

<b>This report is a public report</b>	
<b>2024/25 Final Statement of Accounts</b>	
<b>Committee</b>	Accounts, Audit and Risk Committee
<b>Date of Committee</b>	18 March 2026
<b>Portfolio Holder presenting the report</b>	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
<b>Date Portfolio Holder agreed report</b>	3 March 2026
<b>Report of</b>	Assistant Director of Finance (S151 Officer), Michael Furness

## **Purpose of report**

To ask the Committee to note the final 2024/25 Statement of Accounts and the changes that have been made since the draft version which was brought to the Committee at its July 2025 meeting.

### **1. Recommendations**

The Accounts Audit and Risk Committee resolves to:

- 1.1 Note the final 2024/25 Statement of Accounts (Appendix 1) and the associated changes between draft and final version.
- 1.2 Note the final letter of representation for 2024/25 (Appendix 2).
- 1.3 Note the final Auditor's Annual Report (Appendix 3) and Audit Completion Report (Appendix 4) from the council's external auditors, Bishop Fleming.

### **2. Executive Summary**

- 2.1 The Ministry for Housing, Communities and Local Government has implemented audit backstop dates to reset the local government audit system in England. Under this legislation the audit for 2024/25 was required to be completed by the 28 February 2026.
- 2.2 On the 29 January 2026 the council's external auditors Bishop Fleming LLP issued a disclaimed opinion for the 2024/25 statement of accounts. This was due to ongoing impact of the disclaimed opinion issued by the previous external auditors, Ernst and Young LLP, for the 2022/23 statement of accounts. This meant that Bishop Fleming did not have assurance over the opening balances for either the 2023/24 or the 2024/25 audits. However, the value for money assessment has been completed as usual and is included in the Auditor's annual report (Appendix 3).
- 2.3 The Chairman of the Accounts Audit and Risk Committee and the S151 Officer were granted delegated authority by the Committee at its meeting in January 2026

to finalise and sign the accounts and the final Letter of Representation. They did so on 22 January 2026. The council published the accounts on its website on the 5 February 2026.

- 2.4 Since the publication of the draft Statement of Accounts for 2024/25 there has been one change for the final statement of accounts. The final Statement of Accounts is attached at appendix 1. The changes are summarised in section 4.

## Implications & Impact Assessments

Implications	Commentary			
<b>Finance</b>	There are no financial implications arising directly from this report. Joanne Kaye, Head of Finance, 23 February 2026			
<b>Legal</b>	The report sets out the changes and amendments to the draft statement of accounts. The report also provides the statutory background for the report and notes the reasons for the disclaimer of opinion issued by the external auditors. The recommendation is to note the final statement, letter of representation and report and as such there are no legal implications arising directly from this report. Denzil – John Turbervill, Head of Legal, 23 February 2026			
<b>Risk Management</b>	There are no risk management implications arising directly from this report. Celia Prado-Teeling, Performance & Insight Team Leader, 23 February 2026			
Impact Assessments	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>				N/A
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				N/A
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics,				N/A

including employees and service users?				
<b>Climate &amp; Environmental Impact</b>				N/A
<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				N/A
<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>	N/A			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			

## Supporting Information

### 3. Background

- 3.1 The draft Statement of Accounts for 2024/25 were noted by the committee at its meeting 16 July 2025. The committee received a draft of the 2024/25 letter of representation at its meeting in November 2025 and gave the S151 Officer and the Chair of the committee delegated authority to finalise and sign both the letter of representation and the final Statement of Accounts to conclude the audit.
- 3.2 At the November 2025 meeting it was also outlined that the 2024/25 Statement of Accounts would receive a disclaimer opinion, which councils across the country will be receiving as part of the government's audit reset plans. This is primarily due to the disclaimer opinion received for the 2022/23 statement of accounts, leaving Bishop Fleming unable to rely on the opening balances and comparative figures in the 2024/25 statement of accounts.

### 4. Details

#### Final Changes between draft and final accounts

- 4.1 Since the Committee noted the changes to the draft Statement of Accounts in July 2025, there has been one change made to reach the final statement of accounts.
- 4.2 The change relates to the council's loan to Crown House Banbury Limited, a wholly owned subsidiary. As part of finalising the 2024/25 accounts, the loan was

reassessed in accordance with IFRS 9 – Financial Instruments. This review concluded that changes to the loan terms constituted a substantial modification, requiring derecognition of the original financial asset and recognition of a new financial asset based on the revised cash flows.

- 4.3 This resulted in a reclassification of £9.533m of the outstanding loan balance, with a reduction in Long- Term Debtors and an equivalent increase in Long- Term Investments on the Balance Sheet. This is a presentational adjustment only and does not change the council’s overall Net Assets. The updated treatment ensures compliance with IFRS 9 and is consistent with the approach adopted in the Group Accounts.
- 4.4 This adjustment has been incorporated into the final Statement of Accounts at Appendix 1. As the change represents only a movement between Balance Sheet line items, there is no change to the council’s overall Balance Sheet total. Table 1 below shows the movement between Long-term Debtors and Long-term Investments between the draft and final versions. There is no change to the prior year comparative figures.

**Table 1: Impact on the Balance Sheet of changes between draft and final statements**

<b>Balance Sheet as at 31 Mar 2025</b>	<b>Draft</b>	<b>Changes</b>	<b>Final</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Property, Plant and Equipment	168,824		168,824
Investment Property	4,545		4,545
Intangible Assets	1,309		1,309
Long Term Investments	35,649	9,533	45,182
Long Term Debtors	71,727	(9,533)	62,194
<b>Long Term Assets</b>	<b>282,054</b>		<b>282,054</b>
Short-term Investments	0		0
Inventories	234		234
Short Term Debtors	12,603		12,603
Cash and Cash Equivalents	5,225		5,225
Assets Held for Sale	0		0
<b>Current Assets</b>	<b>18,062</b>		<b>18,062</b>
Short-Term Borrowing	(27,095)		(27,095)
Short-Term Creditors	(29,955)		(29,955)
Provisions	(3,567)		(3,567)
Grants Receipts in Advance - Revenue	(3,093)		(3,093)
Grants Receipts in Advance - Capital	(3,651)		(3,651)
Cash and Cash Equivalents	(408)		(408)
<b>Current Liabilities</b>	<b>(67,768)</b>		<b>(67,768)</b>

Provisions	(2,198)		(2,198)
Long Term Borrowing	(139,000)		(139,000)
Pension Liabilities	(27,933)		(27,933)
Long Term Creditors	(59)		(59)
Grants Receipts in Advance - Revenue	(5,682)		(5,682)
Grants Receipts in Advance - Capital	(8,821)		(8,821)
<b>Long Term Liabilities</b>	<b>(183,694)</b>		<b>(183,694)</b>
<b>Net Assets</b>	<b>48,654</b>		<b>48,654</b>
Usable Reserves	(46,557)		(46,557)
Unusable Reserves	(2,097)		(2,097)
			0
<b>Total Reserves</b>	<b>(48,654)</b>		<b>(48,654)</b>

### Audit Opinion

- 4.5 On 29 January 2026, the council's external auditors issued a disclaimer opinion for the 2024/25 statement of accounts. The Auditor's Annual Report (Appendix 3) and Audit Completion Report (Appendix 4) outline the work completed as part of the audit.
- 4.6 As well as the adjustment outlined above, the auditors identified four prior year extrapolated errors as part of their 2024/25 testing. These are summarised on page 14 of Appendix 4. The Council has not adjusted for these amounts, as they represent extrapolated estimates from sample testing rather than specific transaction errors. As such, they do not indicate an exact amount that should be corrected, and the total is well below materiality, meaning no adjustment is required in the 2024/25 Statement of Accounts. The individual items identified in the samples will be corrected as part of the 2025/26 closedown process. Officers will continue to strengthen processes in these areas to reduce the likelihood of similar issues occurring in future years.
- 4.7 The auditors have outlined a few recommendations in Section 6 of Appendix 4, none of which are significant control issues. The Council has reviewed these recommendations and provided a management response and action for each within the appendix.
- 4.8 As reported to the committee in November, the external auditors have also completed their value for money assessment. Based on the work carried out they are satisfied that there are no significant weaknesses in the council's arrangements for securing value for money and have only highlighted one minor recommendation for improvement. This conclusion is about as positive as it gets for a value for money assessment.

## 5 Conclusion and Reasons for Recommendations

- 5.1 The Statement of Accounts has been prepared according the CIPFA code and represents a true and fair view of the council's financial position. The Accounts, Audit and Risk Committee is invited to note the final Statement of Accounts and associated auditor reports. The committee is also invited to discuss these with officers and the external auditors to obtain an understanding of the changes made between draft and final and the outcome of the audit.

### Decision Information

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	N/A
<b>If not, why not subject to call in</b>	N/A
<b>Ward(s) Affected</b>	All

### Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Final Statement of Accounts 2024/25
<b>Appendix 2</b>	Final Letter of Representation 2024/25
<b>Appendix 3</b>	Auditor's Annual Report 2024/25
<b>Appendix 4</b>	Audit Completion Report 2024/25
<b>Background Papers</b>	None
<b>Reference Papers</b>	External Audit 2024/25 Update – November 2025 AARC
<b>Report Author</b>	Mary Denedo, Strategic Finance Business Partner
<b>Report Author contact details</b>	<a href="mailto:mary.denedo@cherwell-dc.gov.uk">mary.denedo@cherwell-dc.gov.uk</a> , 01295 227941
<b>Executive Director Approval (unless Executive Director or Statutory Officer report)</b>	N/A – Statutory Officer report