Overheads	483
(34)	**Profit from operating activities**	**(61)**
11	Council discount	20
6	Corporation tax	10
(17)	**(Profit)/Loss for Year**	**(31)**

31 March 2024	Council Share of ANL Balance Sheet	31 March 2025
£'000		**£'000**
222	Non current assets	246
1,828	Current assets	1,840
2,050	**Total**	**2,086**
(1,720)	Current liabilities	(1,702)
(203)	Long term liabilities	(226)
(1,923)	**Total**	**(1,928)**
127	**Total Net Assets**	**158**
	Capital and Reserves	
110	Brought forward retained earnings	127

17	Retained Earnings	31
127	**Total Reserves**	**158**

This share of the company's profit is included in the net expenditure position in the Council's CIES for property services along with the total management fee paid to the company and the contract discount:

2023/24	ANL net management fee included in CIES	2024/25
£'000		**£'000**
844	Management fee	957
(11)	Less contract discount	(20)
833	**Net management fee**	**937**
(17)	Joint Operation profit allocation	(31)
816	**Total**	**906**

Alliance Leisure Ltd: company number 15601201
Alliance Leisure Limited (ALL) delivers health and fitness services across the Staffordshire Moorlands and High Peak areas. The company is wholly owned by its members, Staffordshire Moorlands District Council and High Peak Borough Council. It was incorporated on 28 March 2024 under the Companies Act 2006 as a private company limited by guarantee without share capital. Its members are equally bound by the Articles of Association to contribute to the assets of the company to the sum of £1. The registered office of the company is Moorlands House, Stockwell Street, Leek, Staffordshire, ST13 6HQ. The company began trading on 1st October 2024, operating within two leisure centres in Staffordshire Moorlands and four within High Peak.

The relationship between the members of ALL has been assessed to determine the nature of the collaborative arrangement and how it should be reflected in the Council's financial statements. ALL is a company limited by guarantee and is governed by its Articles of Association and an Agency Agreement, which together set out the framework for how the members interact and share responsibilities. These documents outline the respective roles, obligations, and decision-making processes of the members, thus the collaborative activity constitutes an arrangement. The Agency Agreement, in particular, establishes the operational and governance arrangements between the parties. Based on this structure, the collaborative activity constitutes a joint arrangement. Furthermore, the provisions within the Articles of Association require mutual agreement on key decisions, indicating that the members exercise joint control over the arrangement. Together, the Agency Agreement and companies' articles indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a joint operation. A joint operation does not require separate group accounts, instead the Council's share of the company's Balance Sheet and the outturn on service expenditure and income are consolidated line by line into the Council's own CIES, cash flow statement and balance sheet. This consolidation has the effect of analysing the costs associated with the service delivery between employees, transport, supplies & services, and integrating income related to the management fee paid to ALL for the provision of its agency role.

At the balance sheet date, the company reported a breakeven position, reflected in its reserves. During the year, the services provided by ALL have been apportioned based on the financial performance of the individual leisure centres. Where balances are jointly held, they have been allocated according to the agreed ownership proportions: 32% to Staffordshire Moorlands District Council and 68% to High Peak Borough Council. These proportions are reflected in the respective councils' financial statements.

2023/24	Council share of ALL Income and Expenditure Statement	2024/25
£000		£000
	Turnover	(932)
	Cost of sales	932
	Gross profit	**0**
	Profit from operating activities	**0**
	Corporation tax	0
	(Profit)/Loss for Year	**0**

31 March 2024	Council Share of ALL Balance Sheet	31 March 2025
£'000		£'000
	Non-current assets	0
	Current assets	583
	Total	**583**
	Current liabilities	(583)
	Long term liabilities	0
	Total	**(583)**
	Total Net Assets	**0**
	Capital and Reserves	
	Share Capital	0
	Retained Earnings	0
	Total Reserves	**0**

This share of the company's profit is included in the net expenditure position in the Council's CIES for leisure services along with the total management fee paid to the company:

2023/24	ALL net management fee included in CIES	2024/25
£'000		£'000
	Management fee	932
	Joint Operation profit allocation	0
	Total	**932**

3. Corporate income and expenditure

The following notes consider transactions included in the CIES in more detail.

3a. Other operating expenditure

2023/24		2024/25
£000		**£000**
1,559	Parish Council Precepts	1,667
(82)	Capital Receipts	(123)
144	Derecognition and Disposal Value of Fixed Assets	480
1,621	**Total**	**2,024**

3b. Financing and investment income and expenditure

2023/24		2024/25
£000		**£000**
179	Interest payable and similar charges	339
412	Pensions interest cost and expected return on pensions assets	618
(1,201)	Interest receivable and similar income	(1,161)
(427)	Income and expenditure in relation to investment properties and changes in their fair value	3,236
0	Right of Use Assets -Peppercorn	(157)
(1,037)	**Total**	**2,875**

3c. Taxation and non-specific grant income & expenditure

2023/24		2024/25
£000		**£000**
(7,485)	Council Tax Income	(7,840)
(1,850)	Retained Business Rates	(2,604)
(3,753)	Non ringfenced government grants	(4,208)
(3,393)	Capital grants and contributions	(12,326)
(16,481)	**Total**	**(26,978)**

3d. Grant income

2023/24		2024/25
£000		**£000**
	Non ringfenced government grants	
(703)	Central Government support grants	(882)
(3,050)	Business Rates grants	(3,326)
(3,753)		**(4,208)**
(3,394)	**Capital grants and contributions**	**(12,326)**
	Capital grants applied to CIES	
(1,774)	Disabled Facilities Grant	(2,201)
(83)	Capital grants	(1,401)
(1,857)		**(3,602)**
	Grants Credited to Services	
(10,611)	Housing Benefit	(10,632)
(243)	Central Government support grants	(1,772)
(494)	New Burdens and capacity funding	(598)
(934)	Other third-party funds	(255)
(12,282)		**(13,257)**
(14,139)	**Total grants applied to CIES**	**(16,859)**

4. Retirement benefits

The following notes consider the impact of accounting for retirement benefits on the Council's statement of accounts in more detail.

4a. Participation in pension scheme

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits through membership of the Local Government Pension Scheme (LGPS). Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments at the time when employees earn their future entitlements. The Council is a member of the Staffordshire County Pension Fund, which is administered by Staffordshire County Council in accordance with the LGPS Regulations 1997. Overall strategy for the Fund is set by the Pensions Committee, which also monitors performance and administers the scheme. The appointment of investment managers is the responsibility of the Pensions Panel. Both bodies are made up of elected members. Further information can be found in Staffordshire County Council's Superannuation Fund's Annual Report, which is available upon request from the Pension Services Section, 1 Staffordshire Place, Tipping Street, Stafford ST16 2DH or via the Fund's website (www.staffspf.org.uk).

The Scheme is referred to as a 'Defined benefit' and 'Funded' scheme:
Defined benefit: the level of benefit retiring members receive is based on their pay history and length of service.
Funded: a pension fund of investments is built up from employee and employer contributions to generate income streams out of which retirement benefits are paid. The Council pays contributions to the pension fund sufficient to ensure that it can meet future payment obligations. These contributions are set on rates that are determined by Hymans Robertson LLP, the pension fund's professionally qualified and independent actuaries, and are based on triennial valuations of the fund. The Fund was last revalued as at 31 March 2022 and this set the required employer contribution rates for the three years ending 31 March 2026. The Fund will be revalued again during 2025, and this will set contribution rates for the 3 years commencing 1 April 2026. As the Fund is effectively underwritten by the employers, any deterioration in performance can have serious long-term financial consequences for the Council. Steps have been taken nationally to mitigate this risk to the local taxpayer, by reforming the LGPS and introducing a greater element of future cost sharing between the scheme employers and the scheme beneficiaries. A legal challenge to these reforms is on-going (see section 4g below).

4b. Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/ retirement benefits is reversed out of the general fund via the MIRS. The following transactions have been made in the CIES and the General Fund Balance via the MIRS during the year:

2023/24	Comprehensive Income and Expenditure Statement:	2024/25
£000		£000
(1,282)	Current service cost	(1,304)
	Net Interest	
(3,702)	Interest cost on defined benefit obligation	(3,752)
3,418	Interest income on plan assets	3,874
(129)	'Interest on the effect of the asset ceiling	(739)
(1,695)	**Total post-employment benefit charged to the Surplus or Deficit on the provision of services**	**(1,921)**
	Remeasurements	
458	Changes in demographic assumptions	137
3,547	Changes in financial assumptions	11,755
(2,368)	Other experience	766
5,631	Return on assets excluding amounts included in net interest	(1,287)
(12,576)	Changes in asset ceiling	(9,181)
(5,308)	**Total Remeasurement**	**2,190**
(7,003)	**Total post-employment benefit charged to the CIES**	**269**

	Movement in Reserve Statement	
1,695	Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the Code	1,922
	Actual amount charged against the General Fund Balance for pensions in the year	
3,946	Employer's contributions payable to the scheme	**1,432**

The CIES shows the net cost of the defined pension benefit liability as being £2.207million. This figure reflects the actual payments made to the fund during the year. This differs from the pension disclosures in note 4, which include the estimated employer pension contributions used by the Actuary in preparing the IAS19 report. The table below reconciles this difference and provides further detail:

Difference on Remeasurement of net defined benefit liability compared	**2024/25**	
	£000	**£000**
CIES Remeasurement of net defined benefit liability		(2,207)
Pensions - Total post-employment benefit charged to services (above)	(1,921)	
Pensions - Total post-employment benefit charged to CI&E (above)	(269)	(2,190)
Difference on CIES compared with Note 4		**17**
Employer Contributions to Fund:		
Actuarial estimate for IAS19 purposes		1,432
Actual contributions accounted for in 2024/25	1,415	
		1,415
Difference on Estimation		**17**

4c. Assets and liabilities in relation to retirement benefits

The pension liability reported on the balance sheet shows the Council's projected liability on its share of the Staffordshire Pension Fund. This represents the underlying commitment to pay retirement benefits in the long run. It is a net figure comprising the following overall assets and liabilities for the Council's share of the scheme.

31 March 2024	**Staffordshire Moorlands DC share of Pension Fund assets & liabilities**	**31 March 2025**
£000		**£000**
81,672	Fair Value of plan assets	82,411
(77,962)	Present value of funded obligations	(67,100)
(15,417)	Effect of the asset ceiling	(25,337)
(1,290)	Present value of unfunded obligations	(1,140)
(12,997)	**Net defined benefit obligation asset/ (liability)**	**(11,166)**
	Comparison with pension reserve:	
(14,726)	Pension Reserve (Note 13c)	(12,049)
(1,729)	**Difference**	**(883)**

The £1.831million reduction between last liability reflects the position after adjustment is made for the effects of an asset ceiling. It recognises that where a surplus position arises out of an actuarial valuation; there is no unconditional right to a refund from the Fund and therefore, an economic benefit to the Council should not be reflected in the Accounts. The impacts of the McCloud judgement and GMP equalisations (explained and referred to in 4g below) are reflected in the valuation. The relative movement in individual asset and liability valuations are set out in the following two tables.

Reconciliation of liabilities (obligations)

Unfunded	Funded		Unfunded	Funded
31 March 2024	**31 March 2024**	**Year Ended**	**31 March 2025**	**31 March 2025**
£000	**£000**		**£000**	**£000**
0	**78,660**	**Opening defined benefit obligation**	**1,290**	**77,962**
0	1,282	Current service cost	0	1,304
0	3,702	Interest cost on defined benefit obligation	0	3,752
0	385	Contributions by scheme participants	0	428
0	(458)	Changes in demographic assumptions	0	(137)
0	(3,547)	Changes in financial assumptions	0	(11,755)
1,416	952	Other experience	(20)	(746)
0	(3,014)	Benefits paid	0	(3,708)
(126)	0	Unfunded benefits paid	(130)	0
1,290	**77,962**	**Closing Balance at 31 March**	**1,140**	**67,100**

The unfunded obligations comprise of £1,140,000 in respect of LGPS unfunded pensions

Reconciliation of fair value of employer assets

31 March 2024	Year Ended	31 March 2025
£000		**£000**
71,303	**Opening fair value of employer assets**	**81,672**
3,418	Interest on plan assets	3,874
5,631	Remeasurements	(1,287)
3,949	Contributions by the employer	1,432
385	Contributions by plan participants	428
(3,014)	Benefits paid	(3,708)
(126)	Unfunded benefits paid	(130)
126	Contributions in respect of unfunded benefits	130
81,672	**Closing fair value of employer assets**	**82,411**

Profile of scheme liabilities	Liability split
Active members	34.20%
Deferred members	20.40%
Pensioner members	45.40%
Total	**100.0%**

4d. Scheme History

31-Mar-21	31-Mar-22	31-Mar-23	31 Mar-24	Year ended	31 March 2025
£000	£000	£000	£000		£000
70,557	77,528	71,303	81,672	Fair Value of plan assets	82,411
(111,322)	(105,938)	(78,660)	(77,962)	Present value of funded obligations	(67,100)
0	0	(2,712)	(15,417)	Effect of the asset ceiling	(25,337)
0	0	0	(1,290)	Present value of unfunded obligations	(1,140)
(40,765)	(28,410)	(10,069)	(12,997)	**Surplus/ (deficit)**	(11,166)

The liabilities show the underlying commitments that the Council has over the long term to pay retirement benefits. The total liability of £11.166million has a substantial impact on the net worth of the Council, as recorded in the balance sheet, which now stands, after accounting for these pension costs, at £47.781million. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the scheme will be made good by increasing contributions over the remaining working life of employees, as assessed by the scheme actuary. Employers' contributions of approximately £1.359million will be made to the Fund in 2025/26.

4e. Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about salary levels, mortality rates, etc. The scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates of the Staffordshire Pension Fund being based on the latest full valuation of the scheme as at 31 March 2022. The principal assumptions used by the Actuary have been:

31 March 2024 (% per annum)	Financial assumptions	31 March 2025 (% per annum)
2.80%	Pension Increase Rate	2.80%
3.30%	Salary Increase Rate	3.30%
4.80%	Discount Rate	5.80%

31st March 2024		Mortality assumptions	31st March 2025	
Males	Females	Longevity beyond age 65	Males	Females
21.2 years	23.7 years	Current Pensioners	21.2 years	23.7 years
21.8 years	25.5 years	Future Pensioners	21.7 years	25.4 years

Commutation: An allowance is included for 65% of future retirements to elect to take additional tax-free cash up to HMRC limits.

Asset category: The Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

31 March 2024		Asset Category	31 March 2025	
Fund Value £000	Asset Distribution %		Fund Value £000	Asset Distribution %
		Equity Securities		
2,212	3	Consumer	1,187	2
1,102	1	Manufacturing	0	0
503	1	Energy & Utilities	0	0
3,001	4	Financial Institutions	1,143	1
2,261	3	Health & Care	688	1
3,612	4	Information Technology	700	1
		Debt Securities		
6,080	7	Corporate Bonds (investment grade)	6,218	8
		Private Equity		
4,298	5	All	4,304	5
		Real Estate		
6,029	7	UK Property	6,887	8
		Investment Funds and Unit Trusts		
37,009	46	Equities	40,566	49
6,409	8	Bonds	6,290	8
0	0	Hedge Funds	0	0
3,549	4	Infrastructure	4,910	6
4,279	5	Other	7,642	9
		Cash and Cash Equivalents		
1,328	2	All	1,876	2
81,672	**100**	**Totals**	**82,411**	**100**

4f. Sensitivity to changes in actuarial assumptions

The assumptions made by the Actuary are subject to change between valuation dates as a result of variations in such factors as longevity, investment return, and inflation. The table below illustrates the sensitivity to such changes and the consequent impact on the employer's liability:

Sensitivity Analysis - change in assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2.0%	1,115
1 year increase in member life expectancy	4.0%	2,730
0.1% increase in the Salary Increase Rate	0.0%	62
0.1% Increase in the Pension Increase Rate	2.0%	1,084

4g. Impact of legal and regulatory uncertainty

The **McCloud Judgement** relates to a legal challenge by members of the New Judicial Pension Scheme against the age-based transitional provisions put into place when new pension arrangements were introduced in 2015. The members argued that these transitional provisions were directly discriminatory on grounds of age and indirectly discriminatory on grounds of sex and race, based on the correlation between these two factors reflected in the judicial membership. The impacts of McCloud were taken into account during the last Fund valuation and have been included in the figures disclosed in this note.

Guaranteed Minimum Pension (GMP) was accrued by members of the LGPS between 6 April 1978 and 5 April 1997.The introduction of the new Single State Pension in April 2016 brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women’s benefits. The responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes with the effect of increasing costs for LGPS employers. The impacts of GMP were considered during the last Fund valuation and have been included in the figures disclosed in this note.

An issue emerged in June 2023 regarding **Virgin Media vs NTL pension scheme** judgment regarding section 37 certificates in respect of previous amendments to the pension scheme. The Council is aware of the legal proceedings taking place in respect of his issue and the potential for further liability on the Pension Fund. Investigations are on-going involving the Pension Fund and the DWP into whether this applies to the LGPS and the possible implications, but it is not possible at present to estimate the potential impact, if any, on the scheme. At this stage, no additional allowance has been made for this ruling within the accounting balance sheet.

Court of Appeal Decision - **Virgin Media Ltd vs NTL Trustees**: On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court’s ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court’s ruling. The ruling may have implications for other UK defined benefit plans. It is understood this would apply to the Local Government Pension Scheme and HM Treasury is currently assessing the implications for all public service pension schemes No further information is available at this stage.

5. Adjustments between accounting basis & funding basis under regulations

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

2024/25	**General Fund Balance**	**Earmarked Reserve**	**Capital Receipts Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**
	£000	**£000**	**£000**	**£000**	**£000**
Reversal of items debited or credited to the CIES					
Depreciation	(1,425)	0	0	0	1,425
Impairment/ Revaluation losses charged to CIES	(63)	0	0	0	63
Impairment Written Back - Revaluation Gain	0	0	0	0	0
Movements in the fair value of Investment Properties	(3,414)	0	0	0	3,414
Amortisation of intangible assets	(38)	0	0	0	38
Right of Use Deferred Income	74	0	0	0	(74)
Right of Use Asset (Peppercorn)	157	0	0	0	(157)
Revenue expenditure funded from capital under statute	(4,684)	0	0	0	4,684
Derecognition of non-current assets as part of the gain/loss on disposal to the CIES	(480)	0	0	0	480
Derecognition of capital loan service investment-housing to the CIES					0
Reversal of items relating to retirement benefits	(1,922)	0	0	0	1,922
Insertion of items not debited or credited to the CIES					
Statutory provision for the financing of capital investment	255	0	0	0	(255)
Capital Grants and contributions applied credited to the CIES	12,548	0	0	0	(12,548)
Capital Grants and contributions unapplied credited to the CIES	3,380	0	0	(3,380)	0
Employer's contribution to pension schemes	2,392	0	0	0	(2,392)
Application of grants to capital financing transferred to the Capital Adjustment Account (Capital Grants Unapplied Account)	0	0	0	1,023	(1,023)
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	49	0	(49)	0	0
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	0
Transfer from Deferred Capital receipts Reserve upon receipt of cash	0	0	(6)	0	6
Use of Earmarked Capital Reserve to finance new capital expenditure	0	191	0	0	(191)
Amount by which council tax and business rates income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	705	0	0	0	(705)
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	63	0	0	0	(63)
Total Adjustments	**7,597**	**191**	**(55)**	**(2,357)**	**(5,376)**

2023/24 Comparative Figures	General Fund Balance	Earmarked Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	**£000**	**£000**	**£000**	**£000**
Reversal of items debited or credited to the CIES					
Depreciation	(1,792)	0	0	0	1,792
Impairment Written Back - Revaluation Gain	(345)	0	0	0	345
Movements in the fair value of Investment Properties	147	0	0	0	(147)
Amortisation of intangible assets	(42)	0	0	0	42
Revenue expenditure funded from capital under statute	(2,990)	0	0	0	2,990
Derecognition of non-current assets as part of the gain/loss on disposal to the CIES	(144)	0	0	0	144
Reversal of items relating to retirement benefits	(1,696)	0	0	0	1,696
Insertion of items not debited or credited to the CIES					
Statutory provision for the financing of capital investment	223	0	0	0	(223)
Capital Grants and contributions applied credited to the CIES	5,178	0	0	0	(5,178)
Capital Grants and contributions unapplied credited to the CIES	74	0	0	(74)	0
Employer’s contribution to pension schemes	2,277	0	0	0	(2,277)
Application of grants to capital financing transferred to the Capital Adjustment Account (Capital Grants Unapplied Account)	0	0	0	480	(480)
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	82	0	(82)	0	0
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	0	0	0
Use of Earmarked Capital Reserve to finance new capital expenditure	0	870	0	0	(870)
Amount by which council tax and business rates income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(278)	0	0	0	278
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	(46)	0	0	0	46
Total Adjustments	**648**	**870**	**(82)**	**406**	**(1,842)**

6. Capital

6a. Property, Plant & Equipment

The table below analyses capital expenditure, disposals, revaluations, and depreciation charged on the non-current assets of the Council.

Movements in 2024/25	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under construction	Right of Use	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At April 2024	28,049	7,507	351	1,144	295	3,483	0	**40,829**
Donated Asset	0	0	0	0	0	0	320	**320**
Additions	572	773	0	145	0	5,588	0	**7,078**
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	90	0	0	0	13	0	0	**103**
Revaluation increases/ (decreases) recognised in the Surplus/ Deficit on the Provision of Services	(199)	0	0	0	0	0	(63)	**(262)**
Derecognition - Disposals	0	(310)	0	0	0	0	0	**(310)**
Derecognition - Other	(340)	(76)	0	0	(10)	0	(100)	**(526)**
Other movements in Cost or Valuation **	(5,516)	30	0	48	0	4,740	0	**(698)**
At 31 March 2025	**22,656**	**7,924**	**351**	**1,337**	**298**	**13,811**	**157**	**46,534**
Accumulated Depreciation & Impairment								
At April 2024	**(117)**	**(4,340)**	**0**	**0**	**(2)**	**0**	**0**	**(4,459)**
Depreciation Charge	(864)	(561)	0	0	0	0	0	**(1,425)**
Depreciation written out to the Revaluation Reserve	540	0	0	0	0	0	0	**540**
Depreciation written out to the Surplus/ Deficit on the Provision of Services	199	0	0	0	0	0	0	**199**
Derecognition - Disposals	0	310	0	0	0	0	0	**310**
Derecognition - Other	0	45	0	0	1	0	0	**46**
Other movements in Depreciation & Impairment	151	0	0	0	0	(151)	0	**0**
At 31 March 2025	**(91)**	**(4,546)**	**0**	**0**	**(1)**	**(151)**	**0**	**(4,789)**
Net Book Value								
At 31 March 2025	**22,565**	**3,378**	**351**	**1,337**	**297**	**13,660**	**157**	**41,745**
At 31 March 2024	27,932	3,167	351	1,144	293	3,483	0	36,370

** £5.5m Transfer of Brough Park Leisure Centre from Other Land & Buildings to Assets Under Construction. Asset closed undergoing major rebuilding /refurbishment; works part funded by Central Government (Levelling Up Initiative).

The Property, Plant & Equipment 2023/24 comparative figures are illustrated below:

Movements in 2023/24	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under construction	Right of Use	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At April 2023	**29,437**	**7,262**	**351**	**1,130**	**285**	**71**	**0**	**38,536**
Prior Year Restatement	183	0	0	0	0	0	0	**183**
At April 2023	**29,620**	**7,262**	**351**	**1,130**	**285**	**71**	**0**	**38,719**
Additions	144	358	0	14	0	3,412	0	**3,928**
Revaluation Increases/ (decreases) recognised in the Revaluation Reserve	(603)	0	0	0	10	0	0	**(593)**
Revaluation increases/ (decreases) recognised in the Surplus/ Deficit on the Provision of Services	(975)	0	0	0	0	0	0	**(975)**
Derecognition - Disposals	0	(62)	0	0	0	0	0	**(62)**
Derecognition - Other	(144)	(51)	0	0	0	0	0	**(195)**
Other movements in Cost or Valuation	7	0	0	0	0	0	0	**7**
At 31 March 2024	**28,049**	**7,507**	**351**	**1,144**	**295**	**3,483**	**0**	**40,829**
Accumulated Depreciation & Impairment								
At April 2023	**(196)**	**(3,819)**	**0**	**0**	**(2)**	**0**	**0**	**(4,017)**
Depreciation Charge	(1,158)	(634)	0	0	0	0	0	**(1,792)**
Depreciation written out to the Revaluation Reserve	607	0	0	0	0	0	0	**607**
Depreciation written out to the Surplus/ Deficit on the Provision of Services	630	0	0	0	0	0	0	**630**
Derecognition - Disposals	0	62	0	0	0	0	0	**62**
Derecognition - Other	0	51	0	0	0	0	0	**51**
At 31 March 2024	**(117)**	**(4,340)**	**0**	**0**	**(2)**	**0**	**0**	**(4,459)**
Net Book Value								
At 31 March 2024	**27,932**	**3,167**	**351**	**1,144**	**293**	**3,483**	**0**	**36,370**
At 31 March 2023 (Restatement)	29,424	3,443	351	1,130	283	71	0	34,702

Depreciation

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

- Other Land & Buildings - Up to 60 years
- Vehicles, Plant, Furniture & Equipment - 3 to 25 years

6b. Investment properties

The following items of income and expenditure have been accounted for in the financing and investment income and expenditure line in the CIES:

2023/24		2024/25
£000		**£000**
(315)	Rental income from investment property	(245)
35	Direct operating expenses arising from investment	67
(281)	**Net (gain)/loss**	**(178)**

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

2023/24		2024/25
£000		**£000**
4,228	**Balance at start of the year**	**4,375**
0	Additions	2,940
	Transfers	722
147	Net gain /(loss) from fair value adjustments	(3,414)
4,375	**Balance at end of year**	**4,623**

Fair value hierarchy: All of the Council's investment property portfolio has been assessed as Level 3 (unobservable inputs) for valuation purposes. Fair values are described under the Accounting Policies section. There were no transfers between levels 1, 2 and 3 during the year. In 2024/25 the valuer carried out a desk top review of all investment properties. The level 3 fair values of investment property have been determined using the Investment Method of Valuation. The valuers have used a desktop valuation relying on data sourced from the Council's property records. Valuations have taken account of the following factors: existing lease terms and rentals taken from the tenancy schedule, independent research into market evidence including market rentals and yields, and then adjusted to reflect the nature of each business tenancy or void and the covenant strength for existing tenants. There has been no change in the valuation techniques used during the year for investment properties. The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Investment Properties	At 31 March 2025	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
	£'000				
Land	1,402	Market & Income Approach	Adjusted market evidence of rental lettings and sales of similar properties and investment yields	Rental range c. £2.58 to £9.50 per sq ft. Investment Yields c.58% -13% for buildings and land	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value
Building	3,221				

In estimating the fair value of the Council's investment properties, the highest and best - use of the properties is deemed to be their current use.

6c. Valuation information

Under statute the Council carries out a rolling programme which ensures that all property measured at current value or fair value as appropriate is revalued at least every five years. In addition to this requirement, the Council now revalues all its high value assets annually; the total value of assets valued in 2025 was £16.7million. The Council's de minimis policy excludes the requirement to formally revalue assets with a current carry value of below £10,000; however, these assets are still subject to an internal desk top valuation.

All external valuations were carried out by Capita PLC, the Council's valuing agents. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The effective date of each revaluation was 31 March 2025.

The significant assumptions applied in estimating the valuations are:

- that good title can be shown, and all valid planning permissions and statutory approvals are in place,
- that the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted,
- that an inspection of those parts not inspected would not reveal defects that would affect the valuation,
- that the testing of electrical or other services would not reveal defects that would cause the valuation to alter,
- that there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

The valuation report, individual valuations and annual assessment for indications of impairment have been undertaken by Capita; Chris Wilkinson MRICS, (Head of Estates), Jill Angus(Associate Director), David Gray(Senior Surveyor), and Michael Boaden (Senior Surveyor), (Members of the Royal Institute of Chartered Surveyors and RICS Registered Valuers, all with RICS accredited BSc/MSc degree). One asset, was subject to an impairment review: Biddulph Town Hall, following identification of Reinforced autoclaved aerated concrete (RAAC) within the structure. Estimated remedial costs are minimal and a non- material capital adjustment has been incorporated into the valuation.

Following the adoption of IFRS 13, surplus assets assessment is now made at fair value, highest and best use at level 3 under fair value hierarchy. There were no transfers between levels 1, 2 and 3 during the year. In addition to the formal 5 year valuation, these assets are reviewed by the valuer each year individually.

The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Surplus Assets	At 31 March 2025	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
	£'000s	Market & Income Approach	Adjusted market evidence of rental lettings and sales of similar properties and investment yields	Rental rate range c. £28,400-£1171,000 per hectare	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value
Land	243				
Building	55				

Vehicles, plant, furniture, and equipment are carried at depreciated historic cost as a proxy for current value.

The table below shows the profile of valuations supporting the gross book value reported as at 31 March 2025:

	Other Land & Buildings	Vehicles, Plant, Equipment	Surplus Assets	Infrastructure Assets	Community Assets	Asset Under construction	Right of Use Asset	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at Historic cost		7,924		351	1,337	13,811		**23,423**
Valued at Current Value at:								
31 March 2025	17,045		298				157	**17,500**
31 March 2024	1,385							**1,385**
31 March 2023	640							**640**
31 March 2022	3,586							**3,586**
31 March 2021	0							**0**
Total	**22,656**	**7,924**	**298**	**351**	**1,337**	**13,811**	**157**	**46,534**

6d. Capital expenditure and financing

The total amount of capital expenditure incurred in the year was £14.704million as shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR) – this is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2023/24		2024/25
£000		£000
10,680	**Opening Capital Financing Requirement**	**10,517**
	Capital Investment	
3,929	Property, Plant and Equipment	7,235
0	Investment Properties	2,942
2,990	Revenue Expenditure Funded from Capital under Statute	4,684
60	Third party loan (Long Term Debtor)	0
6,979		**14,861**
	Sources of Finance	
(6,049)	Government grant and other contributions	(13,571)
	Sums set aside from Revenue:	
(870)	Capital Reserves	(191)
(223)	Minimum Revenue Provision/ Loans Fund principal	(255)
(7,142)		**(14,017)**
10,517	**Closing Capital Financing requirements**	**11,361**
	Explanation of movements in year	
60	Increase in underlying need to borrow	942
	Right of Use Assets Added	157
(223)	Minimum Revenue Provision	(255)
(163)	**Increase /(Decrease) in Capital Financing Requirement**	**844**
6,979	Net capital investment in year excluding right of use assets added to balance sheet	14,704

Minimum Revenue Provision The Council is obliged to make an annual charge to revenue for unfinanced capital expenditure. The charge is known as Minimum Revenue Provision (MRP). The requirement is based on a simple duty for an authority to make an amount of MRP, which it considers to be prudent. In 2024/25, the Council made Minimum Revenue Provision of £255,000.

6e. Information on assets held

The main assets held by the Council are:

31 March 2024		31 March 2025
No.		No.
3	Town Halls and Council Offices	3
3	Markets	4
2	Industrial Estates	2
13	Public Conveniences	13
1	Depots	1
3	Leisure Centres	3
2	Cemeteries	2
1	Museums	1
28	**Total**	**29**

6f. Construction contracts and capital commitments

At 31 March 2025, the Council had entered contracts for the construction or enhancement of property, plant and equipment in 2025/26 to cost £1.9million.

Scheme	Estimated Values	Period Investment will Take Place
	£000	
Brough Park Leisure (Levelling Up Project)	427	2025/26
Nicholson Institute (Levelling up project)	1,222	2025/26
Biddulph Leisure Centre (Public Sector Decarbonisation Project)	289	2025/26
Total	**1,938**	

6g. Assets held under leases - authority as the lessor:

Operating Leases The Council leases out a number assets under operating leases. The Council acts as a lessor of commercial property, shops, and market stalls. Income from these sources in 2024/25 totalled £0.403million (£0.434million in 2023/24). The future minimum lease payments receivable at current rental levels under operating leases in future years are:

31 March 2024		31 March 2025
£000		£000
109	Not later than one year	179
333	Later than one year and not later than five years	484
516	Later than five years	498
958	**Total**	**1,161**

6h. IFRS16 Leases - Assets held under leases - authority as the lessee:

In 2024/25 the authority adopted accounting standard IFRS 16 Leases under the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. The main impact of the new requirement 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 are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements. The weighted average of the incremental borrowing rates used to discount liabilities was 5.26%.

This has resulted in the following additions to the balance sheet:

- £0.157million Property, plant and equipment (right-of-use assets)
- £0.105million Non-current creditors (lease liabilities)
- £0.027million Current creditors (lease liabilities)
- £0.068million Deferred Capital Receipts and Long-Term Debtors (Sublease)

The 2023/24 financial statements did not include a disclosure for operating lease commitments at 31 March 2024 as the known commitments were deemed not material.

Therefore there is no comparative prior year figures to the newly recognised lease liabilities recognised at 1 April 2024.

7. Cash and cash equivalents

31 March 2024		31 March 2025
£000		**£000**
2,334	Bank Current Accounts	4,174
5,472	Money Market Funds	8,166
1,035	Short-Term Deposits< 3 months	1,000
8,841	**Cash and Cash Equivalents Current Assets**	**13,340**
0	Bank Overdraft	0
8,841	**Total Cash and Cash Equivalents**	**13,340**

8. Debtors

An analysis of the bodies and individuals owing money to the Council is as below:

31 March 2024		31 March 2025
£000		**£000**
920	Central Government bodies	2,874
634	Other Local Authorities	637
4,119	Other entities and individuals	5,962
(906)	LESS Impairment Allowances	(786)
4,767	**Total Short Term Debtors**	**8,687**

An analysis of the impairment allowances by class of debtor being:

31 March 2024		31 March 2025
£000		**£000**
(101)	Non-Domestic Rates Payers	(81)
(49)	Community Charge Payers	(49)
(272)	Council Tax Payers	(282)
(450)	Housing Benefits	(326)
(34)	General Fund Services	(48)
(906)	**Total Impairment Allowances**	**(786)**

Long term debtors Debtors due over a period of longer than twelve months are classified as long-term debtors on the balance sheet. At 31 March 2025, these consist of the £10million Capital Loan – Service Investment (Housing) to Your Housing Limited; and small balances on car loans, and local loans. The purpose of the £10million loan to Your Housing Limited is to support the maintenance of and provision of affordable housing within the Staffordshire Moorlands District. The loan has a maturity period of 10 years, repayable in February 2032, with interest charged at a fixed rate of 3.07% (made up of the Public Works Loan Board Fixed Maturity Standard Rate on the day of drawdown 2.27% plus a premium of 0.80%) payable semi-annually. Under the Financial Covenants of the agreement, the value of the loan is secured fully against the borrower's charged properties and the Council is assured that the ratio of EBITDA (Earnings before interest, taxes, depreciated and amortisation) to Net Interest Payable in the borrower's accounts in respect of each financial year is not less than 1.1:1.

31 March 2024		31 March 2025
£000		**£000**
10,047	Capital Loan (Service Investment Housing) to Your Housing Limited	10,000
10	Car Loans	12
0	Right-of-use asset Sub-lease > 1year	68
65	Local Loans	65
10,122	**Long Term Debtors**	**10,145**

9. Creditors

An analysis of the bodies and individuals to whom the Council owes money is as below:

31 March 2024		31 March 2025
£000		**£000**
(3,290)	Central Government bodies	(1,321)
(726)	Other Local Authorities	(2,976)
(4,723)	Other entities and individuals	(5,968)
(8,739)	**Short Term Creditors**	**(10,265)**

10. Provisions

A provision is made based on the best estimate of the potential liability arising from future backdated changes to the NNDR rating list, including appeals against rateable values lodged with the Valuation Office Agency. The liability is shared with all preceptors in the same proportions as retained Business Rates (50% central government, 40% billing Authority (the Council), 9% Staffordshire County Council, 1% Staffordshire Fire Authority).

31 March 2024		31 March 2025
£'000	**NNDR appeals provision (Billing Authority Share)**	**£'000**
(758)	**Provision Brought Forward**	**(696)**
35	Charges to provision during the year	90
27	(Increase)/ decrease in provision	472
(696)	**Provision Carried Forward**	**(134)**

11. Capital grants received in advance

The Council has received several grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the grantor:

2023/24		2024/25
£000		**£000**
(999)	**Balance at 1 April**	**(1,931)**
	Grants Received in year:	
(422)	S106 Planning obligations	(1,009)
(935)	Other Grants	(436)
341	Grants Transferred	659
0	Grants Repaid	61
84	Applied to CIES	854
(1,931)	**Balance at 31 March**	**(1,802)**

12. Usable reserves

This note sets out the amounts included in Usable Reserves. The Council's revenue reserves are held as a contingency, ring-fenced, or earmarked for specific purposes.

Balance 1 Apr 23	Trf out 2023/24	Trf In 2023/24	Balance 31 Mar 24		Trf out 2024/25	Trf in 2024/25	Balance 31 Mar 25
£000	**£000**	**£000**	**£000**		**£000**	**£000**	**£000**
2,908	(821)	603	2,690	**General Fund Contingency Reserve**	**(1,152)**	**222**	**1,760**
0		130	130	ANL	0	28	**158**
0		295	295	AES	(69)	82	**308**
2,908	**(821)**	**1,028**	**3,115**	**Contingency Reserve**	**(1,221)**	**332**	**2,226**
116	(116)	0	0	**Business Rates (S31)**	0	0	**0**
14	(68)	54	0	**Covid-19 support**	0	0	**0**
				General Fund Earmarked Reserves:			
1,000	(870)		130	Capital schemes	(130)		**0**
600			600	Levelling Up			**600**
600	(600)		0	Covid 19			**0**
23	(8)		15	S106 commuted sums	(8)		**7**
218			218	Business rates pool contingency			**218**
339			339	Insurance	(214)		**125**
100			100	Local Development Framework		29	**129**
545			545	Economic regeneration			**545**
400	(154)		246	Future leisure			**246**
492			492	Efficiency & rationalisation	(58)		**434**
100	(18)		82	VoluntarySectorEmergency			**82**
53			53	Community		89	**142**
80	(57)		23	Localising council tax benefit	(23)		**0**
53			53	Planning appeals	(53)		**0**
750	(85)	85	750	IT strategy & infrastructure	(81)		**669**
50	(45)		5	Organisational development	(5)		**0**
250	(250)		0	Inflationary pressures			**0**
0	0	0	0	LGR		100	**100**
152	(123)		29	Elections	(69)	40	**0**
300			300	Climate change	(104)		**196**
52			52	AES vehicle maintenance	(52)		**0**
60			60	Tree safety		5	**65**
14	(14)		0	Corporate plan			**0**
33			33	Community match funding	(24)		**9**
761	(110)	560	1,211	Unused third party funds	(494)	361	**1,078**
7,025	**(2,334)**	**645**	**5,336**	**Total**	**(1,315)**	**624**	**4,645**
				Capital Reserves:			
0		82	82	Usable Capital Receipts Reserve	0	55	**137**
5,674	(872)	74	4,876	Capital Grants Unapplied	(1,023)	3,380	**7,233**
5,674	**(872)**	**156**	**4,958**	**Total Capital Reserves**	**(1,023)**	**3,435**	**7,370**
15,737	**(4,211)**	**1,883**	**13,409**	**Total Usable Reserves**	**(3,559)**	**4,391**	**14,241**

General fund contingency reserve: temporarily holds balances to be fed back into the short term budgetary process.

ANL and AES: the Council's share of the balance sheet reserves held by the joint operation companies (Note 2: Interests in other companies).

Business rates (s31) ring-fenced: central government compensates local authorities for the cost of business rates reliefs, including retail relief and supporting small businesses. The grant to local authorities is recorded in year in the general fund, whereas the relief awarded impacts on the collection fund deficit to be distributed in future year where reliefs were not anticipating at the point of budget setting. In this situation grant funds are put aside from the general fund at the end of the year to be drawn down in future years to offset the impact of the collection fund deficit distribution.

Covid-19 support ringfenced: balance of unallocated discretionary funding for covid grant schemes.

General Fund earmarked reserves are established on a short term basis and provide funds for Council initiatives:

- Capital schemes: earmarked to provide funding for the Council's Capital Strategy
- Levelling Up: support for the Council's projects
- Covid 19: support for the impact on the Council and the cost of recovery
- S106: the balance of commuted sums received under section 106 agreements
- Business rates pool contingency fund: to support the business rates retention levels in the event of safety net requirements
- Insurance fund: to support any residual MMI liabilities (note 15), to meet the costs of claims which fall below a minimum claim level or for a peril that is uninsured, or to fund risk management activity per the Council's risk management strategy
- Local Development Framework: to support the implementation of the local plan
- Economic regeneration: to support future regeneration in the district
- Future leisure: to support the ongoing leisure transformation projects
- Efficiency and rationalisation: to enable delivery of the efficiency programme
- Voluntary sector emergency: to support significant need in the sector
- Community: to support community needs in the district
- Localising council tax benefit: to support the cost of introducing the current scheme
- Planning appeals: to support significant planning appeal costs
- IT strategy & infrastructure: to support the costs of implementing the strategy
- Organisational development: to support the costs of implementing the strategy**
- Inflationary pressures: to smooth the effect of volatile or significant inflation
- LGR- to help meet costs of developing and delivering LGR.
- Elections: to spread the costs of elections over a full term
- Climate change: to support delivery of climate change projects

- AES vehicle maintenance: to smooth fluctuations in costs impacted by the age profile of the fleet
- Tree safety: to support significant costs associated with tree safety
- Corporate plan: to cover costs of development
- Community match funding: to support partner organisations in financial difficulty
- Unused third party funds: the balance of grants and contributions from third parties at the year end to be used for the specific purposes for which they were awarded

13. Unusable Reserves

The total unusable reserves included on the balance sheet are shown in the table below:

31 March 2024		Note	31 March 2025
£000			**£000**
16,752	Revaluation Reserve	13a	16,793
24,093	Capital Adjustment Account	13b	28,765
(14,726)	Pensions Reserve	13c	(12,049)
(646)	Collection Fund Adjustment Account	13d	59
0	Deferred Capital Receipts Reserve		67
(158)	Accumulated Absences Account		(95)
25,315	**Total Unusable Reserves**		**33,540**

13a. Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and intangible assets. The balance is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, used in the provision of services and the gains are consumed through depreciation, or disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24	Revaluation Reserve	2024/25	
£000		**£000**	
17,558	Balance at 1 April		16,752
1,638	Upward revaluations of assets	1,041	
(1,624)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(398)	
14	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		643
(820)	Difference between fair value depreciation and historical cost depreciation	(597)	
0	Accumulated gains on assets sold/ scrapped/ Other Movement	(5)	
(820)	Amount written off to the Capital Adjustment Account		(602)
16,752	**Balance at 31 March**		**16,793**

13b. Capital adjustment account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the revaluation reserve to convert current value figures to an historic cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

2023/24	Capital Adjustment Account	2024/25	
£000		**£000**	
21,298	Balance at 1 April		24,093
	Reversal of items relating to capital expenditure debited or credited to the CIES:		
(1,792)	Charges for depreciation of non current assets	(1,425)	
(345)	Impairment Revaluation Losses	(63)	
(42)	Amortisation of intangible assets	(38)	
(2,990)	Revenue expenditure funded from capital under statute	(4,684)	
(144)	Derecognition of non current assets part of the gain/loss	(480)	
(5,313)			**(6,690)**
819	Adjusting amounts written out of the Revaluation Reserve		602
(4,494)	**Net written out amount of the cost of non-current assets consumed in the year**		**(6,088)**
	Capital financing applied in the year:		
0	Use of capital Receipts Reserve to finance new capital expenditure	0	
5,178	Capital grants and contributions credited to the CIES that have been applied to capital financing	1,023	
871	Applications of grants to capital financing from the Capital Grant Unapplied Account	12,548	
223	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	255	
870	Use of Earmarked Capital Reserve to finance new capital expenditure	191	
7,142			**14,017**
147	Movements in the market value of Investment Properties debited or credited to the CIES		(3,414)
0	Movement in the Donated Assets Account credited to the CIES		157
24,093	**Balance at 31 March**		**28,765**

13c. Pensions reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require any benefits earned to be financed as the employer makes contributions to the pension fund (or eventually pays any pensions for which it is directly responsible). The balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24	Pension Reserve	2024/25
£000		£000
(10,069)	Balance at 1 April	(14,726)
(5,308)	Remeasurement of the net defined benefit liability	2,207
(1,626)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,922)
2,277	Employer's pensions contributions and direct payments to pensioners payable in the year	2,392
(14,726)	**Balance at 31 March**	**(12,049)**

13d. Collection fund adjustment account

The collection fund adjustment account manages the differences arising from the recognition of council tax and business rates income in the CIES as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

2023/24	Collection Fund Adjustment Account	2024/25
£000		£000
(368)	Balance at 1 April	(646)
(278)	Amount by which council tax and business rates income credited to the CIES is different from council tax and business rates income calculated for the year in accordance with statutory requirements	705
(646)	**Balance at 31 March**	**59**

14. Financial instruments

14a. Categories of financial instruments

Under accounting requirements, the carrying value of the financial instruments value is shown in the balance sheet which includes the principal amounts borrowed or lent and accrued interest. The Council's assets and liabilities are classified under fair value through profit and loss and amortised cost and are separated between current and non-current assets and liabilities where the payments or receipts are due within or beyond one year.

31 March 2024				31 March 2025		
Non-current	**Current**	**Total**		**Non-current**	**Current**	**Total**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
			Financial assets carried at fair value through profit and loss			
	5,472	5,472	Money Market Funds		8,166	8,166
			Financial assets carried at amortised cost			
	3,370	3,370	Cash deposits		5,174	5,174
	5,641	5,641	Fixed term deposits		3,216	3,216
	2,530	2,530	Trade debtors *		5,000	5,000
10,122		10,122	Long term debtors	10,145		10,145
10,122	**17,013**	**27,135**	**Total financial assets**	**10,145**	**21,556**	**31,701**
			Financial liabilities carried at amortised cost			
(4,604)	(3,084)	(7,688)	Fixed term borrowing	(4,604)	(6,527)	(11,131)
	(5,104)	(5,104)	Trade creditors*		(5,968)	(5,968)
(203)		(203)	Other liabilities	(331)	(28)	(359)
(4,807)	**(8,188)**	**(12,995)**	**Total financial liabilities**	**(4,935)**	**(12,523)**	**(17,458)**

*Trade Debtors / Creditors vary from the Balance Sheet values as statutory debtors of £4.474m (£3.144m 23/24), the bad debt provision of £0.786m (£0.906m 23/24); and statutory creditors of £4.269m (£3.636m 23/24) are excluded.

Reclassification: There has been no reclassification of financial assets or liabilities during the year.

Fair Value: Basis for recurring fair value measurements:

- Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date.
- Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs: unobservable inputs for the asset or liability.

Fair Value of Financial Assets*:* Some of the Council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them:

31 March 2024				31 March 2025	
Carrying amount	**Fair value**	**Financial assets carried at fair value through profit and loss**	**Fair value hierarchy**	**Carrying amount**	**Fair value**
£000				**£000**	
5,472	5,472	Money Market Funds	Level 2	8,166	8,166

There were no transfers between input levels 1 and 2 during the year and there has been no change in the valuation technique used during the year. Because of the instant access and low volatility net asset value nature of the money market funds, fair value equals carrying value.

Fair Value of Assets and Liabilities that are not measured at Fair Value (but for which Fair Value disclosures are required): Except for the financial assets carried at fair value (described in the table above), all other financial assets and liabilities represented by amortised cost and long-term debtors and creditors are carried in the balance sheet at amortised cost. Their fair values can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- Where an instrument has a maturity of less than 12 months or is a trade or other debtor or creditor the fair value is taken to be the carrying amount or the billed amount.
- For loans from the Public Works Loan Board (PWLB), new borrowing rates from the PWLB have been applied to provide the fair value under PWLB redemption procedures.
- For other market debt and investments, prevailing market rates have been used to provide the fair value, i.e. the rate available for an instrument with the same terms from a comparable lender.
- No early repayment or impairment is recognised.
- For the valuation and disclosure of fair values of financial assets and liabilities the rates quoted were obtained from MUFG Corporate Markets (formerly Link Asset Services), the Council's Advisors, using Level 2 Valuations.
- There has been no change in the valuation technique used during the year for financial instruments.
- There were no transfers between input levels 1 and 2 during the year.

31 March 2024				31 March 2025	
Carrying amount	**Fair value**	**Financial assets carried at amortised cost**	**Fair value hierarchy**	**Carrying amount**	**Fair value**
£000				**£000**	
3,370	3,370	Cash deposits		5,174	5,174
5,641	5,641	Fixed term deposits	Level 2	3,216	3,216
2,530	2,530	Trade debtors		5,000	5,000
10,122	10,122	Long-term debtors		10,145	10,145
21,663	**21,663**	**Total**		**23,535**	**23,535**
		Financial liabilities carried at amortised cost			
(7,688)	(6,917)	Fixed term borrowing	Level 2	(11,131)	(10,322)
(5,104)	(5,104)	Trade creditors		(5,968)	(5,968)
(203)	(203)	Other liabilities		(359)	(359)
(12,995)	(12,224)	**Total**		**(17,458)**	**(16,649)**

The fair value of the liabilities is £0.809million less than the carrying amount because the Council's portfolio of loans includes two fixed rate loans where the interest rate payable is less than the rates available for similar loans at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

The Council has a continuing ability to borrow at concessionary rates from the Public Works Loan Board (PWLB) rather than from markets. The fair value of the PWLB loans in comparison to the carrying value on the balance sheet measures the estimated economic effect of the terms that would be offered for market transactions undertaken at the balance sheet date compared with the existing terms agreed with the PWLB. The difference between the fair value and the carrying amount represents the notional additional interest that the Council will pay over the remaining terms of the loans against what would be paid if the loans were at prevailing rates. The fair value is measured using the new borrowing rates available from the PWLB. On this basis, the fair value of the PWLB loans with a carrying amount of £4.6million would be £3.8million. However, if the Council were to seek to avoid the notional projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that would not be paid. The exit price for the PWLB loans including the penalty charge would be £4.0million.

14b. Income, expense, gains and losses

The total gains and losses recognised in the CIES in relation to financial instruments are illustrated below. The figures include the interest receivable and payable on investments and borrowings. Because of the instant access and low volatility net asset value nature of the money market funds measured at fair value through profit and loss, there is zero gain or loss to be recognised in the CIES aside from the interest receivable.

2023/24			2024/25	
Surplus or deficit on the provision of services	**Other comprehensive income and expenditure**		**Surplus or deficit on the provision of services**	**Other comprehensive income and expenditure**
£000			**£000**	
242		Financial assets measured at fair value through profit and loss: Interest receivable and similar income	361	
959		Financial assets measured at amortised cost: Interest receivable and similar income	800	
(179)		Financial liabilities measured at amortised cost: Interest payable and similar charges	(339)	
1,022	**0**	**Total net gains/ (losses)**	**822**	**0**

14c. Risk analysis and expected credit loss

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 within the Council is overseen by the Audit

& Accounts Committee in accordance with the Risk Management Strategy approved by Cabinet.

The Council's treasury team implements the approved Treasury Management Strategy and maintains written Treasury Management Practices (TMP's) covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash. The Council also has a Treasury Management Policy in place, which defines the policies and objectives of its treasury activities. The policy statement refers to the identification, monitoring and control of risk as the prime criteria by which the effectiveness of the Council's treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council. Exposure to financial risks is discussed in more detail below:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Council.
- **Liquidity risk** – the possibility that the Council might not have funds available to meet its commitments to make payments.
- **Refinancing risk** – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- **Market risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates.

Credit Risk: Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to the Council's customers. The risk is minimised through the Annual Investment Strategy. The Council's credit risk management practices are set out throughout the Treasury Management Strategy Statement (TMSS) including the Annual Investment Strategy. With particular regard to determining whether the credit risk of the financial instruments has increased significantly since recognition. The TMSS requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The TMSS also considers maximum amounts and time limits with a financial institution located in each category.

The Council uses the creditworthiness service provided by MUFG Corporate Markets (formerly Link Asset Services). This service uses a sophisticated modelling approach with credit ratings from all three rating agencies, Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not solely rely on the current credit ratings of counterparties but also uses the following as overlays: credit watches and outlooks from credit rating agencies, CDS spreads to give early warning of likely changes in credit ratings, and sovereign ratings to select counterparties from countries with appropriate creditworthiness. The full TMSS was approved by Full Council in February 2024. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to investments in financial institutions of £14million cannot be assessed generally, as the risk of any institution failing to make repayments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all the Council's deposits, but there was no evidence at 31st March 2025 that this was likely to crystallise.

Amounts Arising from Expected Credit Losses (ECL)

	ECL Test	ECL Category	31 Mar 2024	31 Mar 2025	Increase/ (decrease)
			£000	£000	
Investments at Fair Value through profit and loss					
Money Market Funds	Historic Risk of Default	12 month Expected Credit losses	0	0	0
Investments at amortised cost					
Trade receivables/ contract assets no financing: Trade Debtors non-statutory Bad Debt provision	Simplified Model	Lifetime Expected Credit Losses - simplified approach	484	374	(110)
Deposits with banks/ financial institutions	Historic Risk of Default	12mth Expected Credit Losses	0.000748	0.000703	(0.000045)
Loans					
Capital Service Loan - Housing	Assessment of credit risk	12m Expected Credit losses	0	0	0
Car Loans	Collective Assessment	12m Expected Credit losses	0	0	0
Parish Council Loan	Assessment of credit risk	12m Expected Credit losses	0	0	0
Total			**484**	**374**	**(110)**

Liquidity risk

Investments: The Council manages its liquidity position through the risk management procedures including the setting and approval of prudential indicators and the approval of the TMSS as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed. The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loans Board (PWLB) and money markets for longer-term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing & maturity risk: The Council maintains a debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure of replacing financial instruments as they mature. The risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The maturity structure of fixed term financial assets at the start date and at the balance sheet date of these instruments is shown in the table below:

31 March 2024 Carrying amount	Average Interest Rate	Type	31 March 2025 Carrying amount	Average Interest Rate
£000			£000	
5,500	**5.55%**	**Fixed Term Investments & Notice Accounts**	**4,000**	**4.66%**
		Original maturity profile		
5,500	5.55%	Less than 365 days	4,000	4.66%
		Greater than 365 days		
		Remaining maturity profile		
5,500	5.55%	Less than 365 days	4,000	4.66%

The Council has limits in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The maturity structure of financial liabilities at the start date and at the balance sheet date of these instruments is shown in the table below.

31 March 2024 Carrying amount	Average Interest Rate	Type	31 March 2025 Carrying amount	Average Interest Rate
£000			£000	
7,604	**3.50%**	**Local Authority Fixed Term Borrowing**	**11,104**	**4.06%**
		Original maturity profile		
3,000	5.70%	Less than 1 Year	6,500	5.47%
		Between 1 and 5 Years		
4,604	2.07%	Between 5 and 10 Years	4,604	2.07%
		Remaining maturity profile		
3,000	5.70%	Less than 1 Year	6,500	5.74%
		Between 1 and 5 Years		
4,604	2.07%	Between 5 and 10 Years	4,604	2.07%

Market risk: The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates can have a complex impact on the Council. For example, a rise in interest rates would have the following effect:

- Investments at variable rates – the interest income credited to the CIES would increase.
- Investment at fixed rates – the fair value of the assets will fall (no impact on revenue balances or the balance sheet as all investments carried at carrying value).
- Borrowing at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances or the balance sheet as held at amortised cost).

The Council carries out its borrowing and investment function within the parameters set in its TMSS, which establishes interest rate exposure. The Council uses the services of a Treasury Advisor, who issue regular interest rate forecasts to aid decision making when placing investments and setting the annual investment income budget for the following year. Forecasts are updated and reported to the Audit & Accounts Committee, which allows any significant changes in interest rates to be reflected in current budget projections. At 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Impact on Other Comprehensive Income & Expenditure: Increase in interest receivable on variable rate investments	(140)
Increase in Fair Value of Fixed Rate Borrowing	215

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price risk: The Council does not invest in equity shares and is therefore not exposed to losses arising from movements in the prices of shares.

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

15. Contingent liabilities and assets

The disclosures made here are based on the IAS37 definitions of contingent assets and liabilities quoted in the Code:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation’s control; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that a transfer of economic benefits will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities

Municipal Mutual Insurance – scheme of arrangement Prior to 1992 the Council was insured by Municipal Mutual Insurance (MMI). When MMI ceased accepting new business in 1992/93 the Council was entered into a Scheme of Arrangement (SOA) under Section 425 of the Companies Act 1985. The SOA was triggered on 13 November 2012 following the conclusion of long running legal proceedings. From that date Ernst & Young LLP became responsible for the management of the company's business, affairs and assets. An initial levy of 15% (£9,292) was paid in 2013/14. The levy was reviewed in 2015 with the result that a further payment equivalent to 10% (£8,059) was paid in 2016/17. An annual review of the levy rate is required under the terms of the Scheme, and this could lead to the rate being further amended in future, either up or down.

Under the terms of the SOA, the Council now must meet 25% of any new insurance settlements, relating to its claims, made by MMI. An earmarked Insurance reserve, with a balance of £125,000, is available to mitigate the financial pressure created by the MMI levy and any other uninsured losses, which might occur in the future. At 31 March 2025, the Council's amount subject to levy under the SOA stood at £90,747, unchanged from 2023/24.

Contingent assets

There are no contingent assets.

16. Events after the balance sheet date

The unaudited Statement of Accounts were authorised for issue on 11th June 2025 by Martin Owen, Executive Director (Resources) (Chief Finance Officer).

Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Events after this date are not reflected in the financial statements or notes. Enquiries with the Council's Senior Management Team have confirmed that there are no other outstanding legal issues, insurance claims or ombudsman complaints, which are likely to have a significant impact on these financial statements.

17. Cash flow statement analysis

17a. Net cash flows from operating activities

2023/24		2024/25
£'000		**£'000**
(94)	**Net Surplus or (Deficit) on the Provision of Services**	**6,207**
	Adjust net surplus or deficit on the provision of services for non cash movements	
1,792	Depreciation	1,425
489	Impairment and downward valuations	544
42	Amortisation	38
46	Increase/ (Decrease) in Interest Creditors	(57)
12,635	Increase/ (Decrease) in Creditors	(1,354)
(76)	(Increase) /Decrease in Interest and Dividend Debtors	(312)
485	(Increase) /Decrease in Debtors	(2,294)
(7)	(Increase) /Decrease in Inventories	(28)
(2,311)	Pension Liability	413
	Donated Asset	(157)
(62)	Contributions to/ (from) Provisions	(562)
(147)	Movement in Investment Property Values	3,414
12,886		**1,070**
	Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
(5,252)	Capital Grants credited to surplus or deficit on the provision of services	(15,928)
3,000	Proceeds from the sale of short and long term investments	7,500
(82)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(122)
(2,334)		**(8,550)**
10,458	**Net Cash Flows from Operating Activities**	**(1,273)**

17b. Operating activities (relating to interest)

2023/24		2024/25
£000		**£'000**
1,059	Interest received	612
(87)	Interest paid	(454)

17c. Investing activities

2023/24		2024/25
£'000		**£'000**
(3,934)	Purchase of property, plant and equipment, investment property and intangible assets	(8,147)
(1,100)	Purchase of short-term and long-term investments	(5,000)
(112)	Other payments for investing activities	(64)
82	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	55
6,482	Other receipts from investing activities	15,247
1,418	**Net cash flows from investing activities**	**2,091**

17d. Financing activities

2023/24		2024/25
£'000		**£'000**
3,000	Cash receipts or short and long-term borrowing	6,500
(12,596)	Billing Authorities - Council Tax & NNDR Adjustment	181
(3,009)	Repayments of short and long-term borrowing	(3,000)
(12,605)	**Net cash flows from financing activities**	**3,681**

Supplementary statements

Collection Fund Account

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 (also known as business rates).

2023/24				2024/25		
Council Tax	**Business Rates**	**Total**		**Council Tax**	**Business Rates**	**Total**
£000	**£000**	**£000**	**Income**	**£000**	**£000**	**£000**
(68,745)	(17,292)		Due from Payers	(73,174)	(19,639)	
	(1,666)		Transitional Protection Payments		(967)	
(123)			Hardship Fund Grant			
			Flood Recovery Funding Grant	(2)		
(68,868)	**(18,958)**	**(87,826)**	**Total Income**	**(73,176)**	**(20,606)**	**(93,782)**
			Expenditure			
			Preceptors			
	9,616		Central Government		10,757	
49,101	1,731		Staffordshire County Council	52,112	1,936	
8,696			Staffordshire Police Authority	9,229		
2,812	192		Staffordshire Fire & Rescue Authority	2,927	215	
7,414	7,692		Staffordshire Moorlands DC	7,760	8,606	
		87,254				**93,542**
			Distribution of Previous Year Surplus/ (Deficit)			
	213		Central Government		(594)	
658	38		Staffordshire County Council	(66)	(107)	
117			Staffordshire Police Authority	(11)		
37	4		Staffordshire Fire & Rescue Authority	(4)	(12)	
103	171		Staffordshire Moorlands DC	(10)	(475)	
		1,341				**(1,279)**
			Charges to the Collection Fund			
202	138		Write Offs of Uncollectable Amounts	173	49	
(9)	(185)		Impairment Allowance increase/ (decrease)	231	(50)	
	(88)		Refunds on Provision for Appeals		(1,180)	
	(67)		Provision for Appeals increase/ (decrease)		(226)	
	113		Cost of Collection Allowance		114	
	4		Interest paid on refunds		36	
		108				**(853)**
69,131	**19,572**	**88,703**	**Total Expenditure**	**72,341**	**19,069**	**91,410**
263	**614**	**877**	**Movement on Fund Balance in year**	**(835)**	**(1,537)**	**(2,372)**
(212)	986	774	(Surplus)/ Deficit Brought Forward	51	1,600	1,651
51	**1,600**	**1,651**	**(Surplus)/Deficit Carried Forward**	**(784)**	**63**	**(721)**

Notes to the collection fund account

1. Non-domestic rates (NDR)

Central government sets the non-domestic rate multiplier and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount, adjusted by any applicable reliefs or exemptions.

2023/24		2024/25
£59,782,121	Total Non-Domestic Rateable Value at Year End	£59,942,966
51.2p	National Non-Domestic Rate Multiplier	54.6p

2. Council tax base

Council tax income derives from charges raised according to the value of residential properties that have been classified into 8 bands, based on valuations as at 1 April 1991. Individual charges are calculated by estimating the amount of income required from the collection fund by County Council, Office of the Police & Crime Commissioner, Fire & Rescue Authority, and this Council, and dividing this total figure by the council tax base. The council tax base for the year was calculated as follows:

Valuation band	Proportion of Band D Charge	Number of Dwellings in Valuation List		Number of Band D Equivalent Dwellings	
		2023/24	2024/25	2023/24	2024/25
Band A	6/9	9,631	9,651	4,362	4,222
Band B	7/9	10,719	10,781	6,817	6,773
Band C	8/9	10,774	10,812	8,353	8,342
Band D	9/9	6,270	6,320	5,689	5,708
Band E	11/9	4,471	4,513	5,034	5,062
Band F	13/9	2,011	2,016	2,693	2,703
Band G	15/9	790	801	1,223	1,226
Band H	18/9	34	34	45	42
Total		**44,700**	**44,928**	**34,216**	**34,078**
Deduction for non-collection				(842)	(341)
Additional properties and adjustments during the year				0	0
Council Tax Base (Band D equivalent)				**33,374**	**33,737**

3. The fund balance

Prior to the end of each year, the year-end surplus or deficit on the Collection Fund for both Council Tax and Business Rates is estimated in order that it can be distributed amongst the billing and precepting authorities along with the Precepts for the coming year. The declaration must be made on 15 January each year for Council Tax and 31 January for Business Rates. The estimated surplus/ deficits declared for the 2023/24 year and distributed in 2024/25 were Council Tax deficit £91,000 and Business Rates deficit £1,188,000. For Council Tax, the estimated deficit was apportioned amongst the

Preceptors in proportion to the value of their respective demands and precepts made on the Collection Fund for 2023/24. For Business Rates, the estimated deficit was apportioned using the prescribed proportions of 50% Central Government, 40% Billing Authority, 9% County Council, and 1% Fire Authority.

31 March 2024			2024/25		2024/25		31 March 2025	
Council Tax	Business Rates	Precepting Authorities	Council Tax	Business Rates	Council Tax	Business Rates	Council Tax	Business Rates
			Precept		Distribution of Estimated Surplus/ (Deficit)			
£000	£000		£000	£000	£000	£000	£000	£000
	9,829	Central Government		10,757		(594)		10,163
49,759	1,769	Staffordshire County Council	52,112	1,936	(66)	(107)	52,046	1,829
8,813		Staffordshire Police Authority	9,229		(11)		9,218	
2,849	196	Staffordshire Fire & Rescue Authority	2,927	215	(4)	(12)	2,923	203
61,421	**11,794**		**64,268**	**12,908**	**(81)**	**(713)**	**64,187**	**12,195**
5,958	7,863	Staffordshire Moorlands District Council	6,093	8,606	(10)	(475)	6,083	8,131
324		Cheadle Town Council	352				352	
397		Biddulph Town Council	419				419	
179		Leek Town Council	189				189	
659		Parish Councils	707				707	
7,517	**7,863**		**7,760**	**8,606**	**(10)**	**(475)**	**7,750**	**8,131**
68,938	**19,657**	**Total**	**72,028**	**21,514**	**(91)**	**(1,188)**	**71,937**	**20,326**

During 2024/25 the Collection Fund account recorded an in-year surplus of £835,000 for Council Tax and a surplus of £1,537,000 for Business Rates. The balance at 31 March 2025 has been disaggregated for the purpose of these Accounts to attribute relevant amounts to the precepting Authorities' debtor and creditor accounts and those of the billing Council as follows:

31 March 2024			2024/25		31 March 2025	
Council Tax	Business Rates		Council Tax	Business Rates	Council Tax	Business Rates
Cumulative Surplus/ (Deficit)			In Year Surplus/ (Deficit)		Cumulative Surplus/ (Deficit)	
£000	£000		£000	£000	£000	£000
	(800)	Central Government		769		(31)
(5)	(640)	Staffordshire Moorlands District Council	90	615	85	(25)
(37)	(144)	Staffordshire County Council	604	138	567	(6)
(7)		Staffordshire Police Authority	107		100	
(2)	(16)	Staffordshire Fire & Rescue Authority	34	15	32	(1)
(51)	**(1,600)**	**Balance at 31 March**	**835**	**1,537**	**784**	**(63)**

The Council Tax cumulative surplus amounts attributable to the County Council, Police Authority and Fire & Rescue Authority above are shown as creditors in the 2024/25 Balance Sheet; the Business Rates cumulative deficit amounts attributable to Central Government, the County Council and Fire & Rescue Authority above are shown as debtors in the 2024/25 Balance Sheet.

4. Council tax & non-domestic rates income reported on the CIES

The CIES includes income from council tax & non-domestic rates in "Taxation and non-specific grant income & expenditure"; this is further detailed in note 3c in the Notes to the Financial Statements. A reconciliation between the income reported in the collection fund statement and notes and that shown in Note 3c follows:

2023/24 Council Tax	2023/24 Business Rates		2024/25 Council Tax	2024/25 Business Rates
£000	**£000**	**Note 3c Taxation and Non-Specific Grant Income**	**£000**	**£000**
(7,485)		Council Tax Income	(7,840)	
	(1,850)	Non-Domestic Rates Retention		(2,604)
		Collection Fund		
(7,414)	(7,692)	SMDC Precept	(7,760)	(8,606)
(103)	(171)	SMDC share of (Surplus)/ Deficit Distributed in the Year	10	475
32	244	SMDC share of actual (Surplus)/ Deficit recorded at 31 March	(90)	(615)
	248	Contribution to Business Rates Pool*		418
	5,521	NDR Tariff**		5,724
(7,485)	**(1,850)**	**Total**	**(7,840)**	**(2,604)**

* Under the Business Rates Retention system, the NDR levy is a charge on a proportion of growth above the Business Rates Funding Baseline in the year. This is a charge to the General Fund and as such does not feature in the Collection Fund Statement. As a member of a Business Rates Pool the Council does not have to pay this levy to Central Government, but instead pays a contribution to the Staffordshire Business Rates Pool. This figure includes a refund for overpayments of contributions to the pool for previous years.

** The NDR Tariff is the difference between the NDR Baseline and the Funding Baseline, which are set by Central Government as part of the Budget. It is paid to Central Government during the year out of the General Fund and as such does not feature in the Collection Fund Statement.

5. Community charge

Outstanding arrears in respect of community charge are still being collected and these amounts are credited to the Council's general fund directly.

Accounting Policies

1. General Principles

The Statement of Accounts summarise the Council's transactions for a financial year and the position at the financial year-end. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. Those Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom, applicable to the financial year, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts 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.
- Expenses 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 for 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 might not be collected.
- The resources available are concentrated on identifying and accruing individual transactions of £10,000 and above.
- An Accumulated Absences creditor balance is maintained to reflect the value of time owed to employees for accrued holidays, TOIL (time off in lieu) and flexitime. This balance is based on an historic value subject to annual review and amendment where there have been significant changes in staff numbers or working patterns.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial instruments repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are 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 and form an integral part of the Council's cash management.

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Services, support services and trading accounts are charged an accounting estimate of the cost of holding assets during the year. This comprises:

- 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.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [Minimum Revenue Provision (MRP)], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account 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 Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority 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 enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of The Local Government Pensions Scheme, administered by Staffordshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Staffordshire Pension Fund is part of the Local Government Pension Scheme, and is accounted for as a defined benefit scheme.

- The liabilities of the Staffordshire Pension Fund attributable to the Authority 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 determined by the actuary (based on the indicative rate of return on high quality corporate bonds).
- The assets of the Staffordshire Pension Fund attributable to the Authority are included in the Balance Sheet at fair value:
    - quoted securities – current bid price
    - unquoted securities – professional estimate
    - unitised securities – current bid price
    - property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:

  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus 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. the net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period 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 Comprehensive Income and Expenditure.
  - Contributions paid to the Staffordshire 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 Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. 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 based on cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because 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.

7. Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the Balance Sheet date 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.

8. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority 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 interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

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 cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cashflows 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 Authority 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 interest rate for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the CIES is the amount receivable for the year in the loan agreement.

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

Expected Credit Loss Model

The Authority recognises expected credit losses on all its financial assets held at amortised cost, on either of 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 Authority.

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 has not increased significantly or remains low, losses are assessed on the based on 12-month expected losses.

Finance Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Fair value measurement of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset.

9. 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 Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as 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 and Expenditure (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. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

10. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.
Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).
Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.
Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line 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.

11. Interests in Companies and Other Entities

The Authority has a material interest in Alliance Environmental Services Ltd (AES) with High Peak Borough Council and Ansa (Cheshire East Council from 1 April 2025), Alliance Norse Ltd (ANL) with High Peak Borough Council and Norse Commercial Services Ltd; and in Alliance Leisure Ltd (ALL) with High Peak Borough Council. These arrangements are assessed as Joint Operations therefore there is no requirement to prepare group accounts. The Council does not have interest in any other any company or entity that has the nature of a subsidiary, associate or joint arrangement, so has no requirement to prepare group accounts.

12. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation.
- its expenses, including its share of any expenses incurred jointly.

13. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First In First Out [FIFO] costing formula.

14. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.
Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial

asset, investment properties are measured at highest and best use. 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 in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the 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.

15. Leases

The Authority as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Councils initially recognises lease liabilities measured at the present value of lease payments, discounting by apply the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measure using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use-asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided the are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Authority as Lessor

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 and equipment from the lessor to the lessee. All other leases are classified as operating leases.

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 (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- 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 has been 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 the 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 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 in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

16. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historic cost.
- surplus assets – the measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- 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.

Where non-property assets that have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value. Assets included in 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.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or 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.

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

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or 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 reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- It is not charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.

Where a Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see Componentisation below).

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and 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 losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held For Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within 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.

Componentisation

A formal Componentisation policy has been adopted in accordance with the requirements of International Reporting Standards effective from 2010/11. The policy applies to all categories of Property, Plant and Equipment which meet the following criteria:

- individual assets and groups of similar assets, whether held at historic cost or current cost, with a gross carrying value of £800,000 and above will be considered for the purposes of componentisation,
- items below this level will be disregarded as the impact upon the total cost of service is not considered material,
- assets that are above the £800,000 threshold will be ‘componentised’ where the cost of the component is significant in relation to the overall cost of the asset. A component will be deemed significant where it represents 20% of the total cost of the overall asset at the time of acquisition or construction and where the component element has a significantly different useful life and/or method of depreciation to the main asset.
- where assets comprise two or more components any change in overall valuation will not simply be applied to the overall asset but assigned to its component parts in accordance with any split provided by the valuer.

Derecognition

When a component is replaced or restored the old component should be "derecognised" (written off) to avoid double counting. Under the Code, derecognition is required to ensure the asset carrying values are not materially overstated. To this end the following principles will be applied when calculating derecognition values:

- General Fund Assets
  - the component does not need to have been separately identified under the above policy.
  - all spending on assets valued at over £800,000 will be considered for derecognition.
  - on assets valued at under £800,000, only capital spending greater than £160,000 (20%) will be considered for derecognition.
  - on all assets, capital spending lower than £160,000 will be treated as an enhancement without any derecognition unless it is determined that there would be no material increase in carrying value.
- Determining Derecognition Values
  - derecognition will be based on valuations of the replaced component provided by Property Services; or
  - where no valuations are readily available, replacement cost will be used, adjusted for appropriate levels of depreciation and impairment.

Note: all assets will be considered separately for an Impairment Review in accordance with the Code.

De Minimis

Where the gross value of a Property asset is £10,000 or less it is included on the Balance Sheet at its carrying value without further revaluation, depreciation or impairment. These assets are subjected to an annual internal review. Where this identifies the potential for a significant increase that would take carrying values above £10,000, a formal valuation will be triggered.

Where a Non-Property asset continues to be of economic value to the Authority but has been fully depreciated it will be recorded in the Balance Sheet at a carrying value of £0 irrespective of how many more useful years it is assessed to have.

17. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

When payments are eventually made, they are charged against the provision carried in the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority 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 Authority. 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 with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

18. Reserves

Reserves equate to the residual value of the Council's assets after deducting all its liabilities. They are reported on the Balance Sheet under two categories:

Usable Reserves

The Authority 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 in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Authority. They are of two kinds:

a) those that hold unrealised gains and losses. Arising from changes in Asset or Liability valuation, where gains/ losses will only be released once the Asset/ Liability is disposed of
b) adjustment accounts that carry a balance reflecting the timing difference between income and expenditure as recognised under accounting standards and that required under statute.

These reserves, explained in the relevant policies and Statement notes, are Revaluation Reserve [(a) capital], Capital Adjustment Account [(b) capital], Pensions Reserve [(b) employees], Accumulated Absences Account (b), Collection Fund Adjustment Account (b).

19. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that 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 Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

20. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

21. Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities held and maintained for their contribution to knowledge and culture.

The Council holds a range of Heritage Assets:

- Civic Regalia – comprises the various chains of office associated with the ceremonial functions of the Council and the office of Mayor (including deputies and consorts).
- Nicholson Collection – held on trust by the Council this collection is primarily on public display in the Nicholson Museum & Art Gallery within the Nicholson Institute in Leek.
- Civic Memorabilia – items, commemorative in nature, that have been donated to the Council.
- Legal Documents – a number of historical legal documents.
- Monuments, Memorials, Statues and Other Assets – the Council either owns or is custodian for a range of items (e.g. fountains, wells etc.) considered significant to the heritage of the district.

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

Both the Civic Regalia and Nicholson collections are held on the Balance Sheet at Insurance Value which is based on market value. It is considered that they have an indefinite life and therefore Depreciation is not charged. The Nicholson Collection is specifically maintained and preserved in its original condition.

In addition, both collections are annually reviewed in order to establish if carrying values remain current and if impairment is required.

For security reasons, the Council does not publicly reveal precise details of either its Civic Regalia or the Nicholson Collection.

Information on cost or value is not usually held on the remaining Heritage Assets and the Council considers that the cost of obtaining valuations tends not to be commensurate with the potential benefits to the users of the Statement of

Accounts. Therefore these assets are rarely included on the face of the Balance Sheet. However, an annual review of such assets is undertaken to ensure that this assumption remains valid.

22. Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting Council Tax and Non-Domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting Council Tax and NDR for themselves. Billing authorities are 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, billing authorities, major preceptors and central 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 (CIES) and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet included 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.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

23. Fair Value Measurement

The Authority measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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:

a) in the principal market for the asset or liability, or
b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Authority 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 Authority takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority 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 Authority can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

Glossary of Financial Terms

Accounting Period
This is the length of time covered by the accounts. It is normally a period of 12 months commencing 1st April. The end of the accounting period is the reporting date.
Accounting Policies
Accounting policies and estimation techniques are the principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements.
Accruals
The accruals basis of accounting requires the non-cash effects of transactions to be reflected in the financial statements for the accounting period in which they were earned or incurred, and not in the period in which any cash is received or paid.
Actuarial Gains and Losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation; or
- The actuarial assumptions have changed.

Amortised Cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.
Asset
An asset is something that the Council owns that has a monetary value. Assets are either 'current' or 'non-current'. A current asset will be used by the end of the next financial year, whereas a non-current asset provides benefits for a period of more than one year.
Balance Sheet
A snapshot of the overall financial position of the Council at the reporting date.
Balances
Reserves held in Council funds at the reporting date.
Capital Adjustment Account
Provides a balancing mechanism between the cost of
non-current assets consumed and the capital financing set aside to pay for them.
Capital Charges
The depreciation charge covering non-current assets used in the provision of services.
Capital Expenditure
Spend on the acquisition of non-current assets or expenditure which adds to and does not merely maintain existing assets.
Capital Receipts
Income received from the sale of capital assets, a specified proportion of which may be used to finance new capital expenditure and the remainder is set aside and may only be used for paying off debt.
Carrying Value
The value at which an asset or liability is held on the Balance Sheet.
Cash Flow Statement
This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.
Chartered Institute of Public Finance and Accountancy (CIPFA)
The professional accountancy body concerned with local authorities and the public sector.
Collection Fund
Fund indicating the level of Council Tax and Non-Domestic Rates received by the Council and the payments which are made from these funds including precepts to central government, other authorities and the Council's own demand.
Community Assets
Assets which the Council 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 historic buildings.

Comprehensive Income and Expenditure Statement (CIES)
Summarises the resources that have been generated and consumed in providing services and managing the Council during the year.
Consistency
Accounting concept applied in the preparation of the accounts, ensuring that the accounting treatment of like items within a period and from one period to the next is the same.
Contingent Assets & Liabilities
Possible asset or obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.
Creditors (Payables)
Amounts owed by the Council for goods and services, where payments have not been made at the reporting date.
Current Assets
Items that can be readily converted into cash within a year.
Current Liabilities
Items due immediately or in the short-term.
Debtors (Receivables)
Amounts owed to the Council for goods and services, where the income has not been received at the end of the financial year.
Depreciated Replacement Cost (DRC)
A method of valuation which provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all the relevant forms of obsolescence and optimisation.
Depreciation
Measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use over time or obsolescence through technological or other changes.
Earmarked Reserves
Reserves set aside for a specific purpose, a particular service, or type of expenditure.
Events after the Reporting Period
Events, both favourable and unfavourable, which occur between the reporting date and the date on which the Statement of Accounts is signed by the responsible financial officer.
Extraordinary Items
Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items nor do they include any prior period items merely because they relate to a prior period.
Fair Value
The fair value of an asset 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.
Fees and Charges
Income arising from the provision of services.
Finance Lease
A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee from the lessor. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.
Financial Instrument
These are contracts that give rise to a financial asset of one entity and a financial liability of another. Examples include trade payables and receivables, borrowings, investments, loans and bank deposits.
Financial Year
A period of time to which a Statement of Accounts relates. The financial year of the Council runs from 1st April to 31st March.
General Fund (GF)
The main revenue fund of a billing Authority. Day-to-day spending on services is met from the fund.
Going Concern
The accounting concept that assumes the Council will remain in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants
Assistance by government, its agencies and similar bodies in the form of cash or transfer of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the Authority.
Heritage Asset
An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.
Impairment
The writing down in the value of an asset, owing to a change in value or use of resource.
Infrastructure Assets
Inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Examples of such assets are highways and footpaths.
Intangible Assets
Non-financial non-current assets that do not have physical substance but are identifiable and are controlled by the Authority through custom or legal rights. Examples of such assets are software licences.
International Financial Reporting Standards (IFRSs)
A suite of accounting standards used across the world and prepared by the International Accounting Standards Board (IASB). IFRS is the international equivalent of the Financial Reporting Standards (FRSs) formerly used in the UK. IFRSs apply to local Authorities and any departure from these must be disclosed in the published accounts.
Investment Properties
Property (land or a building, or part of a building, or both) held solely to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of operations.
Joint Operation
Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators.
Liability
A present obligation of the Authority, settlement of which is expected to require the outflow of resources such as cash or the provision of a service.
Long-Term Debtors
Monies due to the Council which are unlikely to be recovered within a 12-month period, for example loans to third parties.
Long-Term Investments
An investment intended to be held for the medium- or long-term and will not be capable of realisation within a year of the reporting date.
Minimum Revenue Provision (MRP)
Minimum amount which must be charged to an Council's revenue account each year for the repayment of principal and set aside as a provision for credit liabilities.
Net Book Value
Amount at which non-current assets are included in the balance sheet, i.e. their historic cost or current value less the cumulative amounts provided for depreciation.
Net Current Replacement Cost
Cost of replacing or recreating the 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
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 lithe asset.
New Homes Bonus
A reward grant paid to Authorities based on the number of new homes built or brought back into occupation. A premium is paid for affordable homes included in these numbers.
Non-Current Assets
Asset that yields benefits to the Authority and the services it provides for a period of more than one year.
Non-Domestic Rates (NDR)
Amounts payable to local Authorities from Non-Domestic Rates properties distributed to Central Government; the County Council; Fire Authority; and the Council.
Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

A lease other than a finance lease.

Operational Assets

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

Precept

Demands made upon the collection fund by Central Government and other authorities (Staffordshire County Council, Staffordshire Fire & Rescue Authority, Staffordshire Police and Town & Parish Councils) for the services they provide.

Provisions

Amounts set aside where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential. The best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Prudence

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

Prudential Framework

The Prudential Framework replaced the credit approval mechanism previously used by central government to control borrowing for capital expenditure. Local authorities are now allowed to determine their own capital programmes according to prudent assessments of affordability. Authorities must set their spending plans in accordance with the CIPFA Prudential Code.

Reserves

Sums set aside to meet future expenditure on specific purposes.

Revaluation Reserve

A capital reserve that records net gains (if any) from revaluations of assets made after 1st April 2007.

Revenue Expenditure

Expenditure on the day-to-day running of the Council, including employee costs, running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure classified as capital for funding purposes which does not result in a non-current asset being carried on the Balance Sheet. This would include capital grants or renovation grants to private persons.

Revenue Support Grant (RSG)

Grant paid to local authorities by Central Government to help finance its general expenditure.

Right-of-use asset

A lessee’s right to use an asset over the life of a lease.

Section 106 (S106)

This section of the Town and Country Planning Act 1990 enables legal agreements between planning authorities and a developer where, on being granted a planning application, the latter may be obliged to provide additional funding for specified services.

Short-Term Investments

An investment that is capable of realisation within a year of the reporting date.

Usable Capital Receipts Reserve

Distinguishes the amounts in the reserve from any capital receipts that have been posted to the Capital Adjustment Account to reduce the Council’s underlying requirement to borrow.

Useful Life

Period over which the Authority will derive benefits from the use of a non-current asset.

Independent Auditor’s Report

Independent auditor's report to the members of Staffordshire Moorlands District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Staffordshire Moorlands District Council (the 'Authority') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income & Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Account, the notes to the financial statements, the Notes to the Collection Fund Account and the Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Executive Director (Resources) & Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Executive Director (Resources) & Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Executive Director (Resources) & Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of Executive Director (Resources) & Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director (Resources) & Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Executive Director (Resources) & Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director (Resources) & Chief Finance Officer. The Executive Director (Resources) & Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom

2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director (Resources) & Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director (Resources) & Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, the Local Government Act 1972 and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).
- We enquired of management and the Audit and Accounts Committee, concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Accounts Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to non-routine journal entries and key accounting estimates around the valuation of other land and buildings and investment properties and the valuation of the net pension liability. Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on non-routine transactions within identified risk criteria including large year end and post year end journals, journals posted by senior finance staff, journals posted by new starters, journals containing key words and journals transferring amounts to and from other Councils;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of other land and buildings, investment properties and the net pension liability; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

  These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including those relating to significant accounting estimates for the valuation of land and buildings, investment properties and the net pension liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector
  - understanding of the legal and regulatory requirements specific to the Authority including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Staffordshire Moorlands District Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority’s members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard J J Anderson

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

18 December 2025