

## Contents

Narrative Report	2
Key Performance Indicators	12
Statement of Responsibilities for the Statement of Accounts	19
Comprehensive Income and Expenditure Statement	20
Movement in Reserves Statement	21
Balance Sheet	23
Cash Flow Statement	24
Collection Fund	25
Accounting Policies	27
Notes to the Accounts	27
Independent Auditor's Report	97

## **Narrative Report**

### **Introduction**

The purpose of the narrative report is to provide the reader with an easy to understand guide to the most significant financial matters reported in the accounts. It also acts as the Council's annual report, which highlights the major influences on the Council's spending and comments on the Council's overall financial position and performance against the Corporate Plan and Key Performance Indicators.

### **The Challenges**

The Covid pandemic, Russia's invasion of Ukraine, Brexit and supply chain-related issues has driven up the cost of living pressures in the last few years. With the UK inflation rising from 2.9% at the start of the 2021/22 year to double digit inflation for the whole of 2022/23, peaking at 14.2% in October 2022, 2023/24 saw a gradual easing, finishing the financial year at 4.2%, 2024/25 inflation moved slightly lower to 3.4%. Councils such as North Devon are particularly exposed to these rising costs because of the nature of delivering services in large rural areas.

The Council recognises that the impact the world economic conditions has had on public finances will continue well beyond 2024/25 and the embedded effect of the above mentioned inflation pressures will continue to place considerable additional increased cost on the Council in the medium term.

A number of these inflationary increases have been built into the 2025/26 budget and Medium Term Financial Strategy, monitoring will continue during 2025/26 to ensure any further costs are captured and fed into the quarterly performance reports.

An Outturn report will be taken to Members in early July 2025 which sets out the 2024/25 year-end financial standing of the authority (these accounts) and takes these forward with the projected impact this has on the future years ongoing revenue budgets. In the summer of 2022 we introduced Cross Party Workshops with Members, to identify options for mitigating the budgetary pressures being faced prior to the autumn when detailed budget setting for the next year usually starts and refresh the Medium Term Financial Strategy. This is now embedded in our budget setting timetable and enables key decisions to be taken early that impact upon future year budgets, we plan to continue this process for 2026/27 budget setting and beyond.

Regular financial monitoring will continue through 2025/26 to ensure the Council takes all necessary remedial action where it can in light of the additional budgetary pressure, with a continued focus on delivering key services to our communities against the financial backdrop of considerable reduced resources.

The plan now contains an overall vision:

"North Devon will be a sustainable, inclusive community; fostering prosperity and wellbeing for all"

It also contains five priorities:

1. **Financial Security** – to reduce our reliance on core government funding, increase income and be risk aware not risk averse.
2. **Housing** – to plan and deliver housing provision to meet local needs and to increase the availability of decent, affordable and accessible accommodation.
3. **Climate and Environment** – to protect and enhance the natural environment, tackle climate change and protect biodiversity.
4. **Pride of Place and Prosperity** – to promote economic development, support the regeneration of our Places and improve the quality of life for residents and visitors by making North Devon more attractive, vibrant and successful.
5. **People Matter** – to be seen as a vibrant, attractive employer by being an ambitious and caring council that develops and looks after its communities and delivers excellent customer focussed services that meet the needs of residents.

Due to cuts in government grant and poor economic conditions, the Council's real term budget has been cut by 23% and a reduction in workforce of around 74 posts since the start of the 2010 spending review. This period of time has also seen a growing demand for current and new services. Income streams have also been affected by the current poor economic conditions.

### **Meeting the Challenges – the Medium Term Financial Strategy 2025-2031**

The Council already operates a robust financial planning regime through its approved rolling financial plan (the Medium Term Financial Strategy). This plan seeks to achieve Council Tax increases in line with Central Government guidelines, at the same time, achieving budget improvements to help meet new challenges and priorities set out in the Council's Corporate Plan.

The Council's Medium Term Financial Strategy (MTFS) 2025-2031 was approved by Full Council in February 2025. The plan underpins and provides the financial cornerstone of the Corporate Plan, which will shape the Council's activities. It is good practice that it is refreshed on an annual basis to ensure that the Council's forward looking financial position is considered particularly in the current economic climate.

Continued pressure and uncertainty on the Council's funding sources remain as the Government's Fair Funding Review and Business Rates Retention changes have again been delayed by a further two years until April 2026.

The Council previously accepted the Government's offer of a 4-year financial settlement through to the 2019/20 year. By accepting the 4-year settlement helped the Council to plan ahead with greater certainty and to provide a financial platform to delivery upon our corporate plan. However, due to the funding review changes above now being delayed, the financial settlement for 2025/26 year is again only a one-year funding announcement, which leaves local authorities with much greater uncertainty in being able to plan further ahead.

The MTFS looks at the changing financial situation of the Council over the future six financial years for 2025/26 to 2030/31. The starting position is the Budget 2025/26, which is rolled forward. The only certainty we have in the short term is the potential impact of the Government's Fair Funding Review and Business Rates Retention changes have now been delayed to 2026/27 at the earliest.

The refreshed forecasted cumulative budget gap / (surplus) for 2026/27 to 2030/31 is shown as follows:

<b>Years</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>
Budget gap / (surplus)	1.558	2.804	3.074	3.629	4.161

Clearly, this creates a large budget gap to bridge moving forwards however it is crucial that both Officers and Members understand the potential financial context that we 'could' end up with, subject to any transitional arrangements the government put in place. This clearly focuses minds on becoming more efficient within the services we currently provide and becoming entrepreneurial in the way we deliver services into the future and move towards a more commercially minded Council to generate additional income for the revenue budget.

In order to agree some parameters around this approach, Members approved a Commercialisation Strategy at Full Council in November 2020, the Strategy was most recently refreshed in November 2024. This strategy set out the context of the financial parameters we are working within and how it should move forwards to enable the Council to become a more efficient, business like operation and increase revenue generation to bridge the future predicted budget gaps.

The Council took a major step forwards through this strategy early in 2021 when Members approved to proceed with the acquisition of Green Lanes Shopping Centre; which the Council completed the purchase in November 2021. The core rationale behind this acquisition was to gain control of this strategic asset and complement other significant regeneration improvements being delivered within the Barnstaple town centre through the Future High Streets project; however the business case demonstrated that revenue income generated from the centre would cover both the repayment of the loan and asset management costs and would return a contribution to the Council.

This clearly has both regeneration and financial benefits to the Council and provides the ability to re-invest back into other projects and help to contribute towards reducing the pressure on the Council budget moving forwards. The Council has been preparing and positioning itself for on-going budget reductions and will continue to work on further options to deliver savings and efficiencies necessary towards bridging the budget gaps through to 2030/31 year.

Further remedial action will be required including close management of vacancies, reviewing reserve contributions and a general search for savings and income generation opportunities to meet the Council's on-going programme of investment and improvement in services, whilst meeting the challenge of reduced funding.

## **The Financial Statements**

The accounts contain a number of separate but inter-related statements. These are described below.

### **1. Comprehensive Income and Expenditure Statement**

The Comprehensive Income and Expenditure Statement shows the income and expenditure for all the Council's services and the net surplus/deficit for the year, before taking account of transactions provided under statute, which are shown in a separate statement called Movement in Reserves Statement.

Expenditure and income on every day running costs, such as officers' salaries, premises, transport, supplies and services is contained in the Council's revenue account, the Comprehensive Income and Expenditure Statement.

### **2. Movement in Reserves Statement**

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

## **Review of the Financial Year ended 31 March 2025**

The business of managing the Council's finances presents a number of significant challenges with around £70m passing through our books in a year.

The Council originally budgeted to spend £16,432,000 in 2024/25. As at 31 December 2024, the Council was forecasting a net surplus of £9,000 against the budget.

The last quarter of the financial year has seen a number of smaller variances since the last reported position; but most notably additional Business Rates Income.

It is pleasing to report that the final out turn position is a budget surplus of (£322,000) against original budget, which is an overall movement of (£313,000) from the last forecast at quarter 3. The following table shows this movement:

<b>Service and Cost Area</b>	<b>Qtr 3</b>	<b>Outturn</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Waste & Recycling Employees	41,000	50,000	9,000
Waste & Recycling Transport	179,000	210,000	31,000
Funded from SFS Vehicle Reserve	(170,000)	(170,000)	0
Waste & Recycling Tipping Charges	(94,000)	(68,000)	26,000
Waste & Recycling Supplies & Services	18,000	(44,000)	(62,000)
Waste & Recycling Trade Waste income	22,000	14,000	(8,000)
Waste & Recycling - Recycling Credits	(4,000)	6,000	10,000
Waste & Recycling Shared Savings Scheme	44,000	53,000	9,000
Waste & Recycling Sales	(71,000)	(51,000)	20,000
Waste & Recycling Garden Waste income	18,000	11,000	(7,000)
Waste & Recycling Bulky Household income	(2,000)	(4,000)	(2,000)
<b>Environmental Enhancement</b>	<b>(19,000)</b>	<b>7,000</b>	<b>26,000</b>
Summons Costs Income	0	35,000	35,000
<b>Customer Focus</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>
Car Parks Pay & Display income	200,000	263,000	63,000
Weekly Coach Season Tickets	7,000	7,000	0
Quarterly Season Tickets	(20,000)	(33,000)	(13,000)
Ringo transaction charge	44,000	44,000	0
Bus Station Demurrage & Service Charge	14,000	27,000	13,000
Rent-Garages	13,000	12,000	(1,000)
Butchers Row rents	13,000	0	(13,000)
CCTV income	3,000	3,000	0
Pannier Market income	102,000	73,000	(29,000)
Lynton Agency	23,000	43,000	20,000
Harbour Receipts	(10,000)	(18,000)	(8,000)
<b>Place, Property &amp; Regeneration</b>	<b>389,000</b>	<b>421,000</b>	<b>32,000</b>
Temporary Accommodation	158,000	76,000	(82,000)
Temporary Accommodation grant	(158,000)	(156,000)	2,000
External grant received towards salary costs	(25,000)	(32,000)	(7,000)
Rough Sleepers Cold Weather Provision	(5,000)	(5,000)	0
Deposits	0	(22,000)	(22,000)
Building Control	70,000	44,000	(26,000)
Planning Fee income	0	26,000	26,000
Environmental Protection	5,000	5,000	0
<b>Planning, Housing &amp; Health</b>	<b>45,000</b>	<b>(64,000)</b>	<b>(109,000)</b>
Streamline charges	31,000	32,000	1,000
Post office charges	(4,000)	(7,000)	(3,000)
Additional income	(8,000)	(5,000)	3,000
External Audit	0	41,000	41,000
<b>Corporate Services (SMT)</b>	<b>19,000</b>	<b>61,000</b>	<b>42,000</b>
Minimum Revenue Provision (MRP)	(38,000)	(38,000)	0
Borrowing Interest	(152,000)	(194,000)	(42,000)
Interest Receivable	(40,000)	(48,000)	(8,000)
Additional Vacancy savings	(13,000)	0	13,000
Business Rates Additional Income	(200,000)	(742,000)	(542,000)
Increase in National Insurance	0	141,000	141,000
Transfer of Public Conveniences	0	75,000	75,000
Insurance Premiums	0	24,000	24,000
<b>Corporate</b>	<b>(443,000)</b>	<b>(782,000)</b>	<b>(339,000)</b>
<b>Total</b>	<b>(9,000)</b>	<b>(322,000)</b>	<b>(313,000)</b>

The movement from Q3 of £313,000 can be mainly attributed to:

Adverse variances:

- £50,000 Carpark income
- £35,000 Summons costs
- £20,000 Lynton Agency
- £26,000 Planning Fees
- £24,000 Insurance Premiums
- £75,000 Transfer of Public Conveniences
- £141,000 National Insurance Increase
- £41,000 External Audit

Favourable variances:

- £542,000 Business Rates Income
- £62,000 Work unit Supplies and Services
- £80,000 Temporary Accommodation costs
- £50,000 Interest receivable and payable

Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; which the Council completed the purchase in November 2021. The purchase of Green Lanes Shopping Centre was a once in a lifetime opportunity to acquire this strategic asset and complement other significant regeneration improvements being delivered within the Barnstaple town centre through the Future High Streets project. The financial modelling demonstrated that revenue income generated from the centre would cover both the repayment of the loan and asset management costs and would return a contribution to the Council which could be used towards mitigating future risks on income volatility, investment back into the centre and the overarching council budget.

The financial outturn for the Centre produced a net return (income less costs) for:

- 2021/22 year of (£243,600) due to minimal borrowing costs as these commenced in 2022/23.
- 2022/23 trading position produced a net return of (£296,000), including borrowing costs.
- 2023/24 trading position produced a net return of (£237,000), this includes £150,000 from the income volatility reserve due to the financial impact of losing Wilko in August 2023. This reserve having been created in 2021/22 for this purpose to protect the council in the event of a tenant loss and smooth the budgetary impact.
- 2024/25 trading position produced a net return of (£196,000)

The Business Rate Retention scheme was introduced in April 2013 which sees Billing authorities receive a 'baseline' funding but in addition they are exposed to the risks and rewards of retaining a proportion of the income collected. This exposure is mitigated by participation in the Devon-wide pool that collates all of the Business Rate growth and decline and returns a share of the impact to each local authority.

As at 31<sup>st</sup> March 2025 the Collection Fund reserve balance held is £777,321. This earmarked reserve was created to deal with the timing impacts of the Collection Fund (Business Rates), which ensures the revenue budget is not unduly affected in the

year the taxes are collected. Collection Fund deficits/surpluses are reversed out to bring the revenue account back to the budgeted figure for the year; the deficits/surpluses are recovered/distributed in the following financial years. This reserve includes an £138,021 balance that will be utilised in 2025/26 and 2026/27 to mitigate timing differences of business rate reliefs awarded in 2024/25 that from an accounting perspective impact over the next two financial years; thus leaving the fund reserve with a residue balance of £639,300 protection against future volatility.

From the revenue budget surplus of £322,000, it was proposed to set aside the amount into the following earmarked reserves: -

- Repairs Fund reserve - £140,000
- Strategic Contingency Reserve - £100,000
- Budget Management Reserve - £82,000

The recommended level of general fund balance is 5%-10% of the Council's net revenue budget. It is pleasing to report that the combination of in year measures and robust budget management saw the Council through the financial pressures and resulted in a general fund reserve balance at 31 March 2025 of £1,238,000, which is a level of 7.5%.

Within the accounts the Council also holds balances in relation to the North Devon Crematorium, which is provided under a joint operation with Torridge District Council. The Council's Balance Sheet contains a General Balance of £88,000 and Earmarked Reserve Balances of £62,000 for Crematorium capital reserve and £484,000 for Crematorium equipment replacement reserve, which represents North Devon's estimated 60% of the share of the Crematorium total holding.

The Council's net expenditure on the Comprehensive Income and Expenditure Statement was financed from the following sources:

	2024/25 £000	%
Council Tax	11,038	51%
Government Grants	3,714	17%
Non Domestic Rates	7,079	32%
	<b>21,831</b>	100%

### 3. Balance Sheet

The Balance Sheet shows the assets and liabilities of the Council as a whole at 31 March 2025. There are a number of detailed notes that break these figures down and provide further information.

These include details of capital expenditure of the Council on fixed assets such as land and buildings; as distinguished from revenue expenditure or running costs.



During 2024-25, the Council invested £16,481,000 from its capital resources, analysed as follows:

	2024/25 £000
New assets being constructed or acquired	12,997
Purchase of vehicles, IT and CCTV equipment	249
Providing grants and assistance	2,374
Statutory and Landlord Functions	861
<b>Total</b>	<b>16,481</b>

This compares to £10,432,000 spent in 2023-24.

Back in 2008-09, the method of accounting for certain elements traditionally accounted for as Capital Expenditure changed. Expenditure incurred on items, which includes disabled facilities grants and affordable housing, is now shown in the accounts as Revenue Expenditure Funded from Capital under Statute. It was previously known as deferred charges.

The legislation still allows the expenditure to be funded from capital resources such as capital receipts. However, the expenditure must be accounted for within the cost of services of the Comprehensive Income and Expenditure Statement together with any grants received to offset expenditure. The difference between expenditure and grant received is reversed out through the Movement in Reserves Statement in order that there is no impact on Council Tax. The reversal reflects the fact that the expenditure has already been funded from capital resources and a corresponding entry is made to the Capital Adjustment Account to reflect this.

The Council plans to spend the following sums in the period 2025/26 to 2026/27:

2025-26	£19,498,430
2026-27	£1,211,965
<b>Total</b>	<b>£20,710,395</b>

This investment will be financed by:

Capital receipts/borrowing	£9,280,650
Earmarked reserves	£1,383,104
External grants and contributions	£10,046,641
<b>Total</b>	<b>£20,710,395</b>

The Balance Sheet contains the Authority's Revenue Reserves, which are summarised below:

31/03/24 £000		31/03/25 £000
1,238	General Revenue Account	1,238
10,560	Earmarked Reserves	8,180
<b>11,798</b>		<b>9,418</b>

## **Pension Liabilities**

The Net Cost of Services within the Comprehensive Income and Expenditure Statement includes current service costs and past service costs. Net Operating Expenditure includes the Council's share of the return on pension's assets and the net interest cost of the Council's liability due to under-funding.

During the autumn of 2022 our actuary undertook the latest 3-yearly review of the Pension scheme and costs; with the next review due during the 2025/26 year. The Local Government Pension Scheme has been reviewed nationally to ensure it meets the objectives of being viable and acceptable to both employees and the employer.

With the effect of the re-valuation of the pension fund and a range of other factors; such as a change in the discount rate assumption, which the actuaries are required to use; the net liability on the pension fund has decreased from £8.5m to £7.9m. The Council's liability relating to the Devon County Council defined benefit pension scheme is included within the Balance Sheet and further details is shown in Note 42.

The amount the Council contributes to the Pension Fund is re-assessed every three years; the most recent review was in the autumn of 2022 and took effect from April 2023. The Council has adjusted its contributions in line with the Actuaries recommendations, which have been factored into the Medium Term Financial Strategy (MTFS) 2025-2031.

## **Borrowing for Capital Investment**

The Council has forecast that the capital investment can be fully funded over the investment period. However, the timing and realisation of capital receipts can be impacted by events beyond the control of the Council.

The Council is able to manage its cash flows for projects through internal borrowing and also has authority to borrow from the Public Works Loan Board (PWLB) as outlined in the Treasury Management Annual Investment Strategy.

At the 31<sup>st</sup> March 2025 total external borrowing was £12,000,000. The timing of any future borrowing is dependent on how the authority manages its treasury activity and it is prudent for the Council to 'internally borrow' and use these monies to fund the Capital Programme.

### **4. Cash Flow Statement**

This statement summarises the inflows and outflows of cash arising from external transactions for both capital and revenue purposes.

### **5. Collection Fund**

These statements represent the transactions of the Collection Fund, a statutory fund separate from the main accounts of the Authority. The Fund accounts independently for income from council tax and non-domestic rates on behalf of those authorities for which the income has been raised.

## Accounting Policies

This section describes the accounting concepts and policies adopted in the preparation of the accounts. It contains a number of technical notes, none of which are unusual or which differ from the concepts adopted by the majority of other Local Authorities. The Council complied with all recommended accounting practices contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which is recognised by statute as representing proper accounting practices. These principles provide the basis by which authorities present their net cost of services in the statement of accounts i.e. the classifications of service to be detailed in the service expenditure analysis in the top half of the Comprehensive Income and Expenditure Statement.

## International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRSs) are a suite of accounting standards used across the world and are the equivalent of the Financial Reporting Standards (FRSs) that were previously used in the United Kingdom.

The 2024/25 financial statements have been produced in accordance with the above standards.

## Notes to the Accounts

There are a number of disclosure notes that provide additional information and further explanation to the content of the statements. A glossary of terms is available on request.

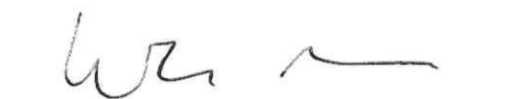
## Balances as at 31 March 2025

The Council will hold a General Fund Balance of £1.238m and Earmarked Reserve balances of £8.180m at 31 March 2025; providing overall total reserves of £9.418m. These balances enable North Devon Council to remain in a strong financial position to deal with the risks it faces and to continue to deliver upon its priorities set out earlier in the Corporate Plan.

Councillor David Clayton  
Leader



Ken Miles  
Chief Executive



**Key Results and Reportable Performance Indicators: 2023/24 and 2024/25 year**

During the 2023/2024 financial year we re-assessed the key performance indicators we report to Strategy and Resources Committee. The re-assessment was based on the new service structure within the organisation and the programme and projects that each service is undertaking to achieve the corporate plan priorities.

1a: Gross income mainly out of our control.

Budget: 2023/24 = £23,758,390 as % of overall budget (Excluding Benefit Subsidy £30,005,500) = 79.18%

Budget: 2024/25 = £25,509,930 as % of overall budget (Excluding Benefit Subsidy £32,092,190) = 79.49%

1b: Gross income mainly within our control from fees and charges generated from our assets.

2023/24 Annual Estimate = £7,409,000 vs Outturn = £6,857,671

2024/25 Annual Estimate = £7,346,260

BV8: Percentage of invoices paid on time.

2023/24: Q1 = 91.77% | Q2 = 90.98% | Q3 = 89.22% | Q4 = 90.34%

2024/25: Q1 = 91.46% | Q2 = 91.99% | Q3 = 90.28% | Q4 = 90.74%

BV9: Percentage of Council Tax Collected [Quarterly figures show a cumulative %]

2023/24 Q1 = 28.44% | Q2 = 55.26% | Q3 = 81.60% | Q4 = 96.98% (This is the end of year outturn)

[This is in line with previous year's collection percentages & a cumulative increase]

2024/25 Q1 = 27.90% | Q2 = 54.68% | Q3 = 80.93% | Q4 = 96.64%

BV10: Percentage of Non-domestic Rates Collected.

2023/24: Q1 = 35.27% | Q2 = 58.38% | Q3 = 81.40% | Q4 = 97.48% (This is the end of year outturn)

2024/25: Q1 = 33.54% | Q2 = 60.62% | Q3 = 80.95% | Q4 = 97.21%

KR 4a: Number of households in North Devon<sup>1</sup> living in fuel poverty = 7,052 [15.6%] Data 2022 Two year lag in reporting.

= Not provided [%] Data 2023

---

<sup>1</sup> 44,729 Households @ 2021.

KR 6: Housing Supply: Net additional dwellings North Devon (DLUHC). Office for National Statistics Table 122

2020/2021 = 527 (↓) | 2021/2022 = 599 (↑) | 2022/2023 = 597 (↓) | 2023/2024 = 597 | 2024/2025 = Dataset not yet available

New KR 7: Gross new affordable homes delivered in North Devon area annual figure

2023/24 = 32 | 2024/25 = 122

(NI 155 Existing affordable housing indicator 2022/23 = 82 | 2023/24 = 30) 2024/2025 = Dataset not yet available

KR 8: No. of residential properties (see 8a below) that have been classed as empty for more than 3 months on the Council Tax base

2023/24: Q1 = 730 (1.50%) | Q2 = 755 (1.55%) | Q3 = 754 (1.54%) | Q4 = 736 (1.50%)

2024/25 Q1 = 692 (1.41%) | Q2 = 694 (1.40%) | Q3 = 675 (1.36%) | Q4 = 805 (1.63%)

8a: Gross number of residential properties on the Council Tax base

2023/24: Q1 = 48,560 | Q2 = 48,675 | Q3 = 48,824 | Q4 = 48,999

2024/25: Q1 = 49,087 | Q2 = 49,254 | Q3 = 49,465 | Q4 = 49,406

8b: Total number of properties registered as 2<sup>nd</sup> homes each quarter [Note: calculated on the numbers shown in 8a not the 2021 figure].

2023/24: Q1 = 1,806 (3.71%) | Q2 = 1,820 (3.73%) | Q3 = 1,887 (3.86%) | Q4 = 2,058 (4.20%)

2024/25: Q1 = 2,122 (4.32%) | Q2 = 2,192 (4.45%) | Q3 = 2,173 (4.39%) | Q4 = 2,153 (4.36%)

Keeping as many properties on the Council Tax Registered as Residential properties and these not flipping to 2<sup>nd</sup> Homes / Holiday Lets<sup>2</sup>. Second Homes 01 April 2020 = 1729 vs 01 April 2022 = 1779 [Note: Properties > 140 days = business rates not CT]

MiA: Average number of days it takes to get a decision notice on minor planning applications (apps) - end to end times

2023/24: Q1 = 113 | Q2 = 114 | Q3 = 141 | Q4 = 101

2024/25: Q1 = 120 | Q2 = 131 | Q3 = 106 | Q4 = 124

MaA: Average number of days it takes to get a decision notice on a major planning applications - end to end times

---

<sup>2</sup> These are furnished properties but not a person's sole or main residence. For CT purposes such properties are classed as second homes. These properties could be used for the owners' personal use i.e friends and family or they could be available for holiday letting on a commercial basis for not more than 140 days per year.

2023/24: Q1 = 347 | Q2 = 360 | Q3 = 321 | Q4 = 541

2024/25: Q1 = 613 | Q2 = 415 | Q3 = 585 | Q4 = 99

COM: Number of live compliance / enforcement cases on our systems

2023/24: Q1 = 2,340 | Q2 = 2,243 | Q3 = 1,303 | Q4 = 1,235

2024/25: Q1 = 1,297 | Q2 = 1,296 | Q3 = 1,193 | Q4 = 1,271

A M: Appeals allowed or part allowed

2023/24: Q1 = 4 (7 dismissed) | Q2 = 1 (4 dismissed) | Q3 = 2 (3 dismissed) | Q4 23/24 = 0 (5 dismissed)

2024/25: Q1 = 0 (1 dismissed) | Q2 = 1 (7 dismissed) | Q3 = 1 | Q4 = 0

B&B: Total number of households accommodated in leased / B&B Accommodation

2023/24: Q1 = 63 | Q2 = 67 | Q3 = 58 | Q4 = 74

2024/25: Q1 = 61 | Q2 = 20 | Q3 = 21 | Q4 = 22

TA: Total number of households accommodated in our own temporary accommodation

2023/24: Q1 = 15 | Q2 = 19 | Q3 = 18 | Q4 = 28

2024/25: Q1 = 23 | Q2 = 28 | Q3 = 22 | Q4 = 22

BV78a: Speed of processing new housing benefit / council tax benefit claims

2023/24: Apr 26.9 | May 23.3 | Jun 22.2 | Jul 22.3 | Aug 22.3 | Sept 16.7 | Oct 19.2 | Nov 18.5 | Dec 18.1 | Jan 22.7 | Feb 22.4 | Mar 24.1

2024/25: Apr 23.6 | May 19.7 | Jun 20.9 | Jul 18.4 | Aug 19.4 | Sept 20.4 | Oct 25.0 | Nov 14.9 | Dec 18.7 | Jan 30.2 | Feb 27.1 | Mar 24.7

BV78b: Speed of processing changes of circumstances for housing benefit / council tax benefit claims

2023/24: Apr 09.1 | May 11.4 | Jun 10.2 | Jul 08.5 | Aug 06.8 | Sept 09.4 | Oct 09.1 | Nov 08.6 | Dec 06.9 | Jan 08.0 | Feb 04.4 | Mar 06.0

2024/25: Apr 08.7 | May 08.0 | Jun 08.0 | Jul 07.3 | Aug 07.1 | Sept 07.0 | Oct 05.9 | Nov 06.3 | Dec 09.2 | Jan 07.2 | Feb 03.2 | Mar 05.2

KR 05: Economic Growth Level of new sector development

2023/24: Q1 = 6,350 | Q2 = 6,342 | Q3 = Void | Q4 = 6,233

2024/25: Q1 = 6,278 | Q2 = 6,106 | Q3 = 6,083 | Q4 = 6,035

CA: Increased participation in Cultural activity

2024/25: Q4

Events	Dates	Attendees*	Volunteers	Agencies/Performers/ Practitioners
Connecting Barnstaple	Sat 25 Jan	Youth 300 Heritage 150 Wellbeing 220	0	Youth 26 Heritage 13 Wellbeing 14
Public Art	Feb-25	462 Valid Votes	0	Artists: 10 Team: 12
Live in Barnstaple	01/03/2025	116	0	Venues:5 Artists 8 Tech 2
TOTALS		1248	0	95

\* Total attendees evidenced through footfall data, head counts and workshop involvement - unless stated otherwise. Ticketed events evidenced on box office reports.

#### **Event Details:**

**Connecting Barnstaple** - Connecting Barnstaple was a weekly series of events, showing the community which services are available to them. They were split into three different categories (1) Youth, (2) Heritage/Culture and (3) Wellbeing. Each of the week's they worked in partnership with a different agency but in the main flourishing Barnstaple, The Pannier Market and Barnstaple Town Council Worked to organise the individual events.

**Public Art** - February saw the final vote for the Public Art project for Barnstaple town centre. which included a public vote. We received a number of tender submissions for public art commissions for the Town Centre in February 2025. These were assessed by an evaluation panel comprising a community representative, and members of the Town Team for the Culture Public Art Subgroup, Barnstaple Town Council, Flourishing Barnstaple, and North Devon Council's Conservation and Parks Officers. For the public vote, residents and workers aged 12 and over in Barnstaple were invited to select their favourite designs. The designs were displayed at three public exhibitions in the town centre and online.

The successful artists chosen were: Edward Crumpton and Jessica Pearson with 'Quay Sounds' (an interactive sculpture for Rolle Quay inspired by maritime foghorns, inviting passers-by to listen to the histories of Rolle Quay, Barnstaple, and its twin towns); Michael Pinsky with 'Tidal Triplets' for the Strand (three elevated clock-like faces displaying high and low tides, as well as neap and spring phases); and Jane Churchill with 'Welcome Sign Mosaic' (a mosaic near the railway station featuring symbols of Barnstaple's ecology, craftsmanship, and industry).

**Live in Barnstaple** - Live in Barnstaple is a new series of live music events, featuring local, independent venues and artists. The events take place across a week, with a different artist at a different venue each night. The series featured artists from a range of genres, from experimental electronic music to country, and most events were free to access. We also used this event to commission a film showing how the event has developed.

RKPI 728: Percentage of the gross internal area of the investment estate currently let.

2023/24: Q1 = 95.93% | Q2 = 95.93% | Q3 = 95.93% | Q4 = 95.83%

2024/25: Q1 = 96.37% | Q2 = 98.02% | Q3 = 97.99% | Q4 = 97.99%

L0010: No. of visits at Queen's Theatre run by Landmark Theatres (per quarter)

2024/25: Q1 not reported | Q2 = 8,009 | Q3 = 29,058 | Q4 = 14,994

L0011: No. of tickets sold at Landmark Theatre run by Landmark Theatres (per quarter)

2024/25: Q1 not reported | Q2 = 6,175 | Q3 = 8,613 | Q4 = 1,628

KR 3a: How satisfied or dissatisfied are our customers with various elements of our service delivery?

2024/25: Total customer satisfaction (customers were either very satisfied or satisfied)

Q1 = 28 responses of which 93% were either very satisfied or satisfied

Q2 = 11 responses of which 91% were either very satisfied or satisfied

Q3 = 14 responses of which 60% were either very satisfied or satisfied



Q4 = 37 responses of which 76% were either very satisfied or satisfied

Note: surveys are now conducted differently to previous years. The data each quarter is based on calls for a single service, rather than mixed as before. In future we will ensure the survey is moved between services, to ensure a balanced response.

KR 3b: How satisfied or dissatisfied are our members with various elements of our service delivery?

July 2023 = 87.88% (33 out of 42 (78.6%) Councillors responded to this survey).

July 2024 = 81% (36 out of 42 (86%) Councillors responded to this survey).

Jan 2025 = 87% (23 out 42 (55%) Councillors responded to this survey).

KR 9: Number of justified complaints where the council is at fault out of a total number of complaints received

2023/24: Q1 = Total no. 98 of which 65 were justified 66.32%

2024/25: Q1 = Total no. 70 of which 52 were justified 74%

Q2 = Total no. 142 of which 108 were justified 76%

Q2 = Total no. 113 of which 67 were justified 59%

Q3 = Total no. 146 of which 115 were justified 79%.

Q3 = Total no. 83 of which 77 were justified 93%

Q4 = Total no. 90 of which 66 were justified 73%

Q4 = Total no. 98 of which 64 were justified 65%

RKPI DC: Number of transactions / interactions nudged to digital channel that are available 24/7 and result in a financial saving

2023/24: Q1 Self-serve 8,599 vs serviced by a member of staff 17,550 (33% using digital channels)

Q2 Self-serve 13,549 vs serviced by a member of staff 22,473 (38% using digital channels, increased due to green bin renewals)

Q3 Self-serve 6,085 vs serviced by a member of staff 13,984 (30% using digital channels)

Q4 Self-serve 5,752 vs serviced by a member of staff 17,027 (25% using digital channels)

[Note: W&R delivery form was turned off from 29/11/23 – 20/02/24 to manage volumes outstanding this is one of our most used form which may explain the drop in percentage]

2024/25: Q1 Self-serve 8,984 vs serviced by a member of staff 15,042 (37% using digital channels)

Q2 Self-serve 12,363 vs serviced by a member of staff 16,078 (43% using digital channels, increased from last quarter due to green bin renewals)

Q3 Self-serve 6,584 vs serviced by a member of staff 12,363 (35% using digital channels)

Q4 Self-serve 8,271 vs serviced by a member of staff 14,777 (36% using digital channels)

North Devon Community Lottery 2024/25  
First Draw 6 April 2024

RKPI GCL: Total number of approved good causes signed up to the Lottery  
2024/25: Q1 No figures | Q2 = 84 | Q3 = 86 | Q4 = 92

RKPI AGC Annualised funds raised for good causes  
2024/25: Q1 No figures | Q2 = £36,847.20 | Q3 = £38,532.00 | Q4 = £48,141.60

RKPI ACF Annualised funds for the central fund  
2024/25: Q1 No figures | Q2 = £13,629.20 | Q3 = £14,378 | Q4 = £17,071

KR 10: Reduction in our carbon footprint as an authority. Gross tCO<sub>2</sub>e Emissions from ND Operations baseline. This will reported at the end of this financial year.  
2023/24: 3,425 tonnes carbon dioxide equivalent

KR 12a L146: Total tonnage of household waste arising.  
2023/24: Q1 = 10,150 | Q2 = 9,899 | Q3 = 8,988 | Q4 = 8,843  
2024/25: Q1 = 10,146 | Q2 = 9,988 | Q3 = 8,951 | Q4 = 8,898

KR 12b LPI 192: Percentage of household waste sent for reuse, recycling and composting.  
2023/24: Q1 = 49.53% | Q2 = 48.60% | Q3 = 43.50% | Q4 = 40.65%  
2024/25: Q1 = 48.16% | Q2 = 46.02% | Q3 = 42.60% | Q4 = 42.10%

Number of waste and recycling containers due for delivery to customers (Q2 figures: 11 October 2024; Q3 figures: 15 January 2025)  
New Bins: 2024/25 Q1 = not reported | Q2 = 17 | Q3 = 22 | Q4 = 6  
Recycling containers: 2024/25 Q1 = not reported | Q2 = 366 | Q3 = 454 | Q4 = 493  
Green/Black Bin: 2024/25 Q1 = not reported | Q2 = 47 | Q3 = 79 | Q4 = 129  
Removal/Repair: 2024/25 Q1 = not reported | Q2 62 | Q3 = 69 | Q4 = 77

**Statement of Responsibilities for the Statement of Accounts****The Authority's Responsibilities**

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 Chief Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

The Accounts and Audit Regulations require the person presiding at the meeting that has approved the Statement of Accounts to sign and date the Accounts accordingly. The Chairman's signature is set out below:

  
.....  
Chairman, North Devon Council

Date: 19 November 2025

**The Chief Financial Officer's Responsibilities**

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


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

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

The Chief Financial Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of North Devon Council as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

  
.....

Jon Triggs (Chief Financial Officer)

Date: 19 November 2025

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement In Reserves Statement.

2023/24				2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
22,024	(18,593)	3,431	Customer Focus.	21,917	(18,371)	3,546
12,349	(4,583)	7,766	Environmental Enhancement.	12,551	(4,849)	7,702
2,461	(414)	2,047	Governance.	2,748	(606)	2,142
372	(7)	365	Organisational Development.	457	(9)	448
11,019	(12,749)	(1,730)	Place, Property & Regeneration.	15,178	(9,581)	5,597
9,430	(8,319)	1,111	Planning, Housing & Health.	10,131	(9,709)	422
78	(0)	78	Programme Management.	155	(0)	155
1,245	(29)	1,216	Corporate Services.	1,318	(31)	1,287
<b>58,978</b>	<b>(44,694)</b>	<b>14,284</b>	<b>Cost of services</b>	<b>64,455</b>	<b>(43,156)</b>	<b>21,299</b>
3,529	(896)	2,633	Other operating expenditure (Note 12)	3,466	(166)	3,300
401	(982)	(581)	Financing and investment income and expenditure (Note 13)	469	(864)	(395)
0	(18,767)	(18,767)	Taxation and non-specific grant income and expenditure (Note 14)	0	(21,831)	(21,831)
<b>62,908</b>	<b>(65,339)</b>	<b>(2,431)</b>	<b>(Surplus) or deficit on Provision of Services</b>	<b>68,390</b>	<b>(66,017)</b>	<b>2,373</b>
0	(10,279)	(10,279)	Surplus or deficit on revaluation of property, plant and equipment assets	0	(6,814)	(6,814)
0	(5,506)	(5,506)	Re-measurements of the net defined benefit liability	0	(85)	(85)
<b>0</b>	<b>(15,785)</b>	<b>(15,785)</b>	<b>Other Comprehensive (Income)/Expenditure</b>	<b>0</b>	<b>(6,899)</b>	<b>(6,899)</b>
<b>62,908</b>	<b>(81,124)</b>	<b>(18,216)</b>	<b>Total Comprehensive (Income)/Expenditure</b>	<b>68,390</b>	<b>(72,916)</b>	<b>(4,526)</b>

*IFRS16 Adjustments 2024-25 onwards: £94,000 of property finance lease payments have been removed from the cost of service, with £32,000 which is the Interest element of the lease payments moved to "Financing and Investment income and expenditure" and the remaining £62,000 Minimum Revenue Provision being adjusted in the Movement in Reserve Statement.*

## Movement In Reserves Statement

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

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31<sup>st</sup> March 2023</b>	<b>1,238</b>	<b>11,134</b>	<b>12,372</b>	<b>120</b>	<b>3,787</b>	<b>16,279</b>	<b>90,469</b>	<b>106,748</b>
<b><u>Movement in Reserves during 2023/24</u></b>								
Total Comprehensive Income and Expenditure	2,431	0	<b>2,431</b>	<b>0</b>	<b>0</b>	<b>2,431</b>	15,785	<b>18,216</b>
Adjustments between accounting basis and funding basis under regulations (Note 10)	(3,005)	0	<b>(3,005)</b>	620	1,172	<b>(1,213)</b>	1,213	<b>0</b>
Transfers to/(from) Earmarked Reserves (Note 11)	574	(574)	<b>0</b>	0	0	<b>0</b>	0	<b>0</b>
<b>Increase/decrease in 2023/24</b>	<b>0</b>	<b>(574)</b>	<b>(574)</b>	<b>620</b>	<b>1,172</b>	<b>1,218</b>	<b>16,998</b>	<b>18,216</b>
<b>Balance at 31<sup>st</sup> March 2024 carried forward</b>	<b>1,238</b>	<b>10,560</b>	<b>11,798</b>	<b>740</b>	<b>4,959</b>	<b>17,497</b>	<b>107,467</b>	<b>124,964</b>

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31<sup>st</sup> March 2024</b>	<b>1,238</b>	<b>10,560</b>	<b>11,798</b>	<b>740</b>	<b>4,959</b>	<b>17,497</b>	<b>107,467</b>	<b>124,964</b>
<b><u>Movement in Reserves during 2024/25</u></b>								
Total Comprehensive Income and Expenditure	(2,373)	0	(2,373)	0	0	(2,373)	6,899	4,526
Adjustments between accounting basis and funding basis under regulations (Note 10)	(7)	0	(7)	(121)	(4,105)	(4,233)	4,233	0
Transfers to/(from) Earmarked Reserves (Note 11)	2,380	(2,380)	0	0	0	0	0	0
<b>Increase/decrease in 2024/25</b>	<b>0</b>	<b>(2,380)</b>	<b>(2,380)</b>	<b>(121)</b>	<b>(4,105)</b>	<b>(6,606)</b>	<b>11,132</b>	<b>4,526</b>
<b>Balance at 31<sup>st</sup> March 2025 carried forward</b>	<b>1,238</b>	<b>8,180</b>	<b>9,418</b>	<b>619</b>	<b>854</b>	<b>10,891</b>	<b>118,599</b>	<b>129,490</b>

## Balance Sheet

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

31 <sup>st</sup> March 2024 £000		Notes	31 <sup>st</sup> March 2025 £000
136,071	Property, Plant and Equipment	15	152,621
923	Heritage Assets	16	923
5,831	Investment Property	17	6,358
230	Intangible Assets	18	201
47	Long Term Debtors	19	1,174
<b>143,102</b>	<b>Long Term Assets</b>		<b>161,277</b>
187	Inventories	20	140
7,745	Short Term Debtors	22	8,800
4,471	Cash and Cash Equivalents	23	2,432
1,006	Assets Held for Sale		0
<b>13,409</b>	<b>Current Assets</b>		<b>11,372</b>
0	Short Term Borrowing	19	(3,064)
(9,134)	Short Term Creditors	25	(9,793)
(761)	Donated Assets Account	35	(761)
(322)	Finance Leases	38	(635)
(782)	Provisions	26	(753)
<b>(10,999)</b>	<b>Current Liabilities</b>		<b>(15,006)</b>
(3,006)	Long Term Borrowing	19	(9,031)
(2,492)	Finance Leases	38	(5,467)
(8,524)	Defined Benefit Pension Scheme Liability	42	(7,938)
(6,456)	Capital Grants Receipts in Advance	35	(5,647)
(70)	Other Long Term Liabilities		(70)
<b>(20,548)</b>	<b>Long Term Liabilities</b>		<b>(28,153)</b>
<b>124,964</b>	<b>Net Assets</b>		<b>129,490</b>
17,497	Usable Reserves		10,891
107,467	Unusable Reserves	27	118,599
<b>124,964</b>	<b>Total Reserves</b>		<b>129,490</b>

The unaudited accounts were issued on 19<sup>th</sup> June 2025 and the audited accounts were authorised for issue on 19 November 2025.

Signed: 

## Cash Flow Statement

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

<b>2023/24 £000</b>		<b>2024/25 £000</b>
(2,431)	Net (surplus) or deficit on the provision of services	2,373
3,470	Adjustments to net surplus or deficit on the provision of services for non cash movements	(1,914)
611	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	464
1,650	Net cash flows from Operating Activities (Note 28)	923
9,744	Investing Activities (Note 29)	13,894
(8,882)	Financing Activities (Note 30)	(12,778)
2,512	Net (increase) or decrease in cash and cash equivalents	2039
(6,983)	Cash and cash equivalents at the beginning of the reporting period	(4,471)
<b>(4,471)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>(2,432)</b>



## Collection Fund

These Statements represent the transactions of the Collection Fund, a statutory fund separate from the main accounts of the Authority. The Fund accounts independently for income from council tax and non-domestic rates on behalf of those authorities for which the income has been raised.

### 2024/25 Collection Fund

	<b>Business Rates £000</b>	<b>Council Tax £000</b>	<b>Total £000</b>	<b>Notes</b>
<b><u>INCOME</u></b>				
Council Tax Receivable	0	87,716	87,716	40
Business Rates Receivable	29,405	0	29,405	41
Transitional Protection Payments Payable	1,254	0	1,254	
	30,659	87,716	118,375	
<b><u>Contribution to Previous Year's Deficit</u></b>				
Central Government	1,266	0	1,266	
North Devon Council	1,013	0	1,013	
Devon County Council	228	0	228	
Devon & Somerset Fire & Rescue Service	25	0	25	
Devon and Cornwall Police (PCC)	0	0	0	
	2,532	0	2,532	
<b>Total Income</b>	<b>33,191</b>	<b>87,716</b>	<b>120,907</b>	
<b><u>EXPENDITURE</u></b>				
<b><u>Apportionment of Previous Year Surplus</u></b>				
Central Government	0	0	0	
North Devon Council	0	223	223	
Devon County Council	0	1,273	1,273	
Devon & Somerset Fire & Rescue Service	0	75	75	
Devon and Cornwall Police (PCC)	0	204	204	
	0	1,775	1,775	
<b><u>Precepts, Demands and Shares</u></b>				
Central Government	14,642	0	14,642	
North Devon Council	11,729	10,791	22,520	
Devon County Council	2,636	60,792	63,428	
Devon & Somerset Fire & Rescue Service	293	3,532	3,825	
Devon and Cornwall Police (PCC)	0	9,726	9,726	
	29,300	84,841	114,141	
<b><u>Charges to Collection Fund</u></b>				
Write offs of uncollectable amounts	307	420	727	
Increase/(Decrease) in provision for bad debts	17	513	530	
Increase/(Decrease) in provision for appeals	(74)	0	(74)	
Disregarded amounts	645	0	645	
Cost of Collection	226	0	226	
	1,121	933	2,054	
<b>Total Expenditure</b>	<b>30,421</b>	<b>87,549</b>	<b>117,970</b>	
(Deficit)/Surplus for the year	2,770	167	2,937	
Balance at beginning of the year	(3,115)	2,665	(450)	
<b>(Deficit)/Surplus at 31 March 2025</b>	<b>(345)</b>	<b>2,832</b>	<b>2,487</b>	

The (£345k) represents the overall deficit on the non-domestic rate element of the Collection Fund at 31 March 2025. Of this balance 40% is attributable to North Devon Council, which equates to (£138k).

The £2,832k represents the overall surplus on the council tax element of the Collection Fund at 31 March 2025. Of this balance 12.7% is attributable to North Devon Council, which equates to £361k.

## 2023/24 Collection Fund

	Business Rates £000	Council Tax £000	Total £000	Notes
<b><u>INCOME</u></b>				
Council Tax Receivable	0	81,550	81,550	40
Business Rates Receivable	25,624	0	25,624	41
Transitional Protection Payments Payable	2,949	0	2,949	
	28,573	81,550	110,123	
<b><u>Contribution to Previous Year's Deficit</u></b>				
Central Government	498	0	498	
North Devon Council	399	0	399	
Devon County Council	90	0	90	
Devon & Somerset Fire & Rescue Service	10	0	10	
Devon and Cornwall Police (PCC)	0	0	0	
	997	0	997	
<b>Total Income</b>	<b>29,570</b>	<b>81,550</b>	<b>111,120</b>	
<b><u>EXPENDITURE</u></b>				
<b><u>Apportionment of Previous Year Surplus</u></b>				
Central Government	0	0	0	
North Devon Council	0	178	178	
Devon County Council	0	1,007	1,007	
Devon & Somerset Fire & Rescue Service	0	59	59	
Devon and Cornwall Police (PCC)	0	160	160	
	0	1,404	1,404	
<b><u>Precepts, Demands and Shares</u></b>				
Central Government	14,695	0	14,695	
North Devon Council	11,786	10,049	21,835	
Devon County Council	2,645	57,335	59,980	
Devon & Somerset Fire & Rescue Service	294	3,396	3,690	
Devon and Cornwall Police (PCC)	0	9,177	9,177	
	29,420	79,957	109,377	
<b><u>Charges to Collection Fund</u></b>				
Write offs of uncollectable amounts	146	280	426	
Increase/(Decrease) in provision for bad debts	173	423	596	
Increase/(Decrease) in provision for appeals	18	0	18	
Disregarded amounts	422	0	422	
Cost of Collection	225	0	225	
	984	703	1,687	
<b>Total Expenditure</b>	<b>30,404</b>	<b>82,064</b>	<b>112,468</b>	
(Deficit)/Surplus for the year	(834)	(514)	(1,348)	
Balance at beginning of the year	(2,281)	3,179	898	
<b>(Deficit)/Surplus at 31 March 2024</b>	<b>(3,115)</b>	<b>2,665</b>	<b>(450)</b>	

The (£3,115k) represents the overall deficit on the non-domestic rate element of the Collection Fund at 31 March 2024. Of this balance 40% is attributable to North Devon Council, which equates to (£1,246k).

The £2,665k represents the overall surplus on the council tax element of the Collection Fund at 31 March 2024. Of this balance 12.6% is attributable to North Devon Council, which equates to £336k.

## **1. Accounting Policies**

### **i. General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31<sup>st</sup> March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, 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.

These statements have been compiled on the basis of the Council remaining a going concern and all amounts have been rounded to the nearest £1,000.

### **ii. Comprehensive Income and Expenditure Statement**

Expenditure on services and income relating to or derived from those services is classified in the Comprehensive Income and Expenditure Statement in accordance with CIPFA Code of Local Authority Accounting in the UK. The 2024/25 Code requires that authorities present expenditure and income on services on the basis of its reportable segments. These reportable segments are based on the authority's internal management reporting structure. Previously there was a requirement to present expenditure and income in accordance with the Service Expenditure Code of Practice (SERCOP).

### **iii. Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risk and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

- Revenue from council tax and business rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.
- 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 has 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 sheet of debtors is written down and a charge made to revenue for the income that might not be collected.
- A de minimis level of £5,000 is normally applied to any manual adjustments made.

#### **iv. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are 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 Authority's cash management.

#### **v. Material Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

**vi. 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 estimate 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 Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

There were no prior period adjustments.

**vii. Charges to Revenue for Non Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service

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

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement In Reserves Statement for the difference between the two.

**viii. Employee Benefits****Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non monetary benefits 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 and 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 so that holiday benefits 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 and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the 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 Pension Scheme (LGPS), administered by Devon County Council.

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

### Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Devon County 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 projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.80% (annualised yield on the Merrill Lynch AA rated corporate bond yield curve).
- The assets of the Devon County pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value
- The change in the net pensions liability is analysed into the following components:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statements to the services for which the employees worked.
  - Past service cost – the increase in liabilities arising from current year decisions 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.
  - Net interest cost – the net interest expense for the authority – the change during the period in the net defined benefit liability that arises from the passage of time; charged to the Financing and Investment Income and Expenditure line of the Comprehensive

Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability - 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 Devon County 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 appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any 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 on the basis of 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 as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

#### **ix. Events after the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:



- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

## **x. 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.

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

### Financial Assets

Financial assets are subsequently measured in one of two ways:

- amortised cost – assets whose contractual terms are basic lending arrangements (i.e. they give rise on specified dates to cash flows that are solely payments of principal or interest on the principal amount

outstanding, which the Council holds under a business model whose objective is to collect those cash flows)

- Fair value – all other financial assets

Amortised cost assets are measured in the Balance Sheet at the outstanding principal repayable (plus accrued interest). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. Any gains or losses in fair value that might arise are not accounted for until the instrument matures or is sold.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of de-recognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

Changes in the value of assets carried at fair value (described as Fair Value through Profit or Loss) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.

As North Devon Council does not hold any equity investments there has been no impact of the introduction of IFRS 9; all the Financial Instruments held by North Devon Council relate to surplus cash invested in fixed term temporary deposit investments and notice accounts held for the interest they accrue.

#### **xi. Foreign Currency Translation**

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31<sup>st</sup> March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Authority has a policy to deal in sterling only; therefore there are no foreign currency transactions in 2024/25.

**xii. 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 (non ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance 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.

**xiii. 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.

Intangible assets are measured initially at cost. Amounts are only re-valued 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 amortised cost. 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.

There were no impairments, disposals or abandonment of intangible assets during 2024/25.

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.

#### **xiv. Interests in Companies and Other Entities**

The Authority has no material interests in companies and other entities that have the nature of Subsidiaries, Associates and Joint Ventures and requiring the preparation of group accounts.

Although the Council does not have arrangements that give rise to the full adoption of Group Accounts the North Devon Crematorium has been treated as a Joint Operation with Torridge District Council.

The arrangements are based upon an estimated 60:40 split of all assets and liabilities. The Comprehensive Income and Expenditure Statement and Balance Sheet include this Authority's share (60%) of the income, expenditure, assets and liabilities of the Crematorium.

#### **xv. Inventories and Long Term Contracts**

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.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services and the value of works and services received under the contract during the financial year.

#### **xvi. 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.

Investment properties are measured initially at cost and subsequently at fair value, based on the highest and best price at which the asset could be exchanged between knowledgeable parties at arms length. Properties are not depreciated but are re-valued 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.

## **xvii. Leases**

### **Leases – The Authority as Lessee**

From 1 April 2024, the Authority has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Authority acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value) using the interest rate implicit in the lease or (where this is not readily determinable) the Authority's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Authority are added to the carrying amount of the asset.

Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between:

- a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge which is debited to the Financing and Investment

Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset.

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements for minimum revenue provision. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement in reserves statement for the difference between the two.

Where leases are for items of low value, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For these purpose, the Authority has determined that items with a value of less than £10,000 when new are low value. Charges are made on a straight-line basis over the life of the lease.

#### The Authority as Lessor

##### Finance Leases

Where the Authority 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 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 Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also 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.

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

#### Operating Leases

Where the Authority 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.

#### **xviii. Overheads and Support Services**

Costs of overheads and support services are not recharged to front line services and are shown in the Comprehensive Income and Expenditure Statement in the cost of services, which is line with our internal reporting method.

#### **xix. 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. Expenditure is treated as revenue expenditure in nature unless the expenditure exceeds £10,000. (Exceptions to this would include where schemes cross financial years and where we have projects attracting specific grant income that must be applied to capital expenditure).

### 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 current 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 current value. The difference between current value and any consideration paid is credited to the Taxation and Non Specific Grant Income 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 historical cost
- All other assets – existing use value – Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost (DRC).

Assets included in the Balance Sheet at current value are re-valued 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 Comprehensive Income and Expenditure Statement 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<sup>st</sup> 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 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).

Depreciation 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, ranging from 5 up to 100 years
- Vehicles, plant, furniture and equipment – straight line allocation ranging from 3 to 25 years
- Infrastructure – straight line allocation ranging from 5 to 100 years

Where an item of 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.

The Authority holds one asset containing major components, namely Brynsworthy Environment Centre. The valuation of this asset has been accounted for separately with different estimated lives and thus been depreciated separately within the financial statements.

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.

### Surplus Assets and Disposals

Surplus assets are measured for their economic benefit at fair value under IFRS 13.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet 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. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment (or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement (England and Wales))). 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 fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **xx Heritage Assets**

Heritage assets are valued at cost, insurance valuation or other appropriate methods depending on the nature of the asset.

The Authority's Heritage Assets are held in the Authority's Museum and surrounding grounds. The Museum has a number of collections of heritage assets, which are held in support of the primary objective of the Authority's Museum, ie increasing the knowledge, understanding and appreciation of the Authority's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The Authority's collections of heritage assets are deemed to have indeterminate lives hence the Authority does not consider it appropriate to charge depreciation.

The carrying amount of heritage assets are reviewed where there is evidence of impairment for heritage assets, eg where an item has suffered physical deterioration or breakage or where doubts arise to its

authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment – see above note on property, plant and equipment in this summary of significant accounting policies. The Museum may occasionally dispose of heritage assets that have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment.

## **xxi. Provisions, Contingent Liabilities and Contingent Assets**

### Provisions

Provisions are made 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 and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

### 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 reliably.

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.

### **xxii. 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.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

### **xxiii. 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.

### **xxiv. VAT**

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

**xxv. Minimum Revenue Provision**

The Prudential code requires that all capital expenditure is financed by a credit to the Capital Adjustment Account. If funding is not immediately available then a capital financing requirement (CFR) arises.

Essentially the CFR has to be mitigated over time on a prudent basis by making a “minimum revenue provision”. This is a charge to the General Fund made from the “Adjustments between Accounting Basis and Funding Basis under Regulation” and the Capital Adjustment account. The basis of estimation adopted by the Authority comprises of the following elements:

1. Finance leases have the capital financing applied on a time value for money basis over the life of the lease contract.
2. All other assets that are not finance leases have their capital financing calculated on a straight line basis over the life of the asset.

## 2. EXPENDITURE & FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate to council Tax payers how the funding available to the Authority (ie. 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 the Authority 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 Authority's service areas. Income and expenditure accounted for under generally accepted practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### 2024/25

	As reported for resource management	Adjustments to arrive at the net amount chargeable to the General Fund Note 3	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis Note 3	Net expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Customer Focus	3,371	0	3,371	175	3,546
Environmental Enhancement	6,298	0	6,298	1,404	7,702
Governance	2,133	0	2,133	9	2,142
Organisational Development	450	0	450	(2)	448
Place, Property, Regeneration	(3,478)	527	(2,951)	8,548	5,597
Planning, Housing, Health	(410)	0	(410)	832	422
Programme Management	157	0	157	(2)	155
Corporate Services	1,978	0	1,978	(691)	1,287
<b>Net Cost of Services</b>	<b>10,499</b>	<b>527</b>	<b>11,026</b>	<b>10,273</b>	<b>21,299</b>
Other Income & Expenditure	(10,821)	2,174	(8,647)	(10,279)	(18,926)
<b>(Surplus) or Deficit</b>	<b>(322)</b>	<b>2,701</b>	<b>2,379</b>	<b>(6)</b>	<b>2,373</b>

### 2023/24

	As reported for resource management	Adjustments to arrive at the net amount chargeable to the General Fund Note 3	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis Note 3	Net expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Customer Focus	3,238	0	3,238	193	3,431
Environmental Enhancement	5,528	0	5,528	2,239	7,767
Governance	1,995	0	1,995	52	2,047
Organisational Development	364	0	364	1	365
Place, Property, Regeneration	(4,424)	633	(3,791)	2,061	(1,730)
Planning, Housing, Health	563	0	563	547	1,110
Programme Management	78	0	78	0	78
Corporate Services	1,878	0	1,878	(662)	1,216
<b>Net Cost of Services</b>	<b>9,220</b>	<b>633</b>	<b>9,853</b>	<b>4,431</b>	<b>14,284</b>
Other Income & Expenditure	(9,850)	571	(9,279)	(7,436)	(16,715)

	As reported for resource management	Adjustments to arrive at the net amount chargeable to the General Fund Note 3	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis Note 3	Net expenditure in the Comprehensive Income and Expenditure Statement
<b>(Surplus) or Deficit</b>	<b>(630)</b>	<b>1,204</b>	<b>574</b>	<b>(3,005)</b>	<b>(2,431)</b>

### 3. NOTE TO THE EXPENDITURE & FUNDING ANALYSIS

This note explains the main adjustments from net expenditure chargeable to the general fund balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

**2024/25**

	Investment properties reported at Directorate level Note (a)	Transfers To/From Earmarked and General Reserves (b)	Reserve Transfers (c)	Total to arrive at amount charged to the General Fund	Adjustment for capital purposes Note (d)	Net change for the Pensions adjustment Note (e)	Other differences Note (f)	Total adjustment between funding and accounting basis
	£000	£000	£000	£000	£000	£000	£000	£000
Customer Focus	0	0	0	0	198	(24)	1	175
Environmental Enhancement	0	0	0	0	1,453	(52)	3	1,404
Governance	0	0	0	0	19	(11)	1	9
Organisational Development	0	0	0	0	0	(2)	0	(2)
Place, Property, Regeneration	527	0	0	527	8,565	(20)	3	8,548
Planning, Housing, Health	0	0	0	0	862	(33)	3	832
Programme Management	0	0	0	0	0	(1)	-1	(2)
Corporate Services	0	0	0	0	0	(692)	1	(691)
<b>Net Cost of Services</b>	<b>527</b>	<b>0</b>	<b>0</b>	<b>527</b>	<b>11,097</b>	<b>(835)</b>	<b>11</b>	<b>10,273</b>
Other Income & Expenditure	(527)	2,380	322	2,175	(9,446)	335	(1,168)	(10,279)
<b>(Surplus) or Deficit</b>	<b>0</b>	<b>2,380</b>	<b>322</b>	<b>2,702</b>	<b>1,651</b>	<b>(500)</b>	<b>(1,157)</b>	<b>(6)</b>



**2023/24**

	Investment properties reported at Directorate level Note (a)	Transfers To/From Earmarked Reserves (b)	Provisions and Reserve Transfers (c)	Total to arrive at amount charged to the General Fund	Adjustment for capital purposes Note (d)	Net change for the Pensions adjustment Note (e)	Other differences Note (f)	Total adjustment between funding and accounting basis
	£000	£000	£000	£000	£000	£000	£000	£000
Customer Focus	0	0	0	0	187	1	5	193
Environmental Enhancement	0	0	0	0	2,226	2	11	2,239
Governance	0	0	0	0	42	0	10	52
Organisational Development	0	0	0	0	0	0	1	1
Place, Property, Regeneration	633	0	0	633	2,051	1	9	2,061
Planning, Housing, Health	0	0	0	0	534	1	12	547
Programme Management	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	(665)	3	(662)
<b>Net Cost of Services</b>	<b>633</b>	<b>0</b>	<b>0</b>	<b>633</b>	<b>5,040</b>	<b>(660)</b>	<b>51</b>	<b>4,431</b>
Other Income & Expenditure	(633)	574	630	571	(8,504)	603	465	(7,436)
<b>(Surplus) or Deficit</b>	<b>0</b>	<b>574</b>	<b>630</b>	<b>1,204</b>	<b>(3,464)</b>	<b>(57)</b>	<b>516</b>	<b>(3,005)</b>

- (a) The authority includes investment properties in Place, Property and Regeneration Head of Service area, however, this is reported in the financial statements under Financing and investment income and expenditure below cost of services and therefore, this table shows the item being reallocated.
- (b) The authority makes in-year transfers to/from Earmarked Reserves and General Reserve.
- (c) The in-year net surplus is transferred to Earmarked Reserves (See Narrative Report) for details
- (d) In general this column adds in depreciation, impairments and revaluation gains and losses. It also adjusts for capital disposals with a transfer of the income on the disposal and the amounts written-off. Minimum Revenue Provision (MRP) is deducted because it is not chargeable under generally accepted practices. Adjustments are also made to recognise capital grant income.
- (e) This shows which lines have been affected by the removal of pension contributions and replaced with IAS 19 debits and credits.
- (f) This column includes timing differences for debits and credits relating to premiums or discounts on debt settlement and variations in the amount chargeable for NDR and Council Tax under statute and the Code.

#### **4. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The Code of Practice requires that the Authority discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The requirement applies to

accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2025 for 2024/25).

- Indexation of Property, Plant and Equipment valuations.

From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices. No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.

- Removal of the requirement to measure Intangible Assets at fair value where an active market exists..

From 1 April 2025, the Accounting Code will remove the requirement to measure Intangible Assets at fair value where there is an active market for the particular asset. The measurement basis for all Intangible Assets will be amortised historical cost. At 31 March 2025, the Council's Balance Sheet contains Intangible assets valued at £201,000 . As the value is low it will be deemed de-minimus against the Accounting code change.

## **5. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

None identified.

## **6. 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 Authority 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 Authority's Balance Sheet at 31<sup>st</sup> March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<u>Item</u>	<u>Uncertainties</u>	<u>Effect if actual results differ from assumptions</u>
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p> <p>Asset values are based upon market prices, and are periodically reviewed to ensure the Council does not materially misstate its non-current &amp; investment assets. The Council's Valuers provided valuations as at 31<sup>st</sup> March 2025.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall.</p> <p>A reduction in the estimated valuations would result in reductions to the revaluation reserve, and/or a loss recorded as appropriate to the Comprehensive Income and Expenditure statement. The net book value of assets subject to potential revaluation is £144m. If the valuations on these assets were to reduce/increase by 10% there would be a movement on the revaluation reserve or Comprehensive Income and Expenditure statement of £14.4m.</p>
Property Plant and Equipment and Investment Properties	<p>The continued inflationary pressures (although lower than the historically high 2022/23 percentages) on the economy have potential to put further upward pressure on costs of materials and labour.</p> <p>There is also pressure on the construction labour force, with skill shortages in certain key areas.</p> <p>We are experiencing these pressures first hand with the current projects we are actively involved in i.e. Barnstaple future High Street Fund.</p> <p>A significant number of our assets, including those within our top 20 assets, are valued on a DRC basis, and are therefore subject to the uncertainty of rising costs. We have made realistic allowances for the cost pressures within our valuation process.</p>	

<u>Item</u>	<u>Uncertainties</u>	<u>Effect if actual results differ from assumptions</u>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability by £1.1m, and a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability by £5.6m.</p> <p>A 1 year increase in longevity rates would increase the pension liability by £3m.</p> <p>However, the assumptions interact in complex ways.</p>
Pension Assets	<p>The value of pension assets is estimated based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date.</p> <p>The Devon County Pension Fund, of which North Devon District Council is an admitted body, holds investments in property. The Devon County Pension Fund property assets attributable to North Devon District Council account for £7.905m (8%) of total assets.</p>	The actual valuations at the Balance Sheet date, which may not be available until some time later, may give a different value of pension assets, but this difference is not considered to be material.
Debtor - Arrears	At 31 <sup>st</sup> March 2025, the Authority had a balance of sundry debtors of £4.551m. A review of significant balances suggested that an impairment of doubtful debtors of 26.32% (£1.198m) was appropriate.	If collection rates were to deteriorate, a 20% impairment of doubtful debts would require an additional £0.240m to set aside as an allowance.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

## 7. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Director of Resources and Deputy Chief Executive on 19<sup>th</sup> June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31<sup>st</sup> March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 8. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

<b>2023/24 £000</b>		<b>2024/25 £000</b>
	<b>Expenditure</b>	
18,451	Employee Benefits	19,576
16,109	Other Service Expenses	16,804
17,186	Housing Benefit Payments	17,125
663	Interest Payments	596
2,910	Precepts & Levies	3,365
7,589	Capital Financing	10,822
0	Loss on Disposal of Non Current Asset	101
<b>62,908</b>	<b>Total Expenditure</b>	<b>68,389</b>
	<b>Income</b>	
(10,162)	Council Tax (Incl Parish Precepts)	(11,038)
(6,259)	Non Domestic Rates	(7,079)
(1,072)	Non Specific Government Grants	(3,714)
(10,976)	Other Government Grants	(7,557)
(16,859)	Housing Benefit Subsidy	(16,802)
(612)	Interest & Investment income	(465)
(3,442)	Other Grants	(3,223)
(15,060)	Receipts	(15,973)
(897)	Gain on Disposal of Non Current Asset	(165)
<b>(65,339)</b>	<b>Total Income</b>	<b>(66,016)</b>
<b>(2,431)</b>	<b>(Surplus)/Deficit on provision of services</b>	<b>2,373</b>

## 9. SEGMENT REPORTING

Income received on a segmental basis is analysed:

2023/24 £000		2024/25 £000
(219)	Customer Focus	(225)
(4,057)	Environmental Enhancement	(4,283)
(188)	Governance	(212)
(7)	Organisational Development	(9)
(7,097)	Place, Property, Regeneration	(7,495)
(3,463)	Planning, Housing, Health	(3,718)
0	Programme Management	0
(29)	Corporate Services	(31)
<b>(15,060)</b>	<b>Total analysed on a segmental basis</b>	<b>(15,973)</b>

## 10. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income &amp; Expenditure Statement:</b>						
Charges for depreciation and impairment of non current assets	3,981	0	0	3,981	(3,981)	0
Revaluation (Gain)/loss on Property Plant and Equipment	5,095	0	0	5,095	(5,095)	0
Finance Lease Liability	54	0	0	54	(54)	0
Movements in the fair value of Investment Properties	(475)	0	0	(475)	475	0
Amortisation of intangible assets	84	0	0	84	(84)	0
Revenue expenditure funded from capital under statute	0	0	0	0	0	0
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal	(905)	0	0	(905)	905	0
<b>Insertion of items not debited or credited to the</b>						

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Comprehensive Income &amp; Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	(1,165)	0	0	(1,165)	1,165	0
Capital expenditure charged against the General Fund	(7,811)	0	0	(7,811)	7,811	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(6,004)	0	4,855	(1,149)	1,149	0
Application of grants to capital financing transferred to Capital Adjustment Account	8,961	0	(8,961)	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(165)	165	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(286)	0	(286)	286	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,876	0	0	2,876	(2,876)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,377)	0	0	(3,377)	3,377	0
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which council tax income credited is different from council tax income	(24)	0	0	(24)	24	0

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
calculated for the year in accordance with statutory requirements						
Amount by which business rate income credited is different from business rate income calculated for the year in accordance with statutory requirements	(1,143)	0	0	(1,143)	1,143	0
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	12	0	0	12	(12)	0
<b>Total Adjustments</b>	<b>(6)</b>	<b>(121)</b>	<b>(4,106)</b>	<b>(4,233)</b>	<b>4,233</b>	<b>0</b>

2023/24	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income &amp; Expenditure Statement:</b>						
Charges for depreciation and impairment of non current assets	4,202	0	0	4,202	(4,202)	0
Revaluation (Gain)/loss on Property Plant and Equipment	1,921	0	0	1,921	(1,921)	0
Movements in the fair value of Investment Properties	(662)	0	0	(662)	662	0
Amortisation of intangible assets	89	0	0	89	(89)	0
Revenue expenditure funded from capital under statute	0	0	0	0	0	0
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal	0	0	0	0	0	0
<b>Insertion of items not debited or credited to the Comprehensive Income &amp; Expenditure Statement:</b>						



<b>2023/24</b>	<b>General Fund Balance £000</b>	<b>Capital Receipts Reserve £000</b>	<b>Capital Grants Unapplied £000</b>	<b>Total Usable Reserves £000</b>	<b>Unusable Reserves £000</b>	<b>Total Authority Reserves £000</b>
Statutory provision for the financing of capital investment	(892)	0	0	(892)	892	0
Capital expenditure charged against the General Fund	(6,673)	0	0	(6,673)	6,673	0
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(7,125)	0	7,125	0	0	0
Application of grants to capital financing transferred to Capital Adjustment Account	5,953	0	(5,953)	0	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(277)	896	0	619	(619)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(277)	0	(277)	277	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0
<b>Adjustments primarily involving the Pensions Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	3,040	0	0	3,040	(3,040)	0
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,097)	0	0	(3,097)	3,097	0
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>						
Amount by which council tax income credited is different from council tax income calculated for the year in	65	0	0	65	(65)	0

<b>2023/24</b>	<b>General Fund Balance £000</b>	<b>Capital Receipts Reserve £000</b>	<b>Capital Grants Unapplied £000</b>	<b>Total Usable Reserves £000</b>	<b>Unusable Reserves £000</b>	<b>Total Authority Reserves £000</b>
accordance with statutory requirements						
Amount by which business rate income credited is different from business rate income calculated for the year in accordance with statutory requirements	400	0	0	400	(400)	0
<b>Adjustment primarily involving the Accumulated Absences Account:</b>						
Amount by which officer remuneration charged on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	51	0	0	51	(51)	0
<b>Total Adjustments</b>	<b>(3,005)</b>	<b>619</b>	<b>1,172</b>	<b>(1,214)</b>	<b>1,214</b>	<b>0</b>

## 11. TRANSFER TO/FROM EARMARKED RESERVES

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

	<b>Balance at 31<sup>st</sup> March 2023 £000</b>	<b>Transfers Out 2023/24 £000</b>	<b>Transfers In 2023/24 £000</b>	<b>Balance at 31<sup>st</sup> March 2024 £000</b>	<b>Transfers Out 2024/25 £000</b>	<b>Transfers In 2024/25 £000</b>	<b>Balance at 31<sup>st</sup> March 2025 £000</b>
Repairs Fund	<b>1,953</b>	(1,124)	314	<b>1,143</b>	(709)	490	<b>924</b>
Collection Fund (Business Rates)	<b>1,340</b>	0	450	<b>1,790</b>	(1,013)	0	<b>777</b>
Budget Management	<b>815</b>	(436)	150	<b>529</b>	0	205	<b>734</b>
Crematorium Equipment Replacement	<b>417</b>	0	102	<b>519</b>	(35)	0	<b>484</b>
Capital Funding	<b>383</b>	(1)	0	<b>382</b>	(32)	0	<b>350</b>
Arab Scheme	<b>0</b>	0	58	<b>58</b>	0	233	<b>291</b>
Local Plans	<b>256</b>	(22)	0	<b>234</b>	0	0	<b>234</b>
Strategic Contingency	<b>132</b>	(5)	0	<b>127</b>	(5)	100	<b>222</b>
Treasury Management	<b>275</b>	0	150	<b>425</b>	(214)	0	<b>211</b>
Homes for Ukraine	<b>528</b>	(287)	279	<b>520</b>	(330)	0	<b>190</b>
Office Technology	<b>441</b>	(263)	115	<b>293</b>	(220)	115	<b>188</b>

	<b>Balance at 31<sup>st</sup> March 2023 £000</b>	<b>Transfers Out 2023/24 £000</b>	<b>Transfers In 2023/24 £000</b>	<b>Balance at 31<sup>st</sup> March 2024 £000</b>	<b>Transfers Out 2024/25 £000</b>	<b>Transfers In 2024/25 £000</b>	<b>Balance at 31<sup>st</sup> March 2025 £000</b>
Rough Sleeper Initiative	195	(4)	0	191	(10)	0	181
Community Housing Fund	210	(88)	62	184	(11)	0	173
Flexible Homelessness Support	202	(40)	0	162	0	0	162
Parks	6	0	2	8	(6)	153	155
Corporate Property income volatility	150	(150)	150	150	0	0	150
Transformation	315	(48)	0	267	(123)	0	144
Tarka Tennis Surface Replacement	110	0	13	123	0	13	136
Town Centre Management	49	(46)	200	203	(93)	20	130
Temporary Accommodation	0	0	124	124	0	0	124
Digital Transformation	202	(136)	210	276	(161)	0	115
Planning Health and Housing Employees	120	(108)	120	132	(79)	49	102
Corporate Property Management Initiative	169	(69)	0	100	0	0	100
BNG Innovation Fund	0	(13)	103	90	(20)	27	97
C Tax Support Scheme	149	(27)	0	122	(28)	0	94
Economic Development	149	(15)	18	152	(71)	3	84
District Council Election	108	(224)	116	0	(7)	90	83
Go North Devon	0	0	123	123	(41)	0	82
Vehicles Renewals	84	0	0	84	(6)	0	78
Leisure Centre Replacement	81	0	0	81	(10)	0	71
Insurance	80	(12)	280	348	(279)	0	69
Elections New Burdens	22	0	36	58	(11)	20	67
Project Man Performance (Levelling up)	105	(25)	0	80	(15)	0	65
Planning Support	0	0	0	0	0	62	62
Crem Budget Management	25	0	36	61	0	0	61
New Homes Bonus	65	0	0	65	(10)	0	55
Programme Delivery	116	(66)	0	50	0	0	50

	Balance at 31 <sup>st</sup> March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance at 31 <sup>st</sup> March 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance at 31 <sup>st</sup> March 2025 £000
Regeneration Projects	200	(295)	228	133	(86)	0	47
Vehicle Tender	208	0	0	208	(170)	0	38
HR Payroll	16	0	40	56	(38)	0	18
UK Shared Prosperity Fund	63	(63)	81	81	(81)	0	0
Planning Skills Delivery Fund	0	0	75	75	(75)	0	0
Other Reserves (balances less than £50,000)	1,395	(737)	95	753	(37)	66	782
<b>Total</b>	<b>11,134</b>	<b>(4,304)</b>	<b>3,730</b>	<b>10,560</b>	<b>(4,026)</b>	<b>1,646</b>	<b>8,180</b>

The following table shows the purpose of each reserve with a balance at 31<sup>st</sup> March 2025 over £0.250m:

Repairs Fund	Maintenance of council assets
Collection Fund (Business Rates)	To deal with the timing impacts of the Collection Fund (Business Rates transactions)
Budget Management	Ongoing budget pressures
Crematorium Equipment	Replace Cremators and Filtration Equipment
Capital Funding Reserve	Future capital schemes
Arab Scheme	Funding for Arab Scheme

## 12. OTHER OPERATING EXPENDITURE

2023/24 £000s	2024/25 £000s
2,882 Parish council precepts	3,336
28 Levies	28
(277) (Gains)/losses on the disposal of non current assets	555
<b>2,633 Total</b>	<b>3,919</b>

## 13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24 £000s	2024/25 £000s
60 Interest payable and similar charges	261
603 Pensions interest cost and expected return on pensions assets	335
(611) Interest receivable and similar income	(464)
(660) Income and expenditure in relation to investment properties and changes in their fair value	(581)
<b>(608) Total</b>	<b>(449)</b>

## 14. TAXATION AND NON SPECIFIC GRANT INCOMES

2023/24 £000s	2024/25 £000s
(10,162) Council tax income	(11,038)
(6,258) Non domestic rates	(7,079)
(2,347) Non ring fenced government grants	(3,714)
<b>(18,767) Total</b>	<b>(21,831)</b>

**15. PROPERTY, PLANT AND EQUIPMENT**

<b>Movements in 2024/25</b>	<b>Other Land and Buildings (*) £000</b>	<b>Finance Leases (Property)* Vehicles, Plant, Furniture and Equipment £000</b>	<b>Community Assets £000</b>	<b>Surplus Assets £000</b>	<b>Assets Under construction £000</b>	<b>Finance Leases (Vehicles) £000</b>	<b>Total Property, Plant and Equipment £000</b>
<b>GBV or Valuation</b>							
<b>At 1<sup>st</sup> April 2024</b>	<b>124,710</b>	<b>2,501</b>	<b>7,218</b>	<b>304</b>	<b>56</b>	<b>535</b>	<b>138,399</b>
Additions	6,454	0	1,918	0	31	4,882	16,243
Revaluation increases/(decreases) recognised in the Revaluation Reserve	6,562	865	0	0	72	0	7,499
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,106)	15	0	0	7	0	(3,084)
De-recognition on revaluations	(3,010)	0	0	0	0	0	(3,010)
De-recognition – disposals	(1,107)	0	(2,123)	0	0	0	(3,259)
Other movements in cost or valuation (**)	1,006	0	0	0	0	0	1,006
<b>At 31<sup>st</sup> March 2025</b>	<b>131,509</b>	<b>3,381</b>	<b>7,013</b>	<b>304</b>	<b>166</b>	<b>5,417</b>	<b>153,794</b>
<b>Accumulated Depreciation and Impairment</b>							
<b>At 1<sup>st</sup> April 2024</b>	<b>189</b>	<b>0</b>	<b>5,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,281</b>
Depreciation charge	3,025	0	420	0	0	0	3,850
De-recognition on revaluations	(3,010)	0	0	0	0	0	(3,010)
Provision of Services	0	0	0	0	0	0	0
De-recognition – disposals	0	0	(2,123)	0	0	0	(2,123)
<b>At 31<sup>st</sup> March 2025</b>	<b>204</b>	<b>0</b>	<b>4,067</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,998</b>
<b>Net Book Value</b>							
<b>At 31<sup>st</sup> March 2024</b>	<b>124,521</b>	<b>2,501</b>	<b>1,448</b>	<b>304</b>	<b>56</b>	<b>535</b>	<b>132,118</b>
<b>At 31<sup>st</sup> March 2025</b>	<b>131,305</b>	<b>3,381</b>	<b>2,946</b>	<b>304</b>	<b>166</b>	<b>5,417</b>	<b>148,796</b>

(\*) Adjusted for IFRS16 Property Finance leases

(\*\*) None material adjustment in year, reclassified from Assets Held for Sale and vice versa

**Infrastructure Assets**

(\*) In accordance with the temporary relief offered by the update to the CIPFA Code on Infrastructure assets, the PPE note doesn't include disclosure of gross cost and accumulated depreciation for Infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial Statements.

	2023/24	2024/25
	£000	£000
<b>Opening Net Book Value 1<sup>st</sup> April</b>	<b>2,018</b>	<b>3,953</b>
Enhancement spend	51	2
Revaluation Increase / (Decrease)	1,958	(2)
Depreciation	(74)	(128)
<b>Closing Net Book Value</b>	<b>3,953</b>	<b>3,825</b>
Net Book Value of PPE excluding Infrastructure Asset	132,118	148,796
<b>Total net book value of PPE on the balance sheet as at 31<sup>st</sup> March</b>	<b>136,071</b>	<b>152,621</b>

Movements in 2023/24	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000 (*)	Community Assets £000	Surplus Assets £000	Assets Under construction £000	Finance Leases (Vehicles) £000	Total Property, Plant and Equipment £000
<b>GBV or Valuation</b>								
<b>At 1<sup>st</sup> April 2023</b>	<b>112,085</b>	<b>8,103</b>	<b>0</b>	<b>304</b>	<b>277</b>	<b>4,377</b>	<b>1,447</b>	<b>126,593</b>
Additions	6,843	301	0	0	10	0	1,712	8,866
Revaluation increases/(decreases) recognised in the Revaluation Reserve	8,170	0	0	0	(42)	0	0	8,128
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(325)	0	0	0	(189)	0	0	(514)
De-recognition on revaluations	(3,417)	0	0	0	0	0	0	(3,417)
De-recognition – disposals	0	(1,186)	0	0	0	0	(84)	(1,270)
Other movements in cost or valuation	3,855	0	0	0	0	(3,842)	0	13
<b>At 31<sup>st</sup> March 2024</b>	<b>127,211</b>	<b>7,218</b>	<b>0</b>	<b>304</b>	<b>56</b>	<b>535</b>	<b>3,075</b>	<b>138,399</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>At 1<sup>st</sup> April 2023</b>	<b>174</b>	<b>6,446</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136</b>	<b>6,756</b>
Depreciation charge	3,432	510	0	0	0	0	186	4,128
De-recognition on revaluations	(3,417)	0	0	0	0	0	0	(3,417)
Provision of Services	0	0	0	0	0	0	0	0
De-recognition – disposals	0	(1,186)	0	0	0	0	0	(1,186)
<b>At 31<sup>st</sup> March 2024</b>	<b>189</b>	<b>5,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>322</b>	<b>6,281</b>
<b>Net Book Value</b>								
<b>At 31<sup>st</sup> March 2023</b>	<b>111,911</b>	<b>1,657</b>	<b>0</b>	<b>304</b>	<b>277</b>	<b>4,377</b>	<b>1,311</b>	<b>119,837</b>
<b>At 31<sup>st</sup> March 2024</b>	<b>127,022</b>	<b>1,448</b>	<b>0</b>	<b>304</b>	<b>56</b>	<b>535</b>	<b>2,753</b>	<b>132,118</b>

(\*) In accordance with the temporary relief offered by the update to the CIPFA Code on Infrastructure assets, the PPE note doesn't include disclosure of gross cost and accumulated depreciation for Infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial Statements.

**Capital Commitments**

At 31<sup>st</sup> March 2025, the Authority has the following capital commitments:

- Lynmouth Coastal Study £80,000
- Future High Street Fund £4,129,000
- Green Lanes Hub £97,000

2023/24 commitments were £8,525,224.

**Property, Plant and Equipment Revaluations**

The Authority carries out a rolling programme that ensures all surplus assets are measured at Fair Value and that all other classes of assets within Property, Plant and Equipment are measured at Current Value. All Other Land and Buildings are revalued at least every five years.

All valuations were carried out internally by Natalie Hayes BSc (Hons) MRICS Estates Officer and the Valuation Office as at 31<sup>st</sup> March each year.

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. All other Land and Building were revalued in 2024/25.

**16. HERITAGE ASSETS**

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025
	£000	£000
Valuation	923	923

The above heritage assets are reported in the Balance Sheet at insurance valuation, which is based on market values. Further information on the above collections is detailed in notes 46 and 47.

**17. INVESTMENT PROPERTIES**

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

	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Rental income from investment property	(370)	(400)
Direct operating expenses arising from investment property	399	225
<b>Net gain/(loss)</b>	<b>29</b>	<b>175</b>

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

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

	<b>2023/24 £000</b>	<b>2024/25 (*) £000</b>
Opening balance of Investment Properties	5,182	4,747
Opening balance of Finance lease Investment properties	0	1,084
Additions:		
• Construction	0	52
Disposals	0	0
Net gains/(losses) from fair value adjustment for Investment Properties	662	312
Net gains/(losses) from fair value adjustment for Finance lease investment properties	0	163
Transfers:		
• (To)/from Property, Plant and Equipment	(13)	0
<b>Balance at the end of the year</b>	<b>5,831</b>	<b>6,358</b>

(\*) Adjusted for IFRS16 Property Finance leases

**Revaluations**

The Authority ensures that all Investment Properties are measured at fair value and revalued every year. All valuations were carried out externally by Charlotte Luckett MRICS and overseen by Natalie Hayes BSc (Hons) MRICS Estates Officer. Valuations of Investment Properties 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.



## 18. INTANGIBLE ASSETS

The Authority accounts for its software licenses as intangible assets, to the extent that the software license is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

	2023/24 Total £000	2024/25 Total £000
Gross Book Value at start of year	694	825
Purchases	131	55
De-recognition – Disposals	0	0
<b>Gross Book Value at end of year</b>	<b>825</b>	<b>880</b>
Amortisation at start of year	506	596
Amortisation for the period	89	84
De-recognition – Disposals	0	0
<b>Amortisation at end of year</b>	<b>595</b>	<b>680</b>
<b>Net Book Value</b>	<b>230</b>	<b>200</b>

## 19. FINANCIAL INSTRUMENTS

### Categories of Financial Instruments

	Long Term		Current	
	31 <sup>st</sup> March 2024 £000	31 <sup>st</sup> March 2025 £000	31 <sup>st</sup> March 2024 £000	31 <sup>st</sup> March 2025 £000
<b>Debtors</b>				
Loans and receivables	47	1,174	17	15
Financial assets carried at contract amounts	0	0	6,534	7,675
<b>Total included in Debtors</b>	<b>47</b>	<b>1,174</b>	<b>6,551</b>	<b>7,690</b>
<b>Investments</b>				
Investments	0	0	0	0
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	0	0	4,471	2,432
<b>Total Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>4,471</b>	<b>2,432</b>

<b>Borrowings</b>				
Financial liabilities at amortised cost	(3,006)	(9,031)	0	(3,064)
<b>Total included in Borrowings</b>	<b>(3,006)</b>	<b>(9,031)</b>	<b>0</b>	<b>(3,064)</b>
<b>Creditors</b>				
Financial liabilities carried at contract amount	0	0	(7,073)	(6,168)
<b>Total Creditors</b>	<b>0</b>	<b>0</b>	<b>(7,073)</b>	<b>(6,168)</b>

### Fair Values of Assets and Liabilities

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

- For loans from the PWLB payable, prevailing borrowing rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	<b>31<sup>st</sup> March 2025</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>
	<b>£000</b>	<b>£000</b>
Long Term Borrowing (PWLB)	(12,031)	(10,568)
<b>Total</b>	<b>(12,031)</b>	<b>(10,568)</b>

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date.

The authority has a continuing ability to borrow at concessionary rates from the PWLB, rather than from the markets. A supplementary measure of the interest that the authority will pay, as a result of its PWLB commitment for fixed rate loans, is to compare the terms of these loans with the new borrowing

rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £9,031,000 would be valued at £7,568,000.

If the authority were to seek to repay 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 will not now be paid. The exit price for the PWLB loans including the penalty charge would be £7,865,046.

The valuation basis adopted in the Fair Value report uses Level 2 Inputs (inputs other than quoted prices that are observable for the financial asset/liability).

All financial investments were under 12 months in duration and so the fair value would be approximate to the carrying value.

Short-term payables and receivables are carried at cost, as this is a fair approximation of their value.

The council provides loans to employees for car loans and the balance outstanding at 31 March 2025 was £6,833 (31 March 2024 £11,166). The council has also provided a loan to the Falcons Gymnastics Academy to enable them to construct a new facility at the Tarka Tennis Centre; the balance at 31 March 2025 was £33,250 (31 March 2024 £52,260).

An assessment for soft loan issues has been completed on both of these loans and confirmed the accounting adjustment fell below our materiality level. As a result, the loans are recognised as receivables in the balance sheet and measured at nominal value.

## 20. INVENTORIES

<b>Consumable Stores</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
<b>Balance outstanding at start of year</b>	242	187
Purchases	1,250	1,321
Recognised as an expense in the year	(1,305)	(1,368)
<b>Balance outstanding at year end</b>	<b>187</b>	<b>140</b>

## 21. CONSTRUCTION CONTRACTS

At 31<sup>st</sup> March 2025, the Authority has the following construction contracts in progress:

- Future High Street Fund £4,129,000
- Green Lanes Hub £97,000

2023/24 Construction contracts in progress were £8,525,224

**22. SHORT TERM DEBTORS**

	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
Central government bodies	1,334	3,073
Other local authorities	1,071	813
Other entities and individuals	7,803	7,328
Gross debtors	<b>10,208</b>	<b>11,214</b>
Provision for Bad Debts	(2,463)	(2,414)
<b>Net debtors</b>	<b>7,745</b>	<b>8,800</b>

- Other entities and individuals in 2023/24 includes £797k relating to Housing Benefit debtors
- Central Government Bodies in 2023/24 includes £457k in respect of Collection Fund
- Other entities and individuals in 2024/25 includes £670k relating to Housing Benefit debtors
- Central Government Bodies in 2024/25 includes £0k in respect of Collection Fund

**Debtors for Local Taxation**

The tables below show the net position after impairment of the outstanding debt. The impairment has been arrived at using trend analysis based on previous years' experience. These figures are included in Note 22 Short Term Debtors above.

<b>Council Tax</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Up to one year	190	224
One to three years	75	83
Over three years	4	4
<b>Total</b>	<b>269</b>	<b>311</b>

<b>Non-Domestic Rates</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Up to one year	167	207
One to three years	57	41
Over three years	1	2
<b>Total</b>	<b>225</b>	<b>250</b>

**23. CASH AND CASH EQUIVALENTS**

<b>31<sup>st</sup> March 2024 £000</b>		<b>31<sup>st</sup> March 2025 £000</b>
1	Cash held by the Authority	0
2,212	Bank current accounts	719
2,258	Short term deposits with banks and building societies	1,713
<b>4,471</b>	<b>Total Cash and Cash Equivalents</b>	<b>2,432</b>

**24. ASSETS HELD FOR SALE**

	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
Balance at start of year	1,163	1,006
Adjustment to Opening Balance(*)	0	(1,006)
Additions:		
• Construction	1,057	0
Disposals	0	0
Net gains/(losses) from fair value adjustments	(1,214)	0
Transfers:		
• To/from Property, Plant and Equipment	0	0
<b>Balance at the end of the year</b>	<b>1,006</b>	<b>0</b>

(\*) None material adjustment in year, reclassified to PPE and vice versa

**25. SHORT TERM CREDITORS**

	<b>31<sup>st</sup> March 2024</b>	<b>31<sup>st</sup> March 2025</b>
	<b>£000</b>	<b>£000</b>
Central government bodies	1,543	2,576
Other local authorities	2,847	3,387
Other entities and individuals	4,744	3,830
<b>Total</b>	<b>9,134</b>	<b>9,793</b>

**26. PROVISIONS**

	<b>Business Rate Appeals</b>
	<b>£000</b>
<b>Balance at 31<sup>st</sup> March 2024</b>	<b>782</b>
Additional provisions made in 2024/25	75
Amounts used in 2024/25	(104)
<b>Balance at 31<sup>st</sup> March 2025</b>	<b>753</b>

## 27. UNUSABLE RESERVES

31 <sup>st</sup> March 2024 £000		31 <sup>st</sup> March 2025 £000
54,361	Revaluation Reserve	59,248
62,860	Capital Adjustment Account	67,364
0	Deferred Capital Receipts Reserve	0
(8,524)	Pensions Reserve	(7,938)
(982)	Collection Fund Adjustment Account	185
(248)	Accumulated Absences Account	(260)
<b>107,467</b>	<b>Total Unusable Reserves</b>	<b>118,599</b>

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority 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<sup>st</sup> 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 £000		2024/25 £000
46,317	<b>Balance at 1<sup>st</sup> April</b>	54,361
13,075	Upward revaluation of assets	9,958
(2,797)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,461)
0	Property Lease Liability	(684)
(2,234)	Difference between fair value depreciation and historical cost depreciation	(1,825)
0	Accumulated gains on assets sold or scrapped	
0	Accumulated Gains / (Losses) on assets sold or scrapped	(101)
<b>54,361</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>59,248</b>

### Capital Adjustment Account

The Capital Adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the

amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1<sup>st</sup> April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000		2024/25 £000
58,953	<b>Balance at 1<sup>st</sup> April</b>	62,860
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,968)	• Charges for depreciation and impairment of non current assets	(2,158)
(1,636)	• Revaluation Gains / (Loss) on Property, Plant and Equipment	(4,089)
0	• Property Lease Liability	(54)
(89)	• Amortisation of intangible assets	(82)
(2,039)	• Revenue expenditure funded from capital under statute	(3,088)
0	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1
	<b>Capital financing applied in the year:</b>	
277	• Use of the Capital Receipts Reserve to finance new capital expenditure	286
2,039	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	3,088
(619)	• Repayment of Capital grant income relating to Housing Infrastructure Fund that has been credited to the capital receipts reserve	1,149
6,388	• Capital expenditure charged against the General Fund and HRA balances	7,811
892	• Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	1,165
662	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	475
<b>62,860</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>67,364</b>

## 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 Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned, to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority 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 £000		2024/25 £000
(14,087)	<b>Balance at 1<sup>st</sup> April</b>	(8,524)
5,506	Actuarial gains or (losses) on pensions assets and liabilities	85
(3,040)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,876)
3,097	Employer's pensions contributions and direct payments to pensioners payable in the year	3,377
<b>(8,524)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(7,938)</b>

### 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 Comprehensive Income and Expenditure Statement as it falls due from taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000		2024/25 £000
(518)	<b>Balance at 1<sup>st</sup> April</b>	(982)
(464)	Amount by which council tax and business rates is charged to the Comprehensive Income and Expenditure Statement is different from council tax and business rates income calculated for the year in accordance with statutory requirements	1,167
<b>(982)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>185</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.



2023/24 £000		2024/25 £000
(196)	<b>Balance at 1<sup>st</sup> April</b>	(248)
196	Settlement or cancellation of accrual made at the end of the preceding year	248
(248)	Amounts accrued at the end of the current year	(260)
<b>(248)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(260)</b>

## 28. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
(2,431)	Net (surplus)/deficit on the provision of service	2,373
3,005	Net amount debited to the general fund (note 10)	7
4,676	Removed as part of note 10 that do form part of the cash movement	5,568
(892)	Minimum Revenue Provision (MRP)	(1,165)
(5,217)	Capital items removed that are part of note 10 and are not in the I&E	(7,450)
144	Movement in Provisions	30
(102)	Other non-cash items	19
(55)	Movement in Stock	(46)
327	Movement in Debtors	1,202
1,584	Movement in Creditors	(79)
	<b>Remove interest paid and received to include in note 29</b>	
611	Interest received	464
0	Interest paid	0
<b>1,650</b>	<b>Net Cash flow from operating activities</b>	<b>923</b>

## 29. CASH FLOW STATEMENT – INVESTING ACTIVITIES

2023/24 £000		2024/25 £000
10,594	Purchase of property, plant and equipment, investment property and intangible assets	14,695
0	Purchase of short term and long term investments	0
0	Other payments for investing activities	0
(239)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(337)
(611)	Proceeds from short term and long term investments	(464)
<b>9,744</b>	<b>Net cash flows from investing activities</b>	<b>13,894</b>

## 30. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2023/24 £000		2024/25 £000
(8,882)	Other receipts from financing activities	(12,778)
0	Repayments of short and long term borrowing	0
<b>(8,882)</b>	<b>Net cash flows from investing activities</b>	<b>(12,778)</b>

### 31. TRADING OPERATIONS

Included within the Comprehensive Income and Expenditure Statement are the following trading activities:

		2023/24 £000	2024/25 £000
Car Parks	Turnover	(3,748)	(3,776)
	Expenditure	1,256	1,386
	<b>(Surplus)/Deficit</b>	<b>(2,492)</b>	<b>(2,390)</b>
South Molton Cattle Market	Turnover	(30)	(24)
	Expenditure	0	1
	<b>(Surplus)/Deficit</b>	<b>(30)</b>	<b>(23)</b>
Barnstaple Pannier Market	Turnover	(100)	(132)
	Expenditure	271	343
	<b>(Surplus)/Deficit</b>	<b>171</b>	<b>211</b>
Corporate Properties/Industrial Units	Turnover	(552)	(555)
	Expenditure	522	572
	<b>(Surplus)/Deficit</b>	<b>(30)</b>	<b>17</b>
Green Lanes Shopping Centre	Turnover	(1,935)	(2,185)
	Expenditure	1,343	1,443
	<b>(Surplus)/Deficit</b>	<b>(592)</b>	<b>(742)</b>
Ilfracombe Harbour	Turnover	(471)	(584)
	Expenditure	728	756
	<b>(Surplus)/Deficit</b>	<b>257</b>	<b>172</b>
Seaside Undertakings	Turnover	(46)	(47)
	Expenditure	0	2
	<b>(Surplus)/Deficit</b>	<b>(46)</b>	<b>(45)</b>
Trade Waste	Turnover	(701)	(741)
	Expenditure	523	546
	<b>(Surplus)/Deficit</b>	<b>(178)</b>	<b>(195)</b>
Trade Recycling	Turnover	(170)	(184)
	Expenditure	126	127
	<b>(Surplus)/Deficit</b>	<b>(44)</b>	<b>(57)</b>
<b>Net (surplus)/deficit on trading operations</b>		<b>(2,984)</b>	<b>(3,052)</b>

### 32. MEMBERS' ALLOWANCES

The Authority paid the following amounts to Members of the Council during the year:

	2023/24 £	2024/25 £
Allowances	284,125	297,396
Expenses	4,286	5,854
<b>Total</b>	<b>288,411</b>	<b>303,250</b>

**33. OFFICERS' REMUNERATION**

The remuneration paid to the Authority's senior employees is as follows:

<b>2024/25</b>	<b>Salary, fees and allowances £</b>	<b>Bonuses £</b>	<b>Expenses/ Allowances £</b>	<b>Compensation for loss of office £</b>	<b>Pension contribution £</b>	<b>Total £</b>
Chief Executive	115,265	0	1,049	0	22,456	<b>138,770</b>
Director of Resources and Deputy Chief Executive	89,773	0	391	0	17,851	<b>108,015</b>
Head of Environmental Enhancement	66,010	0	0	0	13,167	<b>79,177</b>
Head of Planning, Housing and Health (1)	0	0	0	0	0	<b>0</b>
Head of Programme Management and Performance	65,184	0	53	0	13,167	<b>78,404</b>
Head of Organisation Development	65,184	0	0	0	13,167	<b>78,351</b>
Head of Governance	65,582	0	0	0	13,167	<b>78,749</b>
Head of Customer Focus	66,264	0	494	0	13,167	<b>79,925</b>
Head of Place, Property and Regeneration	65,184	0	0	0	13,167	<b>78,351</b>

(1) The Head of Planning, Health and Housing Post has been vacant since 10<sup>th</sup> December 2023

<b>2023/24</b>	<b>Salary, fees and allowances £</b>	<b>Bonuses £</b>	<b>Expenses/ Allowances £</b>	<b>Compensation for loss of office £</b>	<b>Pension contribution £</b>	<b>Total £</b>
Chief Executive	108,070	0	1,118	0	21,830	<b>131,018</b>
Director of Resources and Deputy Chief Executive	87,364	0	595	0	17,379	<b>105,338</b>
Head of Environmental Enhancement	62,175	0	0	0	12,486	<b>74,661</b>
Head of Planning, Housing and Health (1)	47,936	0	0	0	9,683	<b>57,619</b>
Head of Programme Management and Performance	61,813	0	0	0	12,486	<b>74,299</b>
Head of Organisation Development	61,813	0	0	0	12,486	<b>74,299</b>
Head of Governance	61,813	0	0	0	12,486	<b>74,299</b>
Head of Customer Focus	62,527	0	310	0	12,486	<b>75,323</b>

<b>2023/24</b>	<b>Salary, fees and allowances £</b>	<b>Bonuses £</b>	<b>Expenses/ Allowances £</b>	<b>Compensation for loss of office £</b>	<b>Pension contribution £</b>	<b>Total £</b>
Head of Place, Property and Regeneration	61,813	0	0	0	12,486	<b>74,299</b>

(1) The Head of Planning, Health and Housing Post has been vacant since 10<sup>th</sup> December 2023

The Authority's other employees, other than Senior Officers, receiving more than £50,000 remuneration for the year (excluding employer's pensions contributions) were paid the following amounts:

<b>Remuneration Band</b>	<b>Number of Employees</b>	
	<b>2023/24</b>	<b>2024/25</b>
£50,000 - £54,999	5	5
£55,000 - £59,999	1	3
£60,000 - £89,999	0	0

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

There were no exit packages in 2023/24 or 2024/25

**34. EXTERNAL AUDIT COSTS**

	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
Fees payable to (external auditors Bishop Fleming) with regard to external audit services carried out by the appointed auditor for the year	142	170
Fees payable to (external auditors Grant Thornton) for Housing Benefit certification for the prior year	28	28
<b>Total</b>	<b>170</b>	<b>198</b>

**35. GRANT INCOME**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non Specific Grant Income</b>		
Council Tax (Incl Parish Precepts)	(10,162)	(11,038)
Non Domestic Rates	(6,258)	(7,079)
New homes bonus grant	(448)	(351)
Formula Grant	(233)	(248)
Rural Services Grant	(364)	(421)
Transparency Code Set up Grant	(8)	(8)
New Burdens Grant	(20)	(9)
Services Grant	(111)	(21)
Lower Tier Services Grant	(11)	0
Funding Guarantee Grant	(1,152)	(1,507)
Housing Infrastructure Fund (HIF)	0	(1,149)
<b>Total</b>	<b>(18,767)</b>	<b>(21,831)</b>
<b>Credited to Services</b>		
Housing Benefit Admin Grant	(236)	(235)
Housing Benefit Subsidy	(16,859)	(16,802)
NNDR Admin Grant	(226)	(226)
CTB Admin Grant	(12)	0
Discretionary Housing Payment	(120)	(80)
ACE Grant NPO	(95)	(84)
Disabled facilities grant	(1,542)	(1,610)
Future High Street Fund	(3,034)	0
LCTS Grant	(169)	0
Household Support Fund	(670)	(680)
Land Release	(1,046)	(790)
Rough Sleepers Grant	(532)	(544)
Museum/Culture Grant	(153)	(353)
Safer Streets Fund	(165)	0
UK Shared Prosperity Fund	(295)	(761)
Ilfracombe Healthy Homes (CCA)	0	(1,980)
Low Carbon Community Land Trust	0	(810)
Elections	0	(392)
Revenues / Benefits	0	(122)
Parks	0	(158)
Homes for Ukraine	(412)	0
Local Authority Housing Fund	(1,253)	(310)
Go North Devon	(123)	0
Afghan Project	(220)	(569)
Rural England Prosperity Fund	(692)	(399)

Property Purchases DCC	(215)	0
Harbour Infrastructure MMO	(215)	0
Homelessness and Prevention Grant	(657)	(662)
Domestic Violence	0	0
Commuted Sums / S106 Contributions	(393)	(348)
Other Grants	(669)	(219)
<b>Total</b>	<b>(30,003)</b>	<b>(28,134)</b>

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them. The balances at the year-end are as follows:

	<b>31<sup>st</sup> March 2023 £000</b>	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
<b>Capital Grants Receipts in Advance</b>			
S106 – Community facilities	(17)	(17)	(17)
S106 – Affordable housing	(569)	(1,069)	(1,049)
S106 – Public open space	(2,046)	(2,859)	(2,926)
S106 – Car Parking	0	0	0
S106 – Sustainable Transport	0	0	0
S106 – Public Conveniences	0	0	0
S106 – Heritage fund	(50)	(50)	0
S106 - CCTV	(11)	(11)	(7)
S106 – Flood Defence	(1,172)	(1,172)	(1,172)
S106 - Healthcare	0	0	(19)
Self Build Custom Project	(497)	(487)	(457)
Bicclescombe Nursery			
Land Release Fund	(1,837)	(791)	0
<b>Total</b>	<b>(6,199)</b>	<b>(6,456)</b>	<b>(5,647)</b>

	<b>31<sup>st</sup> March 2023 £000</b>	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
<b>Donated Assets Account</b>			
Falcons Gymnastics	(761)	(761)	(761)

### 36. RELATED PARTIES

The Authority 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 Authority.

#### Central Government

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). Total grants received from government departments are set out in the subjective analysis in Note 8.

## Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in Note 32.

During 2024/25 a member was involved with hosting the homes for Ukraine scheme and received £6,000, in addition a member was involved in the letting of a property to the sum of £2,400 (2023/24 £0). Where contracts were entered into in prior years they were in full compliance with the Council's Standing Orders and Financial Regulations. In all instances, the grants were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants.

Details of any of these transactions are recorded in the Register of Members' Interest open to public inspection during office hours.

The Council received £249,740 (£249,740 in 2023/24) in the year from the North Devon Joint Crematorium Committee being the proportion due of the Committee's annual surplus.

## 37. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is 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 Authority, the expenditure results in an increase in the Capital Financing Requirements (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2023/24 £000	2024/25 £000
<b>Opening Capital Financing Requirement</b>	23,788	25,968
<u>Capital Investment:</u>		
Property, Plant and Equipment	8,833	16,728
Investment Properties	0	52
Assets Held for Sale	1,057	0
Infrastructure	0	2
Surplus assets	0	31
Intangible Assets	131	249
Revenue Expenditure funded from Capital under Statute	2,039	3,088
	12,060	20,150
<u>Sources of Finance:</u>		
Capital receipts	277	286
Government grants and other contributions	7,400	10,180
Sums set aside from revenue:		
Direct revenue contributions	1,311	719
MRP/Loans fund principal	892	1,165
	9,880	12,350
<b>Closing Capital Financing Requirement</b>	<b>25,968</b>	<b>33,768</b>

<u>Explanation of movements in year:</u>		
Increase in underlying need to borrowing (supported by government financial assistance)	0	0
Increase/(Decrease) in underlying need to borrowing (unsupported by government financial assistance)	702	4,512
Assets acquired under finance leases	1,561	3,288
Assets acquired under PFI/PP contracts	0	0
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>2,263</b>	<b>7,800</b>

### 38. LEASES

#### Authority as Lessee

##### *Finance Leases*

In 2021/22 North Devon Council put out to tender the acquisition and maintenance of our fleet of vehicles, this is an on-going 7 year contract. These are being treated as Finance rather than operating leases. Minimum Revenue Provision is charged in year after purchase along with depreciation. The depreciation and movement in liability won't be the same until the end of the lease as the liability calculation takes account of the time value of money.

The maintenance and interest within the lease payment is accrued based on purchase date. The effect of this is included in the Comprehensive Income and Expenditure Statement and Balance sheet.

The figures below represent the assets coming onto the Balance sheet and associated liability, along with the Minimum Revenue Provision charge.

	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
Gross Book Value	3,075	6,004
Depreciation	(321)	(730)
	<b>2,754</b>	<b>5,274</b>
Short term Liability	(321)	(570)
Long term Liability	(2,492)	(4,855)
	<b>(2,813)</b>	<b>(5,425)</b>
Minimum revenue provision	151	319
	<b>151</b>	<b>319</b>



## 2024/25 adoption of IFRS16 Property Finance lease accounting

	<b>31<sup>st</sup> March 2025 £000</b>
Gross Book Value	4,628
Depreciation	0
	<b>4,628</b>
Short term Liability	(65)
Long term Liability	(612)
	<b>(677)</b>
Minimum revenue provision	62
	<b>62</b>

<b>Lease Description</b>	<b>31<sup>st</sup> March 2025 GBV £000</b>	<b>31<sup>st</sup> March 2025 Liability £000</b>	<b>2024-25 MRP £000</b>
Flats 1-7 and 8 Victoria House	437	506	51
17 Barton Road	43	45	10
Tuly Street Carpark	1,437	0	0
Part of Royal British Legion Site	67	54	0
Part of Larkstone Car Park Ilfracombe	218	0	0
Carpark Adjacent to Town Park Farm	519	72	1
Ground lease Plot 1B Seven Brethren	1,073	0	0
Part of Cross Street Carpark Lynton	162	0	0
Part of Esplanade at Lynmouth	565	0	0
25 Boutport Street	107	0	0
<b>Total</b>	<b>4,628</b>	<b>677</b>	<b>62</b>

*Other Leases*

The Authority uses photocopiers & printers financed under terms of an operating lease. The amount paid under these arrangements in 2024/25 was £18,379 (2023/24 £18,918). The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 requires charges to be made evenly throughout the period of the lease.

The Authority was committed at 31<sup>st</sup> March 2025 to making payments of £15,503 under operating leases in 2025/26.

	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
Not later than one year	15	16
Later than one year and not later than five years	31	12
Later than five years	0	0
	<b>46</b>	<b>28</b>

## Authority as Lessor

### *Finance Leases*

The Authority has one finance lease arrangement relating to Plot 4, Seven Brethren Bank for a period of 150 years effective from 26 August 2011. The lease amount is a peppercorn rent of £1 per annum.

### *Operating Leases*

The Authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres
- For economic development purposes to provide suitable affordable accommodation for local businesses

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

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025
	£000	£000
Not later than one year	1,062	1,286
Later than one year and not later than five years	2,568	3,157
Later than five years	3,262	3,272
<b>Minimum lease payments</b>	<b>6,892</b>	<b>7,715</b>

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

## 39. IMPAIRMENT LOSSES

During the 2024/25 valuation process no Impairment or Impairment reversals were identified. (2023/24 – None were identified).

## 40. COUNCIL TAX

Council Tax income is calculated by adding together the amounts required by North Devon Council, Devon County Council, Devon and Cornwall Police, Devon & Somerset Fire & Rescue Service and local Parish Councils. This amount, the Precept, is then divided by the North Devon District tax base of 35,433.43 to give an average Council Tax liability for a Band D property.

For Council Tax purposes the number of dwellings in each valuation band converted to a Band D equivalent was as follows:

<b>Band</b>	<b>Band D Equivalent Numbers</b>
-A	9.44
A	4,263.08
B	7,014.20
C	7,997.74
D	7,659.99
E	5,649.37
F	2,688.40
G	979.76
H	80.00
Allowance for non collection at 2.5%	(908.55)
<b>Council Tax Base</b>	<b>35,433.43</b>

Individual taxpayer's liability will depend upon the valuation band of the property they occupy.

#### 41. BUSINESS RATES

The introduction of the new Business Rates Retention Scheme in April 2013 has necessitated a new Collection Fund Statement in relation to Business Rates; under the new regime North Devon Council has joined a Devon wide pool in order to mitigate any losses and share any gains due to changes in the local economy.

The Council collects non-domestic rates for its area that are based on local rateable values multiplied by a uniform rate. The total non-domestic rateable value as at 31st March 2025 was £98.044m. In 2024/25 the rate was 49.9p in the pound for small businesses and 54.62p in the pound for others as prescribed by the Government.

The total amount, less certain reliefs and other deductions, is paid from the Collection Fund to a combination of Central Government, Devon County Council and Devon & Somerset Fire & Rescue Service via the Devon Wide Pool which is managed by Plymouth City Council.

#### 42. DEFINED BENEFIT PENSION SCHEMES

##### *Participation in Pension Schemes*

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Authority participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Devon County Council – that is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund,

calculated at a level intended to balance the pensions liabilities with investment assets.

- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- **Investment risk.** The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- **Interest rate risk.** The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- **Inflation risk.** All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- **Longevity risk.** In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

### Transactions Relating To Post Employment Benefits

We recognise 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 we are 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 Movements in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Account	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Cost of services:				
• Current service cost	2,383	2,482	0	0
• Past service cost	0	0	0	0
• Assets and Liabilities transferred (Net)	0	0	0	0
Financing and Investment Income and Expenditure:			0	
• Net Interest cost	603	335	0	0
Administration expenses	54	59	0	0
<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>3,040</b>	<b>2,876</b>	<b>0</b>	<b>0</b>
Movement in reserves statement:				
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for the past employment benefits in accordance with the Code	3,040	2,876	0	0
Actual amount charged against the General Fund Balance for pensions in the year:				
Employers' contributions payable to scheme	(2,864)	(3,137)	(223)	(240)

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31<sup>st</sup> March 2025 is a gain of £85k.

### Assets and Liabilities In Relation To Post Employment Benefits

Reconciliation of present value of the Fund liabilities:

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Discretionary Benefits	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Opening balance at 1 <sup>st</sup> April	95,671	95,187	2,471	2,291
Current service cost	2,383	2,482	0	0
Past service cost	0	0	0	0
Liabilities extinguished on settlements	0	0	0	0
Interest cost	4,610	4,675	0	0
Contributions by scheme participants	754	827	0	0
Actuarial (gains)/losses arising on changes in financial assumptions	(2,303)	(12,753)	53	(35)
Actuarial (gains)/losses arising on changes in demographic assumptions	(1,406)	(263)	0	0
Experience (gains)/losses on defined benefit obligation	244	(216)	0	0
Benefits paid	(4,766)	(4,748)	0	0
Unfunded pension payments	0	0	(233)	(240)
Closing balance at 31 <sup>st</sup> March	95,187	85,191	2,291	2,016

## Reconciliation of fair value of the Fund (plan) assets:

	Local Government Pension Scheme	
	2023/24 £000	2024/25 £000
Opening balance at 1 <sup>st</sup> April	84,055	92,555
Interest income	4,007	4,516
Return on assets (less interest)	5,695	(1,141)
Other actuarial gains/(losses)	0	0
Employer contributions	3,097	3,377
Contributions by scheme participants	754	827
Administration expenses	(54)	(59)
Benefits paid	(4,999)	(4,988)
Settlement prices paid	0	0
Closing balance at 31 <sup>st</sup> March	92,555	95,087

The expected return on Fund assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

**Impact of McCloud / Sargeant judgement**

The Court of Appeal judgement on the McCloud and Sargeant cases, relate to age discrimination against the age-based transitional provisions put into place when the new judicial 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 Tribunal ruled against the Government, deeming the transitional provisions as not a proportionate means of achieving a legitimate aim.

The Government subsequently applied to the Supreme Court to appeal the judgement but their application was denied on 27 June 2019. On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and a ministerial statement in response to this was published on 13 May 2021.

Regulation in respect of the McCloud and Sargeant judgements came into force on 1<sup>st</sup> October 2023. An allowance for the McCloud remedy will have been made in the liabilities which is consistent with the method adopted at the last actuarial valuation.

## Guaranteed Minimum Pension (GMP) Equalisation

On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016.

The actuary's valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuary has assumed that the Fund will be required to pay the entire inflationary increase. Therefore, the actuary's assumption is consistent with the consultation outcome and they do not believe that it is necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

## Fund History

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Present value of liabilities:</b>						
Local Government Pension Scheme	118,686	150,038	148,174	95,671	95,187	85,191
Discretionary benefits	3,057	3,112	2,887	2,471	2,291	2,016
<b>Fair value of assets in the Local Government Pension Scheme Surplus/(deficit) in the scheme:</b>						
Local Government Pension Scheme	66,177	81,602	86,606	84,055	92,555	95,087
<b>Surplus/(deficit) in scheme:</b>						
Local Government Pension Scheme	(52,509)	(68,436)	(61,568)	(11,616)	(2,632)	9,896
Impact of asset ceiling	0	0	0	0	(3,601)	(15,818)
Discretionary benefits	(3,057)	(3,112)	(2,887)	(2,471)	(2,291)	(2,016)
<b>Total</b>	<b>(55,566)</b>	<b>(71,548)</b>	<b>(64,455)</b>	<b>(14,087)</b>	<b>(8,524)</b>	<b>(7,938)</b>

- The discount rate assumption has increased from 4.90% p.a. to 5.80% p.a.
- The pension increase assumption has remained the same at 2.90%. This assumption is based on the Consumer Prices Index.
- The RPI inflation rate has decreased from 3.25% to 3.20% p.a.
- The salary increase assumption has remained the same at 3.90%.

The combined effect of these changes has decreased the value of the net liability. It may be helpful to also refer to the sensitivity analysis table at the end of this note, as this illustrates the effect of changing the assumptions.

The liabilities show the underlying commitments that the Authority has in the long run to pay post employment (retirement) benefits. The total liability of £7.9m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31<sup>st</sup> March 2026 is £3,313,000. Expected contributions for the discretionary benefits scheme in the year to 31<sup>st</sup> March 2026 are £239,000.

### Basis for Estimating Assets And Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries and are based on the latest full valuation of the scheme as at 31 March 2025.

The demographic assumptions are projected using the CMI\_2022 Model.

2023/24	Actuarial Assumptions	2024/25
	Mortality assumptions:	
	Longevity at 65 for retiring today:	
21.5	• Men	21.4
22.7	• Women	22.7
	Longevity at 65 for retiring in 20 years:	
22.8	• Men	22.7
24.1	• Women	24.1
3.25%	Rate of inflation – RPI	3.20%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions (CPI)	2.90%
4.9%	Discount rate	5.8%
50%/75%	Take up of option to convert annual pension into retirement lump sum	50%/75%

The discretionary benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:



	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2025
	£000	%	£000	%
UK Equities	1,300	1%	2,110	2%
Overseas Equities	49,488	54%	48,018	51%
Gilts	0	0%	0	0%
Property	7,109	8%	7,905	8%
Cash	2,083	2%	2,456	3%
Target Return Portfolio	2,186	2%	2,238	2%
Infrastructure	9,376	10%	9,854	10%
Alternative Assets	(19)	0%	4	0%
Other Bonds	21,032	23%	22,502	24%
<b>Total</b>	<b>92,555</b>	<b>100%</b>	<b>95,087</b>	<b>100%</b>

## Sensitivity Analysis

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the above table.

The sensitivity analysis shown below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on the actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the present value of total obligation	+0.5% £000	+0.1% £000	0.0% £000	-0.1% £000	-0.5% £000
Adjustment to discount rate	81,618	86,039	87,207	88,403	93,475
Adjustment to long term salary increase	87,913	87,346	87,207	87,070	86,531
Adjustment to pension increases	92,924	88,298	87,207	86,142	82,120

Impact on the present value of total obligation	+1 year £000	None £000	-1 year £000
Adjustment in longevity	90,471	87,207	84,080

## 43. CONTINGENT LIABILITIES

At 31 March 2025, the Authority had no contingent liabilities.

## 44. CONTINGENT ASSETS

At 31 March 2025, the Authority had no contingent assets.

#### **45. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Re-financing risk – the possibility that the Authority 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 Authority as a result of changes in such measures as interest rates or stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by Financial Services, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

##### **Credit Risk**

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

This risk is minimised through the Annual Investment Strategy, which is available on the Authority's website.

The Annual Investment Strategy 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 & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The credit criteria in respect of financial assets held by the Council are detailed below:

This Authority uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies

- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

The full Investment Strategy for 2024/25 was approved by Full Council on 21st February 2024 and is available on the Council's website.

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 Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £2.4m cannot be assessed generally as the risk of any institution failing to make interest payments 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 of the Authority's deposits, but there was no evidence at 31<sup>st</sup> March 2025 that this was likely to crystallise.

The following analysis summarises the Authority's maximum exposure to credit risk on other financial assets, based on experience of default and uncollected amounts over the last five years, adjusted to reflect current market conditions.

	<b>Amount at 31<sup>st</sup> March 2025 £000 A</b>	<b>Historical experience of default % B</b>	<b>Adjusted for market conditions at 31<sup>st</sup> March 2025 % C</b>	<b>Estimated maximum exposure to default at 31<sup>st</sup> March 2025 £000 (A x C)</b>	<b>Estimated maximum exposure to default at 31<sup>st</sup> March 2024 £000</b>
Customers – debtors*	4,551	26.32%	26.32%	1,198	1,323

\*Excluding statutory debtors – Council Tax/NNDR

No credit limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority does not generally allow credit for customers, such that £4.551m is past its due date for payment. The past due amount can be analysed by age as follows:

	<b>31<sup>st</sup> March 2024 £000</b>	<b>31<sup>st</sup> March 2025 £000</b>
0 to 6 months	3,812	2,509
6 months to 1 year	160	203
1 to 2 years	255	761

More than 2 years	1,200	1,078
<b>Total</b>	<b>5,427</b>	<b>4,551</b>

Collateral - During the reporting period the council held no material collateral as security.

### **Liquidity Risk**

The Authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code. 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 PWLB and money markets for access to 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.

As at 31<sup>st</sup> March 2025 all sums owing are due to be paid in less than one year.

### **Refinancing and Maturity risk**

The Authority 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 to replacing financial instruments as they mature. This risk relates to both the maturing of longer-term financial liabilities and longer-term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and Financial Services address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day-to-day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy):

	Approved minimum limits	Approved maximum limits	Actual 31 March 2025 £000s	Actual 31 March 2024 £000s
Less than 1 year	0%	90%	3,000	0
Between 1 and 2 years	0%	90%	6,500	0
Between 2 and 5 years	0%	100%	0	500
Between 5 and 10 years	0%	100%	0	0
More than 10 years	0%	95%	2,500	2,500
<b>Total</b>			<b>12,000</b>	<b>3,000</b>

## Market Risk

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

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

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

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

**Price Risk** - The Authority does not generally invest in equity shares or marketable bonds.

### Foreign Exchange Risk

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

## 46. HERITAGE ASSETS: SUMMARY OF TRANSACTIONS

### Valuation Movement of Heritage Assets (based on Insurance valuations)

	Up to and including 2017/18 £000	2018/19 £000	2019/20 to 2024/25 £000	Value At 31/03/2025 £000
Pottery	156	0	0	156
Carpet	193	0	0	193
Decorative Arts	53	0	0	53
Other	486	35	0	521
<b>Total</b>	<b>888</b>	<b>35</b>	<b>0</b>	<b>923</b>
<b>Valuation</b>				

## 47. HERITAGE ASSETS: FURTHER INFORMATION ON THE MUSEUM'S COLLECTIONS

The Museum of Barnstaple & North Devon opened in 1989. The collections are derived from the North Devon Athenaeum, (est. 1889, previously the Barnstaple Literary and Scientific Institution), the Borough of Barnstaple Museum in St. Anne's Chapel (est. 1924) and more recent collections. They include natural history, archaeology, social history, fine, and decorative art.

Some collections including the Royal Devon Yeomanry collections, art and social history belonging to the North Devon Athenaeum, and some church silver are held on loan and are not considered to be Heritage Assets of the council.

A number of items within the collections have been acquired with grant aid from the V&A purchase grant fund and the Art Fund, which would have to be repaid in the event of sale of the items concerned.

The (council owned) collection currently comprises over 47,000 items:

### Social History

Over 23,500 items, mostly collected in the last 30 years, mainly domestic and household items with a North Devon provenance, and material representing local trades and industries. Important collections include the Borough of

Barnstaple Fire Engine, Shapland and Petter design archive and the collection of James Ravilious photographs.

### **Fine Art**

Just over 200 drawings and paintings, mostly local topographic views. Well-represented artists include Brian Chugg, F.R.Lee and Francis Carruthers Gould.

### **Decorative Arts**

Around 1800 items, the most important being the Huguenot table carpet, Landkey Parish table, the North Devon Pottery collections and furniture by Shapland and Petter. Important examples of North Devon silver include a collection of spoons and the Barnstaple Dissenters' silver.

### **Natural History**

Nearly 10,000 natural history specimens, including the historic collections of the North Devon Athenaeum and more recent scientific collections. The Sharland herbarium is of particular importance.

### **Geology**

Over 5500 specimens including the Partridge and Townsend Hall collections, highly important for Devonian geology, including a number of type and figured specimens.

### **Archaeology**

Historic collections and stray finds and excavated material. The museum is the collecting institution for all archaeological investigations in the Northern part of Devon. There are substantial excavation archives relating to the post-mediaeval Barnstaple pottery industry and a very small ethnographic collection.

### **Heritage Assets of Particular Importance**

The most valuable items in the collection are as follows:

Huguenot Table Carpet	£192,973
Barnstaple Borough Fire Engine	£65,000
Dissenters silver	£10,121
Shapland & Petter display cabinet	£11,695
Bowl with lid by George Fishley	£23,391
Brannam Pottery exhibits	£132,857
Silver Spoons	£23,391
Overmantel 17th Century	£8,000
Landkey Parish Table	£10,000

The valuations are mostly based on the curator's assessment of market changes since the items were acquired. In the case of the Huguenot table carpet, which is a unique item, the valuation is based on a compensatory sum should it be destroyed.

**Preservation and Management**

The Museum of Barnstaple & North Devon has a rolling programme of conservation work and each year spends around £500 on remedial and preventive conservation work.

The Museum of Barnstaple & North Devon is a professionally staffed and fully Accredited Museum and has the necessary documentation and collections care procedures in place, including the Collections Development Policy approved by Council and Collections Care Plan. Day to day collections care is carried out by the Museum Collections Officer, under the direction of the Museum Manager.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH DEVON COUNCIL****Report on the Audit of the Financial Statements****Opinion on financial statements**

We have audited the financial statements of North Devon Council (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund, and notes to the financial statements, including a summary of material accounting policy information. 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 the Authority's 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 Financial Reporting Council'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**

The Chief Financial Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant government body of the intention to dissolve the Authority without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements.

In auditing the financial statements and having 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 have concluded that the Chief Financial 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 the Chief Financial 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 Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial 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.

In connection with our audit, 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 this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. 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 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, 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 Chief Financial Officer**

As explained more fully in the Statement of Responsibilities, 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 Chief Financial Officer. The Chief Financial 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 Chief Financial 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 Chief Financial 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management, internal audit and the Governance Committee in relation to their own identification and assessment of the risk of irregularities within the Authority, and 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 have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- Any matters identified having obtained and reviewed the Authority's documentation of their policies and procedures relating to:
  - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Authority operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context 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 (as amended by the Accounts and Audit (Amendment) Regulations 2024), the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Authority's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations, employment legislation, and money laundering legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Committee meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of land and buildings, valuations of investment property and defined benefit pensions liability valuations; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including material misstatements in the financial statements or non-compliance with regulation, will be detected by us, even though the audit is properly planned and performed in accordance with the ISAs (UK). The risk increases the further removed compliance with a law or regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of

fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory matters**

#### **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 its 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 and related statutory guidance. We considered whether the Authority has proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services.

We document 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 consider 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 North Devon Council for the year ended 31 March 2025 in accordance with the requirements of Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

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. 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 Authority's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Charles Martin, Key Audit Partner  
for and on behalf of Bishop Fleming Audit Limited  
Chartered Accountants and Statutory Auditors  
Plymouth

Date: 22 December 2025