



London Borough of Bexley

DRAFT

**Statement of
Accounts
2025/26**

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Narrative report

Introduction

Dear Reader,

I am pleased to present the statement of accounts for the London Borough of Bexley for the financial year 2025/26.

My narrative report includes the financial statements with an overall explanation of the Council's financial position during 2025/26 and commentary on the medium-term picture. It also includes information about the operation of the Council and the major influences affecting the accounts. In addition, it includes information on service and financial performance over the financial year ending 31 March 2026. All this information is given with the aim of providing stakeholders and interested parties assurance as to the Council's financial standing and the care taken to account for public money.

Our Performance in 2025/26

Bexley is all about its residents – who make the borough so enterprising, diverse and full of character. Our residents are proud of their well-located and green borough, and the council is ambitious for them, working to grow the borough for the benefit of residents today and into the future.

Our current corporate strategy was adopted in 2022/23 – our Bexley Plan 'Making Bexley Even Better'. This plan is how we share our vision for Bexley and our commitments to residents in delivering that vision. The Bexley Plan is linked to our Medium-Term Financial Strategy (which explains how we resource and fund the vision and commitments). You can find out more about our Bexley Plan here www.bexley.gov.uk/bexleyplan

To make sure we are on track to deliver our vision and commitments, we have agreed a set of performance indicators that we regularly manage, measure and communicate. The performance indicators show us what our target is and importantly they show us if we are on track to achieve our target.

We share and update our performance with residents regularly at Public Cabinet, and we publish an Annual Performance Report each year. I have included a summary of the 2025/26 report below, ordered by Bexley Plan Priority. You can find the full report at the following link [Annual Performance Report 2025 26 DRAFT](#)

Overall, the Council continues to deliver strong and reliable services for residents, with sustained performance in key areas such as safety, independence, employment and financial management. We have made meaningful progress across all three priority themes of the Corporate Plan, supported by effective partnerships and a clear focus on outcomes.

At the same time, like councils nationally, we are responding to growing demand and increasing complexity in areas such as social care, housing, SEND and customer services. While this creates pressure in some areas, we are actively adapting our approach—strengthening early help, investing in prevention and continuing to improve how we deliver responsive services for residents.

Priority theme 1: Aspiration for our residents

Some of the performance movements seen this year are :

- **Safeguarding responses are more often reducing or removing risk for adults at risk of harm (ASCH_12: 0.96 → 0.98)** – with a higher proportion of Section 42 enquiries concluding with risk reduced or removed, suggesting increasingly effective protection and follow-up.
- **Stop Smoking support has sustained the level of successful quits**, and our success rate is the highest in South East London. (ASCH_37: 0.55 → 0.54)
- **Fewer people are being diagnosed with HIV at a late stage (ASCH_38: 0.60 → 0.48)** – a reduction in late diagnosis indicates earlier testing and access to treatment, improving health outcomes and reducing onward transmission.

- **Fewer children are coming into care** (CS_03: 51.7 → 47.57) - easing pressure on placements and helping more families to stay safely together; however, continued focus is needed on early help and edge-of-care support.
- **More working-age adults are being admitted to residential or nursing care** (ASCH_02: 7.27 → 12.2, per 100k) – this rise was partly due to a change in recording practices – our performance remains lower than England, London and statistical neighbour averages.
- **Fewer children are subject to a Child Protection Plan** (CS_02: 38.6 → 29.5) – this decrease suggests lower levels of risk and demand for statutory intervention. This is lower than the England, London and Neighbouring levels which stand at 42, 41 and 33 respectively.
- **More young people are entering the youth justice system for the first time** (CS_10: 135.06 → 207.65) – this increase is unusual for Bexley and reflects a temporary rise which has since returned to more typical, lower levels. As the number of young people entering the youth justice system for the first time is small, even small, short-term changes can have a noticeable impact on the overall rate.
- **Fewer older people (65+) are being admitted to residential or nursing care** (ASCH_03: 459.4 → 393.4) – the reduction suggests progress in supporting people to remain independent in their homes.
- **Leisure centres are being used more** (PL_38: 1,524,126 → 1,637,098, increased) – higher attendance suggests residents are engaging more with local facilities, supporting healthier lifestyles and income to sustain services.

a few highlights from recent activity under theme 1 are

- **Best Start in Life Family Hub (Erith)** opened April 2025 and has already supported increased take-up of universal and targeted early help, earlier identification of SEND and speech and language needs. It has received strong parental feedback, describing the Hub as *trusted and accessible*.
- Following the **December 2023 SEND inspection**, a joint **Ofsted/CQC monitoring visit in January 2026** concluded that the local area partnership had taken “**effective action**” in *all three priority areas*: Preparation for Adulthood (PfA), timeliness and quality of EHCPs, and joint commissioning and access to therapies.
- We have opened **new specialist and resourced provision** (127 places created) and supported three cohorts of supported internships, with further expansion planned.
- On **Primary National Offer Day 2026**, **91.5%** of pupils received their first-choice school, **98%** received one of their top three preferences and **98.4%** received one of their top six preferences.
- **Live Well, Age Well hub** has been launched the ‘community hub’ provides support and guidance, together with social and educational activities within the Froggnal locality.
- We commissioned a multi component **suicide prevention offer**. Papyrus have engaged with 12 schools to develop suicide safer school policies, offer a three-tier training programme and develop an online resource for all schools. This work will expand into primary schools in 2026/27.

Priority theme 2: Ambition for our Borough

Some of the performance movements seen this year are :

- **More residents are starting jobs through Bexley Employment Services** (PL_32: 478 → 495) – more job starts indicate effective support into work and can help residents build skills, confidence and longer-term employability.
- **More people are being supported into sustained employment** (PL_31: 0.73 → 0.94) – higher sustained employment can reduce financial hardship and increase economic security for households, while supporting the borough’s local economy.
- **Fewer households are in emergency accommodation** (PL_04: 500.08 → 321.83) – fewer households in temporary placements can reduce disruption for families and help manage cost pressures on the council’s housing budget.
- **Fewer families are spending 6+ weeks in shared accommodation** (PL_05: 1.42 → 1.17) – shorter stays in shared settings can improve wellbeing and stability for children and reduce the use of less suitable accommodation.
- **More homelessness duties are being ended through private sector offers** (PL_11: 59.25 → 87) – greater reliance on private rented offers can reflect ongoing housing supply pressures and may increase affordability risks for households if tenancies are less secure.
- **More issues are being reported through FixMyStreet** (PL_40: 18,892 → 19,591) – higher reporting can indicate greater demand and/or awareness; it can also increase workload for inspection and repair teams and may affect residents’ perception of the local environment if response times do not keep pace.

Some of the more recent activities under Theme 2 are:

- We secured funding for **Night Visions** (Arts Council England £100k) and the flagship events at Hall Place attracting **~4,500 attendees**
- **Bexley Business & Employment (BBE)**'s Restart programme retained "**Best in Contract**" position in South & East London. And **Connect to Work** went live – a £4.2m, five-year programme - with outcomes currently *on track*.
- Bexley is rated within the **top ten nationally** for road condition and is one of only **26 highway authorities** rated "**green**" for condition and investment by the Government. We've committed £30m over four years and we repair around 2,600 potholes annually.
- Community Reuse Shop reused **1,321 items** (~11 tonnes) in its first two months and two new Repair Cafés launched, diverting small electricals and textiles from disposal.
- Bexley recorded the **third-lowest crime rate** of all 32 London boroughs in 2025

Priority theme 3: An Efficient and Effective Council

Some of the performance movements seen this year are :

- **More debt is being collected within 90 days** (FC_04: **0.86 → 0.89**) – collecting income faster strengthens cashflow, reduces the risk of write-offs and helps protect funding for frontline services.
- **Stage 1 corporate complaints are being closed more promptly** (FC_08: **0.78 → 0.81**) – faster resolution at an early stage can reduce escalation, improve trust and help services learn and put things right sooner.
- **While Stage 2 statutory complaints are being closed more promptly** (FC_11: **0.54 → 0.71**), fewer Stage 2 corporate complaints are being closed on time (FC_10: **0.73 → 0.64**) – improved timeliness helps meet legal expectations, reduces resident frustration and can lower the risk of findings from external bodies.
- **Invoice payment performance remains consistently high** (FC_01: **0.91 → 0.92**) – paying suppliers on time supports local businesses and helps avoid late payment costs and service disruption.
- **Council tax and Business rates collection is holding steady** (FC_06: **0.95**) and FC_07: **0.97**) – stable collection supports funding for services, but continued cost-of-living pressures mean sustained focus is needed to prevent arrears building.

Much has been achieved this year that furthers our Corporate Plan outcomes under priority theme 3. The following list provides a small selection of recent activity and achievements:

- **Balanced budget** achieved despite continued financial challenge.
- Our **Future Bexley Transformation programme** is fully embedded and is due to deliver £3.63m efficiencies for 2026/27.
- LG Futures benchmarking confirms that our back-office costs are around **49% lower** than comparator authorities and our overall service costs are **23% lower** than the benchmark.
- **Contact Centre** abandonment rates consistently **below 10%**.
- New **digital services** (housing, waste, highways, admissions) have reduced avoidable contact.
- In line with our **People Strategy**, we have continued to improve our recruitment processes, ensured our **employment support** service, Bexley Business & Employment, is able to access Council vacancies and we have continued to invest in **apprenticeships and work experience** to support local residents.
- **Fraud detection and prevention** have been strengthened through data-matching with the National Fraud Initiative, membership of the National Anti-Fraud Network and investment in FraudHub to carry out additional checks and identify potential fraud risks.

2025/26: A Financial Overview

The Budget and Council Tax for 2025/26 was set by Full Council in March 2025 in the context of the Council's Medium Term Financial Strategy covering the period 2025/26 to 2028/29. The budget set out the detailed financial plans for the Council in its Revenue and Capital budgets for the financial year.

The Council has faced continued financial pressures during the year in particular those posed by the changing needs of our residents and growth in some demand-led key frontline services, especially in children's and adult social care and SEN Transport. Inflation measured by CPI stood at 2.60% in March 2025, increasing to 3.30% by March 2026 impacting on a range of services through higher unit costs, contract increases and pay settlements. The Council set its budget in order to respond to these financial challenges while delivering the quality services our residents need and rely upon.

The focus of the Council in order to deliver a balanced budget has continued to be on efficiency and transformation opportunities in order to ensure we deliver the services local people need and ensure the safety of our vulnerable residents.

Group Accounts

The Council is required to produce group accounts if the council has a controlling interest over any other company or entity. The council produces group accounts to include BexleyCo Ltd.

BexleyCo was established with the intention being that it be used as a vehicle to deliver the Council's growth strategy by providing homes for local people, whilst generating returns to the Council as shareholder in the long-term.

Revenue outturn

The Statement of Accounts sets out the Council's spending and financing in line with accounting and statutory requirements.

The table below provides a summary of the outturn position by Directorate. This leaves a net outturn position for service budgets of a £2.391m overspend. Once corporate budgets and funding have been taken into account, there is a resulting overspend of £0.208m. The overspend has been funded from the Financial Planning reserve.

Directorate	2025/26		
	Net Budget £'m	Outturn £'m	Total Variation £'m
Adult Social Care and Public Health	82.870	86.641	3.771
Chief Executive's Office	3.085	3.085	0.000
Children and Education	64.248	65.640	1.392
Finance & Corporate Services	32.244	32.357	0.113
Place	49.101	46.216	(2.885)
Total Directorate	231.548	233.939	2.391
Corporately Held Budgets	21.877	19.752	(2.125)
Corporate Funding	(253.425)	(253.483)	(0.058)
Total Corporate	(231.548)	(233.731)	(2.183)
TOTAL	-	0.208	0.208

The financial pressures of 2025/26 were mainly due to inflation and the demand and the complexity of needs impacting social care services.

The main overspends within Adult Social Care related to third party spend on care packages, pressures in demand, demography and care complexity.

Children's services reported overspends mainly linked to increasing demand for transport for children with special educational needs.

The 2025/26 year continued to see changing patterns of expenditure and income within Adult Social Care. As with 2024/25, there was additional expenditure on placement activity with demand greater than budget. The Housing service continued to mitigate the demand pressures on temporary accommodation through a focus on prevention and planning services saw an improvement in income compared to the 2024/25 year. The Parking service saw an improvement in income and debt collection resulting in a reduction in the contribution to the bad debt provision providing a positive movement at outturn.

During the 2025/26 year there were some one off cost and income that affected the outturn position. Strategic Planning incurred and overspend due to an abortive capital programme and environmental services reduced its contract costs in year as a result of income from prior years.

Capital outturn

At the end of the 2025/26 year, the Council's had incurred £37.464m of capital expenditure against a budget of £43.297m. The movement in year related primarily to slippage of budgets into future years .

Directorate	2025/26		
	Budget	Outturn	Total Variation
	£'m	£'m	£'m
Adult Social Care and Public Health	0.910	0.997	0.087
Children and Education	7.496	6.395	(1.101)
Finance and Corporate	16.850	13.027	(3.823)
Places & Communities	18.041	17.045	(0.996)
Total Capital Expenditure	43.297	37.464	(5.833)

The variances from budget relate mainly to the profiling of expenditure as opposed to the cancelling of projects, the most significant of which are in the Growth Fund and Schools SEN Funding. The timeline of drawdowns on the development funding for BexleyCo resulted in slippage in Finance and Corporate services where the disposal of an asset slipped into early April.

Balance Sheet

The Council maintained a strong balance sheet, with £856.118m of Long term Assets as at 31 March 2026, Current Assets of £94.911m, Current Liabilities of £84.017m, and Long Term Liabilities of £265.661m. Furthermore the Council has usable reserves of £79.338m.

31-Mar-25		31-Mar-26
£'000		£'000
877,028	Long Term Assets	856,118
104,754	Current Assets	94,911
(70,551)	Current Liabilities	(84,017)
(270,728)	Long Term Liabilities	(265,661)
640,503	Net Assets	601,351
(83,901)	Usable Reserves	(79,338)
(556,602)	Unusable Reserves	(522,013)
(640,503)	Total Reserves	(601,351)

As the Section 151 officer, I have also taken account of the reserve levels and I have advised that a prudent level of General Fund reserves is circa £14m. This level is required to ensure there are sufficient resources for both working capital and to cover emergency expenditure.

General Fund and Earmarked Reserves	Balance at 31 March 2024	Movements 2024/25	Balance at 31 March 2025	Movements 2025/26	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Total Earmarked Reserves	(46,812)	(1,493)	(48,305)	4	(48,302)
General Fund balance	(14,360)		(14,360)		(14,360)
TOTAL General Fund Reserves	(61,172)	(1,493)	(62,665)	4	(62,662)

Borrowing and capital financing

The Council currently has £250.144m of borrowing outstanding as at 31 March 2026. within this there is short term borrowing for the purposes of cash flow management of £25.000m.

The Capital Programme for 2025/26 to 2028/29 was agreed by the Council in March 2025. This outlined the capital expenditure planned for 2025/26 and the borrowing requirement of £59.203m, however, only £22.690m was required following slippage of spend to future years.

Collection Rates for Council Tax and Business Rates

The net collection of Council Tax for the year to 31 March 2026 was 94.82% of the £196.053m collectable, leaving £10.160m to be recovered.

The net collection for Business Rates at the end of March 2026/period 12 is 96.92% of the £100.284m collectable, leaving £3.085m of debt to be recovered.

Council Tax funds services both the London Borough of Bexley and the Greater London Authority (GLA), the split of the Council Tax income and Debt is 79:21. Income from Business Rates are shared between the London Borough of Bexley, GLA and Central Government in a ratio of 30:37:33.

Non-Current Asset Revaluation

The Council appointed Wilkes Head & Eve to carry out a rolling valuation programme of a proportion of the Council's assets in 2025/26. The impact of these valuations is reported within the notes to the accounts.

Significant Changes in Accounting Policies

The accounts for 2025/26 are presented in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the local authority.

The Code sets out the proper accounting practices required by Section 21(2) of the Local Government Act 2003. These proper practices apply to the Statement of Accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit Regulations 2015.

Bexley's Medium-Term Financial Plan

The medium term financial planning process is an essential part of the Council's strategic planning framework. The Medium Term Financial Strategy integrates strategic and financial planning over a four-year period. It translates the Corporate Plan priorities into a financial framework which enables the Cabinet and officers to ensure policy initiatives can be delivered within available resources and can be aligned to priority outcomes.

In February 2026, the Budget Gap was £17.815m, with the biggest pressure on 2029/30 as shown below.

Gap	2026/27 £'m	2027/28 £'m	2028/29 £'m	2029/30 £'m
Budget Gap Reported to Public Cabinet February 2026	-	8.192	14.352	17.815

Economic Climate

The Council continues to face pressures relating to domestic and global economic factors, such as ongoing inflationary pressures which impact most significantly on our contracted out services. In March 2025, inflation was 2.60%. This increased to 3.30% by March 2026, but spiked as of July to September 2025, which was a rate of 3.80%. The interest rate is currently 3.75% but is forecasted to increase to 4.25 to 4.50% towards the latter half of 2026/27.

The Council also faces increasing pressures from varying levels of demand and increased complexity of need for Council services. Social Care services (both Adults and Childrens) and SEN Transport have seen increased levels of demand and increased costs. Whilst the Council's un-ringfenced General Fund reserve would have some capacity to absorb some of the financial impact, a robust financial plan is required to ensure the sustainability of the council's finances is maintained.

Officers will be reviewing the Medium Term Financial Strategy, taking into account the 2025/26 final outturn and the financial impact of the UK and global economic situation. The Council has always used cashflow forecasting to assist with treasury management decisions, however it has gained greater significance as unplanned expenditure has been required to deal with growth and inflation. Cashflow is being closely monitored to ensure sufficient funds are available for daily requirements, to this end the Council is using the resources of Southwark Treasury Team who have a wealth of experience managing cash and investments.



Ross Brown
 Director of Finance and Corporate Services, London Borough of Bexley
 Date: 30 June 2026

Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this case, the responsible officer is the Director of Finance and Corporate Services
- to manage its affairs in order to generate an economic, efficient and effective use of resources and to safeguard its assets; and
- approve the Statement of Accounts

The Responsibilities of the Director of Finance & Corporate Services

The Director of Finance & Corporate Services is ultimately responsible for the preparation of the Council's Statement of Accounts, which in terms of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("the Code"), is required to present fairly the financial position of the Council at the accounting date and of its income and expenditure for the year ended 31 March 2026. In preparing the Statement of Accounts, the Director of Finance & Corporate Services has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

In accordance with the Accounts and Audit (England) Regulations 2015, I certify that the Accounts present a true and fair view of the financial position of the Council as at 31 March 2026 and of its income and expenditure for the year ended 31 March 2026.



Ross Brown
Director of Finance and Corporate Services
Date: 30 June 2026

The signature section below applies to the Final accounts only

I confirm that the 2025/26 Statement of Accounts for the London Borough of Bexley and Bexley Pension Fund were approved by the General Purposes and Audit Committee on XX XXX 2026

Cllr Cafer Munur
Chair of the General Purposes and Audit Committee
Date: XX XXX 2026

Comprehensive Income and Expenditure Statement

This Statement shows the income and expenditure of the Council in providing services in the year in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations: this is different from the accounting cost.

2024/25			2025/26			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Notes	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
133,038	(65,822)	67,216	Adult Social Care and Public Health	142,603	(71,627)	70,976
4,651	(195)	4,456	Chief Executive's Office	4,544	(50)	4,494
217,088	(150,635)	66,453	Children and Education	246,401	(173,981)	72,420
116,989	(60,957)	56,032	Finance and Corporate Services	104,199	(46,907)	57,292
100,682	(39,138)	61,544	Place	102,798	(38,668)	64,130
572,448	(316,747)	255,701	Cost of Services	600,545	(331,233)	269,312
		(2,263)	Other Operating Expenditure			22,017
		8,984	Financing and Investment Income and Expenditure			4,030
		(223,202)	Taxation and Non-Specific Grant Income			(234,109)
		39,220	Deficit on Provision of Services			61,250
		(20,736)	Surplus on Revaluation of PPE and Heritage Assets	14 , 15 , 25		(25,469)
		(1,531)	Remeasurements of the Net Pensions Defined Benefit Liability	40		3,370
		(22,267)	Other Comprehensive Income			(22,099)
		16,953	Total Comprehensive Expenditure / (Income)			39,151

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves and unusable reserves, and shows the increase or decrease in the net worth of the Council. It provides an explanation of the changes in, and movements between, reserve accounts to increase or reduce the resources available to the Council. It shows how the Council's total Comprehensive Income and Expenditure is allocated to the Council's reserves. The Surplus or (Deficit) on the provision of Services, Other Comprehensive Income and Expenditure and Total Comprehensive Income and Expenditure are shown in more detail on the face of the Comprehensive Income and Expenditure Statement.

Movement in Reserves Statement 2025/26

	General Fund Balance	Earmarked Reserves	Total General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance At 1 April 2025	(14,360)	(48,305)	(62,665)	(5,122)	(16,114)	(83,901)	(556,602)	(640,503)
<u>Movement in Reserves during 2025/26:</u>								
Deficit on Provision of Services (Accounting Basis)	61,250	-	61,250	-	-	61,250	-	61,250
Other Comprehensive Income							(22,099)	(22,099)
Total Comprehensive Expenditure/(Income)	61,250	-	61,250	-	-	61,250	(22,099)	39,151
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 9)	(61,246)	-	(61,246)	3,515	1,044	(56,687)	56,687	-
Net Decrease/(Increase) Before Transfers To Earmarked Reserves	4	-	4	3,515	1,044	4,563	34,588	39,151
Other adjustments:								
Transfers (From)/To Earmarked Reserves (Note 10)	(4)	4	-	-	-	-	-	-
(Increase)/Decrease In Year	-	4	4	3,515	1,044	4,563	34,588	39,151
Balance At 31 March 2026	(14,360)	(48,301)	(62,661)	(1,607)	(15,070)	(79,338)	(522,014)	(601,352)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves and unusable reserves, and shows the increase or decrease in the net worth of the Council. It provides an explanation of the changes in, and movements between, reserve accounts to increase or reduce the resources available to the Council. It shows how the Council's total Comprehensive Income and Expenditure is allocated to the Council's reserves. The Surplus or (Deficit) on the provision of Services, Other Comprehensive Income and Expenditure and Total Comprehensive Income and Expenditure are shown in more detail on the face of the Comprehensive Income and Expenditure Statement.

Movement in Reserves Statement 2024/25

	General Fund Balance	Earmarked Reserves	Total General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance At 1 April 2024	(14,360)	(46,811)	(61,171)	(1,044)	(24,169)	(86,384)	(571,072)	(657,456)
<u>Movement in Reserves during 2024/25:</u>								
Deficit on Provision of Services (Accounting Basis)	39,220	-	39,220	-	-	39,220	-	39,220
Other Comprehensive Income							(22,267)	(22,267)
Total Comprehensive Expenditure/(Income)	39,220	-	39,220	-	-	39,220	(22,267)	16,953
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 9)	(40,714)	-	(40,714)	(4,078)	8,055	(36,737)	36,737	-
Net Decrease/(Increase) Before Transfers To Earmarked Reserves	(1,494)	-	(1,494)	(4,078)	8,055	2,483	14,470	16,953
Other adjustments:								
Transfers (From)/To Earmarked Reserves (Note 10)	1,494	(1,494)	-	-	-	-	-	-
(Increase)/Decrease In Year	-	(1,494)	(1,494)	(4,078)	8,055	2,483	14,470	16,953
Balance At 31 March 2025	(14,360)	(48,305)	(62,665)	(5,122)	(16,114)	(83,901)	(556,602)	(640,503)

Balance Sheet

The Balance Sheet shows the value at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves. Only usable reserves are available to support delivery of the Council's services to residents. Details of the usable reserves can be seen in the Movement in Reserves Statement.

31-Mar-25			31-Mar-26
£'000			£'000
765,966	Property plant and equipment	<u>14</u>	742,936
36,158	Heritage Assets	<u>15</u>	37,587
47,561	Investment Property	<u>16</u>	47,368
1,029	Intangible Assets	<u>17</u>	615
18,084	Long Term Investments	<u>18</u>	20,078
8,230	Long Term Debtors	<u>20</u>	7,534
877,028	Long Term Assets		856,118
7,170	Assets Held for Sale	<u>14.6</u>	7,335
218	Short Term Investments	<u>18</u>	385
3,981	Inventories	<u>19</u>	4,057
77,035	Short Term Debtors	<u>20</u>	75,264
16,350	Cash and Cash Equivalents	<u>21</u>	7,870
104,754	Current Assets		94,911
(2,713)	Cash and Cash Equivalents Overdrawn	<u>21</u>	-
(6,740)	Short Term Borrowing	<u>18</u>	(26,806)
(51,329)	Short Term Creditors	<u>22</u>	(46,423)
(4,075)	Short Term Provisions	<u>23</u>	(3,729)
(2,844)	Short T Grant Rec Adv Rev	<u>13</u>	(7,059)
(2,850)	Short T Grant Rec Adv Capital	<u>13</u>	-
(70,551)	Current Liabilities		(84,017)
(1,104)	Long Term Provisions	<u>23</u>	(1,493)
(224,323)	Long Term Borrowing	<u>18</u>	(223,338)
(31,043)	Other Long Term Liabilities	<u>34</u>	(26,363)
(5,347)	Pension Liabilities	<u>40</u>	(5,785)
(8,911)	Long T Grant Rec Adv Capital	<u>13</u>	(8,682)
(270,728)	Long Term Liabilities		(265,661)
640,503	Net Assets		601,351
(83,901)	Usable Reserves	<u>24</u>	(79,338)
(556,602)	Unusable Reserves	<u>25</u>	(522,013)
(640,503)	Total Reserves		(601,351)

I certify that the Balance Sheet represents a true and fair view of the council's financial position as of 31 March 2026.



Ross Brown
Director of Finance and Corporate Services

Date: 30 June 2026

Cash Flow Statement

This shows the changes in cash and cash equivalents of the Council during the year. The statement classifies the Council's cash flows between operating, investing and financing activities. Operating activities reflect the day-to-day income from grants and taxation together with expenditure on services provided by the Council. Investing activities summarise the expenditure made to support future activities, for example capital expenditure on schools. Financing activities demonstrate how the Council has managed its borrowings to fund its operating and investing activities.

2024/25 £'000			2025/26 £'000
(39,220)	Net Deficit on Provision of Services		(61,250)
52,816	Adjustments to the Net Deficit on the Provision of Services for Non-Cash Transactions	26	73,036
(18,378)	Adjustments to the Net Deficit on the Provision of Services that are Investing and Financing	26	(13,634)
(4,782)	Net Cash Flows from Operating Activities		(1,847)
(3,103)	Net cashflow from Investing Activities	27	(17,707)
(443)	Net cash flow from Financing Activities	28	13,786
(8,328)	Net Decrease in Cash and Cash Equivalents		(5,768)
21,996	Cash and Cash Equivalents at the Beginning of the Period		13,637
13,637	Cash and Cash Equivalents at the End of the Period		7,869

Notes to the Accounts 1 to 10

Note 1 - Accounting Policies

1.1 Introduction and Accounting Concepts

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position as of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which require the Accounts to be prepared in accordance with proper accounting practices.

These practices under Section 21(2) of the Local Government Act 2003 primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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.

Going Concern Concept

The Council's Financial Statements shall be prepared on a going concern basis; that is the Accounts are prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

1.2 Accruals of Income and Expenditure/Revenue Recognition

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

- revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract
- supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- revenue from Council Tax and Business Rates is measured at the full amount receivable (net of impairment losses) as they are non-contractual, non-exchange transactions. Revenue from non-exchange transactions is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Council and the amount of revenue can be measured reliably

- dividends or equivalent should be recognised where the Council's right to receive is established

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand, balances on the Council's current bank accounts 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

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

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

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

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

1.5 Charges to Revenue for Non-Current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service
- for Finance Leases, Minimum Revenue Provision (MRP) is equal to the write-down of the liability

Details of further adjustments, including the annual contribution from revenue towards the reduction in its overall borrowing requirement are outlined in Accounting Policy 1.22 - Property, Plant and Equipment.

1.6 Collection Fund Income and Expenditure Account - (Memorandum Account)

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates.

1.6.1 Council Tax and National Non-Domestic Rates (NNDR)

- Billing authorities act as agents, collecting Council Tax and non-domestic rates (NNDR) on behalf of the major preceptors (including government for NNDR) and, as principals, collecting Council Tax and NNDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and NNDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax and NNDR collected could be less or more than predicted.
- Collection Fund surpluses/deficits declared by the Billing Authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For London Borough of Bexley, the Council Tax precepting body is Greater London Authority and the NNDR precepting bodies are Central Government (33% share), London Borough of Bexley (30% share) and Greater London Authority (37% share).
- The Business Rate Supplement (BRS), in conjunction with the Crossrail Project, is a levy collected on behalf of the Greater London Authority (GLA) by this Authority along with Business Rates. The income and expenditure for BRS are included in the Collection Fund.

1.6.2 Accounting for Council Tax and NNDR

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

The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments and provision for appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6.3 Business Improvement Districts

There are two Business Improvement District (BID) schemes within the borough - in Bexleyheath and Sidcup. The schemes are funded by a BID levy paid by relevant non-domestic ratepayers. The Council acts as a principal under the schemes and accounts for income received and expenditure incurred (including contributions to the BID projects) within the relevant services within the Comprehensive Income and Expenditure Statement.

1.7 Employee Benefits

1.7.1 Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the new financial year. The accrual is made at the 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 accrual has no impact on Council Tax and holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The accrual for outstanding leave is based on central records of unused leave entitlement carried forward for non-schools staff and non-teaching staff in schools, and for teaching staff follows CIPFA guidance.

1.7.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service segment or where applicable to a corporate service segment when the Council is demonstrably committed to the termination of the employment of an officer or group of officers. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension 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.

1.7.3 Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education
- The Local Government Pension Scheme administered by the Local Pensions Partnership (LPP) on behalf of the London Borough of Bexley. The London Borough of Bexley is the administering authority for the Pension Fund
- The National Health Service (NHS) Pension Scheme, administered by the Department of Health and Social Care

All schemes provide defined benefits to members earned as employees work for the Council.

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet.

The Children and Education line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year. The Adult Social Care and Public Health line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the NHS scheme, administered by the Department of Health and Social Care, in the year.

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

- the liabilities of the London Borough of Bexley pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees
- liabilities are discounted to their value at current prices, using a discount rate of 4.9% (based on the redemption yields available on long-dated AA-rated corporate bonds, as required by the Local Authority Accounting Panel)

The assets of the London Borough of Bexley pension fund attributable to the Council 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:

Service cost comprising:

- current service cost - the increase in liabilities as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

London Borough of Bexley Statement of Accounts 2025/26

- net interest on the net defined benefit liability i.e. net interest expense for the Council – 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 obligation at the beginning of the period to the net defined benefit liability at the beginning of the period considering any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets - excluding amounts included in net interest on the net defined benefit liability 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 London Borough of Bexley Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

There is a limitation on the Council's ability to realise pensions assets through reductions in future employer's contributions as a result of minimum funding requirements, known as the asset ceiling.

1.7.4 Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

1.8 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 - 31 March - 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 an event 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.

1.9 Financial Instruments

Financial instruments arise when contracts create financial assets and liabilities, and these are recognised on the Council's balance sheet. Typical financial assets include bank deposits, investments and loans by the Council and amounts receivable, whilst financial liabilities include amounts borrowed by the Council and amounts payable.

1.9.1 Financial assets

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

- amortised cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVPL)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at Fair Value. They are subsequently measured at their amortised cost.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the balance sheet is the outstanding principal receivable plus accrued interest and interest credited to the comprehensive income and expenditure statement is the amount receivable for the year in the loan agreement.

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

London Borough of Bexley Statement of Accounts 2025/26

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

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

Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

The Council does not currently hold any asset measured at Fair Value through other comprehensive income (FVOCI).

Financial assets measured at Fair Value through Profit or Loss (FVPL)

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

Fair Value Measurement of Financial Assets

Fair Value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The Fair Value measurements of the financial assets are based on the following techniques:

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

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

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

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

The IFRS 9 statutory override requires local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to a Pooled Investment Adjustment Account in the Movement in Reserves statement, which removes the impact on the General Fund balance. This override continues to apply until 1 April 2029 for legacy investments already in place at the beginning of the financial year. Any new investments taken out after 1 April 2024 will be subject to IFRS 9 compliance and will require fair value movements to be accounted for.

Expected Credit Loss Model (ECL)

The Expected Credit Loss Model applies only to contractual financial assets measured at amortised cost in respect of this Council and recognises expected credit losses on its financial assets held at amortised cost (subject to materiality) either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12-month expected losses. Where credit rating matrices exist, they will be considered in measuring impairment losses.

Impairment losses are charged to the Comprehensive Income and Expenditure statement under Financing and Investment Income and Expenditure.

Lifetime losses are recognised for trade receivables (debtors) held by the Council.

1.9.2 Financial liabilities

Financial liabilities are initially recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at Fair Value and 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.

The amount presented in the balance sheet is the outstanding principal repayable plus accrued interest. Interest charged to the comprehensive income and expenditure statement is the amount payable for the year according to the loan agreement.

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council's policy is to spread the gain or loss over the term remaining on the loan, against which the premium was payable or discount receivable when it was repaid.

The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instrument Adjustment Account in the Movement in Reserves statement.

1.10 Foreign Currency Translation

Where the Council 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 on 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.11 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

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

Amounts recognised as due to the Council are not credited 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 acquired using 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 i.e. repaid.

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. Where a revenue grant or contribution without conditions has not yet been used to fund expenditure, it is transferred to Earmarked Reserves - Revenue Grants Unapplied via the Movement in Reserves Statement until it is required.

1.12 Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund several infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges for this Council may be used to fund revenue expenditure.

1.13 Heritage Assets

The Council's Heritage Assets comprise of a museum collection, historical buildings and monuments, public artwork, civic regalia and a collection of local studies and archives material. The assets are held with the primary objective of increasing the knowledge, understanding and appreciation of the borough's history and the local area. These are valued every three years by an external valuer. This was last carried out in 2023/24 by BCH Ltd.

Heritage Assets - measurement and valuation

Heritage Assets are recognised and measured using the reinstatement cost valuation method.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment e.g. where the asset has suffered physical deterioration, breakage or where doubts arise as to its authenticity. Such impairment will be recognised and measured in accordance with the Council's general policies on impairments. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate insurance values and commercial markets using the most relevant and recent information from sales at auctions. The proceeds from any disposals are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements relating to capital expenditure and capital receipts.

1.14 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council 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 Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost. Amounts would only be revalued where the Fair Value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council 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. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites used by the Council are 5 years unless it is anticipated to be otherwise.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.15 Interests in Companies and Other Entities

The Council has material interests in BexleyCo Ltd that has the nature of a subsidiary and is required to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses in 2025/26.

Group Accounts have been prepared in accordance with chapter 9.1 of the Code.

1.16 Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet and are measured at the lower cost and net realisable value.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on goods or services transferred to the service recipient during the financial year.

1.17 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at Fair Value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at the highest and best use. Properties are not depreciated but are reviewed 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.

1.18 Fair value measurement of non-financial assets and liabilities

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at Fair Value at each reporting date. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or

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

The Council measures the Fair Value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in the economic best interest.

When measuring the Fair Value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

1.19 Leases

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

The Council as a Lessee

Finance Leases

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or 1 April 2024, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

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

- fixed payments, including in-substance fixed payments

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

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

The Council 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. 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.

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

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

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

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

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

- there is a change in future lease payments arising from a change in index or rate

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

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

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Finance Leases

Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

Where future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

Operating Leases

Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet under Property, Plant and Equipment or Investment Properties. Rental income is credited to 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.

1.20 Overheads

The costs of overheads are not charged to service segments and instead remain in the Finance & Corporate directorate.

1.21 Highways infrastructure assets

Highways infrastructure assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year.

Useful lives of the various parts of the highways network are assessed by the Head of Highways, Traffic & Infrastructure using industry standards where applicable. In 2021/22 the useful lives were reviewed and the following lives were applied to the parts of the highways network indicated.

Part of the highways network	Useful Life
Bridge Construction	40 years
Flood Risk programmes	40 years
Street Lighting Columns	40 years
Major town centre and road construction	30 years
Carriageways	25 years
Traffic management schemes	20 years
Footpath & Cycle schemes	15-20 years
Streetlights	15 years
Street furniture	15 years
Parking schemes	10 years

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component 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 (ie netted off against the carrying value of the asset at the time of disposal).

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

The Council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets where there is replacement expenditure is nil. This override applies until 31 March 2029.

1.22 Property, Plant and Equipment (PPE)

Assets that have physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. The Council has a de minimis threshold of £10,000.

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 Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located if the cost is above the £10,000 de minimis threshold

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

The cost of assets acquired other than by purchase is deemed to be its Fair Value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). 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 Council.

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

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

- infrastructure and community assets - depreciated historical cost
- assets under construction - historical cost

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- Council offices - current value. The Civic Offices, due to its specialist nature, is measured at depreciated replacement cost which is an estimate of the current value. For other smaller offices where there is an active market, current value is determined as the amount that would be paid for the asset in its existing use (existing use value - EUV).
- school buildings - current value, but because of their specialist nature, are measured at depreciated replacement cost which is an estimate of the current value
- other land and buildings and operational assets where there is an active market - Current value determined as the amount that would be paid for the asset in its existing use (EUV)
- operational assets where there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e. EUV cannot be determined), depreciated replacement cost (DRC) using the 'instant build' approach as an estimate of the current value
- surplus assets - the current value measurement base is Fair Value, estimated at highest and best use from a market participant's perspective
- all other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets have short useful lives or low values (or both), the depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end. Asset categories are reviewed simultaneously. 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); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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- 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 the 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:

- other buildings - straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant and equipment - straight-line allocation over the useful life of the asset
- infrastructure - straight-line allocation over the useful life of the asset using the lives stated in accounting policy 1.21

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. 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.

Component Accounting

In some cases, the calculation of materially accurate depreciation charges may require disaggregation of an item of property, plant and equipment that might otherwise have been carried as a single asset in the asset register. The overall value of an asset is fairly apportioned over significant components that are accounted for separately and their useful lives and the method of depreciation are determined on a reasonable and consistent basis.

The principles of componentisation are applicable to:

- enhancement expenditure incurred
- acquisition expenditure incurred
- revaluations carried out.

Component accounting is applicable to all Property, Plant and Equipment (PPE) assets. However, componentisation is not applied where depreciating the item as a single asset is unlikely to result in a material misstatement of either depreciation charges or the carrying amount (net amount after deducting accumulated depreciation) of PPE.

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In respect of equipment, the bulk of the assets included in the asset register relate to IT equipment which tends to have a short life i.e. 3 to 5 years. There is little scope or benefit to be gained by attempting further componentisation of equipment assets. In addition, not componentising these assets is unlikely to lead to a misstatement in the accounts. Therefore, equipment assets are not reviewed for further componentisation.

Componentisation applies to property assets that are currently already separated between land and buildings and further separated between the various buildings on a site. A de-minimis threshold of £1m has been set in respect of componentisation, therefore individual buildings with a value below £1m are not considered for componentisation. The impact of not componentising buildings with a value below £1m is unlikely to result in a material misstatement of either depreciation charges or the carrying amount of PPE.

In 2025/26 the Council's valuers completed a review of the component elements, the value of which will vary dependent on the asset category and the ranges were as follows:

Structure	42% - 61%
Roof	7% - 13%
Mechanical and electrical components	13% - 28%
External works	11% - 29%

This approach is applied to the revaluation of property assets in 2025/26. In addition, these significant component elements have different lifespans as follows:

- structures - including windows and pitched roofs - maximum 50-year life span
- flat roof - maximum 20 years life span
- mechanical and engineering - including electrics, heating systems, lifts etc. - maximum 15-year life span
- external works - including drainage, external services, paths, car parks, boundary treatment and landscaping - maximum 30 years

Temporary buildings continue to be allocated a maximum lifespan of 20 years and are not subject to any further componentisation as this is unlikely to have any material impact upon depreciation and carrying values.

A phased approach has been adopted from 1 April 2010 and all revaluations of properties in excess of £1m due as part of the 5-year revaluation cycle are subject to the component accounting requirements. Valuations continue to be provided in accordance with the CIPFA Code of Practice 2025/26 and the Royal Institute of Chartered Surveyors (RICS) Global Standards 2017: UK national supplement. The valuation is then apportioned in accordance with the component elements mentioned above.

Capital expenditure is assessed and where expenditure on a component represents less than 10% of the asset's value it is not separately identified. Prior to 2025/26, Bexley's revaluation process included the revaluation of all property assets over £1m, and for those under £1m scheduled revaluations of assets based on the 5-year rolling programme. In 2025/26 the policy changed to a mixed indexation approach. At least 20% of properties valued at over £1m were revalued, with an indexation applied to the remaining properties where applicable. All properties will still be revalued within the 5-year cycle.

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In addition, property, that although not due for a revaluation as part of the rolling revaluation programme, is identified for revaluation where significant changes have occurred in a year i.e. a new extension, new roof, etc.

The Code requires that where a component is replaced, the old component is de-recognised. The purpose of the Code's de-recognition requirement is to avoid double-counting. On the majority of cases, significant expenditure on an asset would lead to a revaluation which would ensure there is no double counting. Where capital enhancement expenditure on a property that is below the de-minimis threshold, and the expenditure does not warrant a revaluation, no de-recognition would be actioned as it is unlikely to be material and the property would be subject to revaluation within 5 years. For example, capital expenditure of £40,000 on a property with a total value of £480,000 would not be material and no derecognition would take place as the asset would be revalued in due course. In terms of componentisation and component de-recognition materiality is always a key consideration.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and Fair Value less costs to sell. Where there is a subsequent decrease to Fair Value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in Fair Value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

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

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

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

Amounts received for disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Accounting Treatment of School Assets

Assets relating to community schools and voluntary controlled schools are recognised on the Council's balance sheet in accordance with IAS 16. The assets of voluntary aided schools, with the exception of playing fields, are not recognised on the Council's balance sheet; unless the school, as opposed to the Trust/Diocese, has a legal or substantive right to the assets.

Assets relating to Foundation and Academy schools are not recognised on the Council's balance sheet. Expenditure on the enhancement of the assets of voluntary aided schools (with the exception of playing fields), Foundation schools and Academy schools are treated as Revenue Expenditure Funded from Capital under Statute (see note 1.28). Schools held on the balance sheet are disposed of for nil consideration when they transfer to Academy status. The resultant gain or loss is recognised in the Financing and Investment Income and Expenditure line of the Consolidated Income and Expenditure Statement; and, in order to negate the impact on the General Fund Balance, are reversed out of the General Fund to the Capital Adjustment Account via the Movement in Reserves Statement.

Minimum Revenue Provision (MRP)

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

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by way of the Contribution in the General Fund (MRP or Loans Fund Principal), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.23 Private Finance Initiative and Similar Contracts

Private Finance Initiative (PFI) and similar Public-Private Partnership (PPP) contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI/PPP contractor. As the Council is deemed to control the services that are provided under its PFI/PPP schemes, and as the ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the PPP contracts on its Balance Sheet as part of Property, Plant and Equipment. The schools involved in the PFI contract have become academies and are therefore not included in the Council's Balance Sheet.

The original recognition of these assets at Fair Value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment plus, in the case of the Leisure PPP, recognition of a deferred income sum representing the proportion of the assets financed by income earned by the scheme.

Non-current assets recognised in this way on the Balance Sheet are subsequently revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement
- lifecycle replacement costs - the amount spent by the contractor is posted to the Balance Sheet as additions to Property, Plant and Equipment
- payment towards liability - applied to write down the Balance Sheet liability to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent - increases in the amount to be paid for the property arising primarily due to inflation during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

The deferred income sum is written down in equal instalments over the life of the PPP contract and credited to the Comprehensive Income and Expenditure Statement. The credit to the Comprehensive Income and Expenditure Statement is then reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement. Neither operator is a special purpose entity. They are not owned, controlled nor managed by the Council.

1.24 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council 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 Council settles the obligation.

1.25 Contingent Assets

A contingent asset arises where an event has taken place that gives the Council 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 Council.

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.

1.26 Contingent Liabilities

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

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

1.27 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance 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 transferred 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, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

1.28 Revenue Expenditure Funded from Capital under Statute (REFCUS)

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 Council 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.

1.29 VAT

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

1.30 Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Council in conjunction with other parties that involve the use of the assets and resources of the joint parties rather than the establishment of a separate entity. The Council recognises on its Balance Sheet its share of the assets and liabilities controlled by the joint parties and recognises in its Comprehensive Income and Expenditure Statement its share of expenditure incurred and income generated from the activities of the Jointly Controlled Operations.

Note 2 - Accounting Standards Issued, Not Adopted

Paragraph 3.3.2.13 of the Code requires changes in accounting policies to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose 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 by the Code for the relevant financial year.

Paragraph 3.3.4.3 and Appendix C of the Code adapt IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2026/27 Code). This means that only the standards listed below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) **Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)**

Issued in March 2024.

The amendments clarify the asset identification process for heritage assets and right of use assets can be heritage assets

b) **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)**

Issued May 2024

The amendments clarify when a financial liability should be derecognised, clarify how the "solely payment of principal and interest test applies to financial assets and extends the disclosure requirements for equity instruments.

c) **Annual improvements to IFRS accounting standards - Volume 11**

Issued in July 2024

The annual improvement review amendments relate to IFRS 1, 7, 9 10 and IAS 7 removing inconsistencies and mending broken cross references

d) **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)**

Issued in December 2024

The amendments confirm that the "own use" scope exemption from applying the derivatives requirements in IFRS 9 can be applied where an entity is a net purchaser of electricity under any arrangement.

There are no changes in accounting requirements for 2026/27 that are anticipated to have a material impact on the council's accounts.

Note 3 - Going Concern

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

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

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

Date	General Fund £m	Earmarked reserves* £m
31 March 2026	14,360	48,301
31 March 2027	14.360	41.297
31 March 2028	14.360	40.614

* Excludes Dedicated Schools Grant

The 31 March 2027 figures in the above table are based on projections made as part of budget monitoring for period 2 in 2026/27 (May 2026).

The General Fund and Earmarked Reserve position is a balance at 31 March 2026 of £14.360m and £48.301m, with predicted balances at 31 March 2027 of £14.360m and £41.297m. This remains above the minimum level of General Fund reserve (£14.000m) as set by the Director of Finance and Corporate Services as the Section 151 Officer.

The cash flow forecasting and assessment of the adequacy of the liquidity position shows that further borrowing will be required later in 2026/27 as cash balances reduce during the year. The Council has set a relatively high cash balance limit of £20m at which point it would seek borrowing should balances go below this. This limit is more than sufficient to enable activities to continue should the balance fall beneath it. Borrowing will also be required to support the capital programme. The borrowing for capital purposes is within the Council's Prudential Code limits and is consistent with the Council's plans and normal practice.

To ensure that the Council continues to allocate resources appropriately, service reviews are carried out each year. These reviews seek to identify pressures, risks and opportunities that will inform the Medium Term Financial Strategy (MTFS). During the summer of 2025 service reviews were carried out, which informed the MTFS agreed by Council in March 2026. Further service reviews are underway during the summer of 2026.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, the Council continues to adopt the going concern basis in preparing these financial statements.

3a - Critical Judgements in Applying Accounting Policies

In applying the accounting policies laid out in Note 1, the Council has had to make certain critical judgements about complex transactions or those involving uncertainty about future events. In the accounts, these are as follows:

- The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. The Council's interests in BexleyCo Limited are material to the Council's overall financial position and therefore have been consolidated within the Council's group accounts.
- The Council has elected to take up the statutory override relating to the accounting for highways infrastructure assets which was extended until 1 April 2029. In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 paragraph 3(a), where we replace a component of an infrastructure asset, for the purposes of determining the carrying amount to be derecognised in respect of that component we determine the relevant amount as nil. The reason for making this choice, allowable by the above statutory provision, is that in some cases the historic information held on previously recognised infrastructure may not be sufficiently detailed to prove the judgement that the components being replaced are fully depreciated or that any remaining balance would not be material. The Council is not required to make any prior period adjustment to the balances of the statement of accounts in respect of infrastructure assets.

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

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

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant & Equipment	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 Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Assets are valued on a five-year rolling basis.	Where the Council determines that the useful life of property, plant and equipment should be shortened, the revised remaining useful life, thereby increases the depreciation expense. Any change in an asset's life is reflected in the Council's accounts when the change in estimate is determined. The carrying value of assets in the balance sheet is £742.936m.
PPE Valuations (excluding Operational Heritage Assets)	The Council carries out a rolling programme that ensures that all property assets are revalued within a 5-year period by the Council's external valuers. Prior to 2025/26, all properties valued at over £1m and any other properties subject to a significant change during the year were revalued. In 2025/26 the policy changed to a mixed indexation approach. At least 20% of properties valued at over £1m were revalued, with an indexation applied to the remaining properties where applicable.	If the asset valuation of all property plant and equipment were to fall by 1% a reduction in value of £7.132m would arise. This would normally be reversed to the Revaluation Reserve. Where revaluation losses exceed unrealised gains, the net loss would be charged to the Comprehensive Income and Expenditure Statement and subsequently written off to the Capital Adjustment Account.
	In the current economic climate, the Balance Sheet valuations of £713.208m may be subject to fluctuations.	

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Heritage Asset valuations	<p>Historic Buildings are valued on a reinstatement cost basis. Due to their specialist nature, the assessment of their reinstatement cost is undertaken by a specialist consultant on a three yearly cycle, the last assessment being in March 2024. In the previous years the valuation has been reviewed by the Principal Valuer with reference to the change in the RICS BCIS cost index. For March 2026, a major review report was provided by external valuers for these valuations.</p>	<p>As well as buildings, the Council also holds an art collection, civic regalia and monuments with a total value of £1.998m, which are measured at reinstatement cost in the Balance Sheet. If the asset valuation of all heritage assets (including operational heritage assets and the art collection, civic regalia and monuments) were to rise by 1%, an increase in value of £0.673m would arise. This would be adjusted via an increase to the Revaluation Reserve.</p>
	<p>Therefore the Historic Building Valuation of £65.317m may be subject to fluctuations.</p>	
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (ie Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p>	<p>The Council uses Level 2 observable inputs for valuing its investment properties and surplus assets. The inputs are those that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability. Significant changes in any of the observable inputs would result in significantly lower or higher Fair Values.</p>
	<p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p>	
	<p>Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in note 18 below.</p>	

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Impairment allowance for doubtful debt	As of 31 March 2026, the Council has established provisions of £39.499m against its total debt base to reflect the likelihood of being unable to recoup a proportion of the outstanding debt. It is not certain that this provision would be sufficient as the Council cannot assess with certainty which debts will be collected or not.	An understatement of doubtful debts would lead to a future adjustment being required. The Council has established policies for the calculation of impairment allowances, based on the nature of the debt, the service area and historic experience of the collection of debts. If collection rates were to deteriorate then the Council would need to review its policies on the calculation of its bad debt provision.
Pensions liability	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The principal factors affecting the valuation of the pension liability are the discount rate, the inflation rate and the longevity (mortality rate) assumptions. The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in an increase in the net pension asset of £34.711m. However, a 0.25% increase in the inflation assumption is likely to decrease the net pension asset by £18.120m or, should longevity increase by one year, the net pension asset would decrease by £13.343m.

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The value of the net Defined Benefit Pension Liability in the balance sheet is £5.785m, comprising the Local Government Pension Fund Scheme (£5.414m) and a separate net defined pension liability of £0.371m relating to the separate LPFA pension.

In calculating the net pensions asset, the Council has made a judgement that the statutory framework for setting employer's contributions under the Local Government Pension Scheme constitutes a minimum funding requirement. As a result, the Council's ability to realise the full economic benefits of the net pensions asset of £179.528m calculated under the Accounting Code's provisions for post-employment benefits through reductions in future employer's contributions is limited. An asset ceiling therefore applies.

Investment Property Valuations	Investment Properties are measured initially at cost and subsequently at fair value. The Council undertakes a revaluation of all Investment Property every year.	If the asset valuation of all Investment properties were to fall by 1% a reduction in value of £0.474m would arise. This loss in fair value would be posted directly to the CIES. In the current economic climate, the Balance Sheet valuations of £47.368m may be subject to fluctuations.
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Note 5 - Material Items of Income and Expenditure

There are not material items of Income or Expenditure during 2025/26

Note 6 - Events After the Reporting Period

The draft statement of accounts was authorised for issue by the Director of Finance and Corporate Services on 30 June 2026. 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 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Since the Balance Sheet date of 31 March 2026, there have been no material events that would require an adjustment to the financial statements.

Note 7 - Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision-making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and funding analysis adjustments are explained in Note 7.1.

Expenditure and Funding Analysis

2024/25			2025/26		
Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
£'000	£'000	£'000	£'000	£'000	£'000
80,213	(12,997)	67,216	72,169	(1,193)	70,976
4,329	127	4,456	3,085	1,409	4,494
60,418	6,035	66,453	55,230	17,190	72,420
29,292	26,740	56,032	39,311	17,981	57,292
43,543	18,001	61,544	46,216	17,914	64,130
217,795	37,906	255,701	216,011	53,301	269,312
(217,795)	1,313	(216,482)	(216,011)	7,949	(208,062)
-	39,220	39,220	-	61,250	61,250
(14,360)		Opening General Fund Balance	(14,360)		
-		Plus/Less (Surplus) or Deficit on the General Fund Balance for the Year (statutory basis)	-		
(14,360)		Closing General Fund Balance	(14,360)		

7.1 - Notes to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustments (Note 2) £'000	Other Adjustments (Note 3) £'000	Total Adjustments £'000
2025/26				
Adult Social Care and Public Health	1,701	(467)	(2,427)	(1,193)
Chief Executive's Office	1,411	(141)	139	1,409
Children and Education	11,330	(1,413)	7,273	17,190
Finance and Corporate Services	18,721	45	(785)	17,981
Place	23,607	(922)	(4,771)	17,914
Net Cost of Services	56,770	(2,898)	(571)	53,301
Other Income and Expenditure from the Expenditure & Funding Analysis	132	(34)	7,851	7,949
Difference between General Fund Deficit and Comprehensive Income & Expenditure Statement Deficit on the Provision of Services	56,902	(2,932)	7,280	61,250

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1) £'000	Net Change for the Pensions Adjustments (Note 2) £'000	Other Adjustments (Note 3) £'000	Total Adjustments £'000
2024/25				
Adult Social Care and Public Health	1,444	(10)	(14,431)	(12,997)
Chief Executive's Office	240	(3)	(110)	127
Children and Education	9,905	(31)	(3,841)	6,033
Finance and Corporate Services	20,242	829	5,669	26,740
Place	23,796	(20)	(5,775)	18,001
Net Cost of Services	55,627	765	(18,488)	37,904
Other Income and Expenditure from the Expenditure & Funding Analysis	(14,715)	23	16,006	1,314
Difference between General Fund Deficit and Comprehensive Income & Expenditure Statement Deficit on the Provision of Services	40,912	788	(2,482)	39,218

Note 1 - Adjustments for Capital Purposes

Adjustments for capital purposes - this column adds in depreciation, impairment and revaluation gains and losses in the services line adjusted for:

- **Other Operating Expenditure** - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- **Financing and Investment Income and Expenditure** - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- **Taxation and Non-specific Grant Income and Expenditure** - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and non-specific grant income and expenditure line are credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year

Note 2 - Net change for the Pension Adjustments

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

- **for services** - this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs
- **for Financing and Investment Income and Expenditure** - the net interest on the defined benefit liability is charged to the CIES

Note 3 - Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under the statute:

- **for Financing and Investment Income and Expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts

The charge under **Taxation and Non-specific Grant Income and Expenditure** represents the difference between what is chargeable under statutory regulations for Council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

7.2 - Segmental Income - Note 2 to the Expenditure and Funding Analysis

Income received according to the Authority's operating segments analysed

2024/25 £'000	Services	2025/26 £'000
(65,822)	Adult Social Care and Public Health	(71,627)
(195)	Chief Executive's Office	(50)
(150,635)	Children and Education	(173,981)
(39,138)	Finance and Corporate Services	(38,668)
(60,957)	Place	(46,907)
(316,747)	Total Income analysed according to operating segments	(331,233)

Note 8 – Expenditure and Income Analysed by nature**The Council's expenditure and income analysed**

2024/25		2025/26
£'000		£'000
	Expenditure:	
124,554	Employee Benefit expenses	129,611
393,008	Other Service expenses	416,081
52,458	Depreciation, Amortisation and REFCUS (Revenue funded as capital under statute)	54,630
10,224	Interest payments	9,383
343	Precepts and levies	350
8,293	Revaluation losses	995
-	Loss on fair value of investments	127
-	Loss on disposal of assets	23,742
588,880	Total Expenditure	634,918
	Income:	
(61,292)	Fees, charges and other service income	(63,198)
(6,291)	Interest and investment income	(5,481)
(186,987)	Income from Council tax and non-domestic rates	(191,834)
(2,605)	Gain on disposal of assets	(2,076)
(24,011)	Other income non-specific grants	(30,032)
(725)	Revaluation gains	(765)
(87)	Gains on fair value of investments	-
(12,204)	Capital grants and contributions	(12,244)
(255,458)	Government grants and contributions	(268,039)
(549,660)	Total Income	(573,669)
39,221	Deficit on the Provision of Services	61,249

Note 9 - 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 Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2025/26 Adjustments between Accounting Basis and Funding Basis

Adjustments	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Depreciation of Property, Plant and Equipment	(46,809)	-	-	46,809
Revaluation (losses)/gain on Property, Plant and Equipment	(195)	-	-	195
Movements in the market value of Investment Properties	(35)	-	-	35

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Adjustments	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account (cont):				
Amortisation of Intangible Assets	(517)	-	-	517
Deferred income written down	339	-	-	(339)
Reversal of Capital Grants credited to CIES	11,587	-	(11,587)	-
Capital Grants and Contributions Applied	-	-	12,632	(12,632)
Revenue expenditure funded from capital under Statute	(7,339)	-	-	7,339
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	(23,743)	-	-	23,743
Write out of non-current assets - notional loss on academy transfers		-	-	-
Items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Provision for the repayment of debt	6,945	-	-	(6,945)
Capital expenditure charged against the General Fund	2,697	-	-	(2,697)
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	2,076	(2,076)	-	-
Capital Receipts Reserve to finance capital expenditure	-	3,966	-	(3,966)
Capital Receipts Reserve to finance revenue expenditure	(1,911)	1,911		
Adjustment involving the Pooled Investment Fund Adjustment Account:				
Reversal of amounts credited to Comprehensive Income and expenditure account with respect to the fair value of investments	(127)	-	-	127
Adjustments involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds	-	(286)	-	286
Write down of finance lease long term debtors	(22)	-	-	22
Adjustment primarily involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	36	-	-	(36)

London Borough of Bexley Statement of Accounts 2025/26

Adjustments	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustment primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(8,131)	-	-	8,131
Employer's pensions contributions and direct payments to pensioners payable in the year	11,063	-	-	(11,063)
Adjustment primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,289)	-	-	1,289
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	286	-	-	(286)
Adjustment involving the Dedicated Schools Grant Adjustment Account:				
DSG deficit	(6,159)	-	-	6,159
Total Adjustments	(61,246)	3,515	1,044	56,686

2024/25 Adjustments between Accounting Basis and Funding Basis

Adjustments	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Depreciation of Property, Plant and Equipment	(45,928)	-	-	45,928
Revaluation (losses)/gain on Property, Plant and Equipment	(2,431)	-	-	(2,431)
Movements in the market value of Investment Properties	(5,137)	-	-	5,137
Amortisation of Intangible Assets	(490)	-	-	490
Deferred income written down	339	-	-	(339)
Reversal of Capital Grants credited to CIES	11,295	-	(11,295)	-
Capital Grants and Contributions Applied	-	-	19,350	(19,350)
Revenue expenditure funded from capital under Statute	(6,040)	-	-	6,040
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	(4,506)	-	-	4,506
Write out of non-current assets - notional loss on academy transfers				
Items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Provision for the repayment of debt	3,767	-	-	(3,767)
Capital expenditure charged against the General Fund	1,846	-	-	(1,846)
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	7,111	(7,111)	-	-
Capital Receipts Reserve to finance capital expenditure	-	3,169	-	(3,169)
Capital Receipts Reserve to finance revenue expenditure	(738)	738	-	-
Adjustment involving the Pooled Investment fund Adjustment Account:				
Reversal of amounts credited to Comprehensive Income and expenditure account with respect to the fair value of investments	87	-	-	(87)

London Borough of Bexley Statement of Accounts 2025/26

Adjustments	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds	-	(874)	-	874
Write down of finance lease long term debtors	(20)	-	-	20
Adjustment primarily involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements				
	35	-	-	(35)
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement				
	(11,257)	-	-	11,257
Employer's pensions contributions and direct payments to pensioners payable in the year	10,469	-	-	(10,469)
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements				
	1,319	-	-	(1,319)
Adjustment primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements				
	(434)	-	-	434
Total Adjustments	(40,713)	(4,078)	8,055	36,566

Note 10 – General Fund and Earmarked Reserves

This note sets out the amounts set aside from the General Fund and Earmarked Reserve balances to provide financing for future expenditure plans and the movements from Earmarked Reserves to meet General Fund expenditure in 2025/26.

General Fund and Earmarked Reserves	Balance at 31 March 2024	Movements 2024/25	Balance at 31 March 2025	Movements 2025/26	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Financial Planning Reserve (i)	(1,861)	(912)	(2,773)	(3,457)	(6,230)
Collection Fund Reserve (ii)	(18,930)	(7,213)	(26,143)	1,970	(24,173)
Adult Social Care (iii)	(1,961)	(1,649)	(3,610)	(1,979)	(5,589)
Public Health (iv)	(858)	173	(685)	(449)	(1,134)
Insurance Reserve (vi)	(2,724)	(227)	(2,951)	329	(2,622)
Transformation Reserve (viii)	(1,781)	90	(1,691)	139	(1,552)
Revenue grants and contributions unapplied (x)	(482)	(173)	(655)	(80)	(735)
Other Earmarked Reserves (xi)	(1,369)	(277)	(1,646)	150	(1,496)
Subtotal	(29,967)	(10,187)	(40,154)	(3,377)	(43,531)
Schools' Balances (xv)	(2,486)	346	(2,140)	26	(2,114)
Community Infrastructure Levy (CIL) (xvi)	(2,465)	(203)	(2,668)	12	(2,656)
Dedicated Schools Grant (DSG) (xvii)	(11,894)	8,550	(3,344)	3,344	(0)
Total Earmarked Reserves	(46,812)	(1,493)	(48,305)	4	(48,302)
General Fund Balance	(14,360)	-	(14,360)	-	(14,360)
Total General Fund Reserves	(61,172)	(1,493)	(62,665)	4	(62,662)

(i) Financial Planning Reserve - the purpose of this reserve is to provide a resource with which to deal with the uncertainties in the forward financial planning process arising from further reductions in Government grant

(ii) Collection Fund Reserve - to provide a means to manage fluctuations in the amount of income collected through Council Tax and Business Rates

(iii) Adult Social Care - reserves held for Integrated Care Board transformation projects and to fund other Adult Social Care spend

(iv) Public Health - the Financing Reserve exists to deal with unbudgeted variations in financing costs and to finance direct capital expenditure where appropriate

(v) Information Technology Reserve - this will provide for the future upgrade and replacement of personal computers and laptops, infrastructure and software Council-wide

(vi) Insurance Reserve - The Council self-insures for many risks and the Insurance Reserve exists to deal with the infrequent but expensive claims that have to be anticipated as part of such an arrangement

(vii) Reorganisation Reserve - this reserve existed to meet possible redundancy costs in future years but was consolidated into the Financial Planning Reserve

(viii) Transformation Reserve - the Transformation Reserve has been used to finance capital expenditure and to 'pump-prime' a number of projects including those associated with the Council's Value for Money programme. Repayments are made from the revenue budget as savings arise on these projects

(ix) Housing Benefit Smoothing Reserve - this reserve provides a means to manage fluctuations in the amount of income collected through Housing Benefit.

(x) Revenue Grants and Contributions Unapplied - revenue grants and contributions where there are no conditions outstanding, but where there are balances still to be used to finance capital expenditure, are also included in earmarked reserves

(xi) Other Earmarked Reserves - the remaining Council controlled reserves total is largely earmarked against possible future costs such as liabilities for contaminated land, elections and systems development

(xii) BexleyCo Dividend Reserve - reserve consisted of dividend received from BexleyCo in 2022/23, which has been used to support revenue expenditure.

(xiii) Financing Reserve - the Financing Reserve exists to deal with unbudgeted variations in financing costs and to finance direct capital expenditure where appropriate

(xiv) Broadway Shopping Centre Reserve - this reserve was used to fund historic liabilities relating to the Council's interest in the Broadway Shopping Centre.

(xv) Individual Schools Budget - these are the school balances and are maintained on the Council's books as per regulation but are under the direct control of the schools

(xvi) Community Infrastructure Levy (CIL) reserve - this reserve is made up of CIL contributions to be used to fund infrastructure related works

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(xvii) Dedicated Schools Grant - this reserve contains the accumulated surplus on centrally managed budgets funded by the Dedicated Schools Grant. The surplus is calculated disregarding deficits charged to the DSG Adjustment Account under statutory override

Note 11 - Other Operating Expenditure

Other Operating Expenditure includes all levies payable and gains and losses generated from in-year disposals of non-current assets.

2024/25		2025/26
£'000		£'000
342	Levies	350
(2,605)	(Gains)/Losses on the disposal of non-current Assets	21,667
(2,263)	Total	22,017

Note 12 - Financing and Investment Income and Expenditure

2024/25		2025/26
£'000		£'000
10,201	Interest payable and similar charges	9,383
23	Pension Fund - Net interest on the net defined asset	(34)
(3,489)	Interest receivable and similar income	(2,895)
(87)	Financial Assets measured at fair value through Profit and Loss	127
2,336	Income and Expenditure in relation to Investment Properties and their changes in fair value	(2,551)
8,984	Total	4,030

Note 13 - Taxation and Non-Specific Grant Income

This note consolidates all non-specific grants and contributions receivable that cannot be identified to particular service expenditure, and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service-specific. This Note also identifies the Council's proportion of Council Tax and Business Rates used to fund in year business/service activities including those activities within the Business Rate Retention Scheme.

Non-specific grants and contributions receivable

2024/25		2025/26
£'000		£'000
(145,146)	Council Tax Income	(148,994)
(41,841)	Business Rates (Retained Share)	(42,840)
(24,011)	General Government Grants	(30,032)
(12,204)	Capital Grants and Contributions	(12,244)
(223,202)	Total	(234,110)

13.1 Grants and Contributions Credited to Net Cost of Services

Restated 2024/25 £'000	Grant	Service	2025/26 £'000
(8,893)	Adults Social Care Grant	Adults & Public Health	(10,410)
(1,546)	ASC Discharge Funding	Adults & Public Health	-
(13,178)	CCG Better Care Funding	Adults & Public Health	(15,360)
(1,554)	NHS Funding Initiative	Adults & Public Health	(1,538)
(2,023)	NHS Hospital Discharge Funding	Adults & Public Health	-
(11,452)	Public Health Grant	Adults & Public Health	(12,177)
(4,062)	Market Sustainability and Improvement Fund	Adults & Public Health	(4,062)
(1,718)	Asylum Seekers Grant	Children and Education	(1,258)
(8,893)	Children's Social Care Grant	Children and Education	(10,410)
(107,719)	Dedicated Schools Grant	Children and Education	(128,779)
(114)	ESFA Early Years Supplementary	Children and Education	-
(8,325)	Other School Grants	Children and Education	(10,338)
(3,056)	PFI Funding	Children and Education	(2,984)
(1,735)	Pupil Premium	Children and Education	(1,765)
(991)	Supported Families Grant	Children and Education	-
(871)	Universal Infants Free School Meals	Children and Education	(993)
(5,291)	Mayor's Free School Meals	Children and Education	(4,955)
(65)	Covid-19 Grants	Finance and Corporate Services	-
(1,120)	Homes for Ukraine Grants	Finance and Corporate Services	(758)
(3,125)	Household Support Fund Grant	Finance and Corporate Services	(2,314)
(510)	Housing Benefit Admin Grant	Finance and Corporate Services	(515)
(45,238)	Housing Benefits	Finance and Corporate Services	(32,700)
(929)	MOPAC Grants	Place	(920)
(3,565)	Homelessness Prevention Grant	Place	(5,021)
(7,408)	Other Contributions from Health Authorities		(8,488)
(5,923)	Other Contributions		(5,270)
(6,154)	Other Grants		(7,127)
(255,458)	Total Grants and Contributions Credited to the Net Cost of Services		(268,140)

13.2 Grants credited to Taxation and Non-specific Grant Income**General Government Grants**

2024/25 £'000	Grant	2025/26 £'000
(11,880)	Business Rates Relief Grant	(11,812)
(6,616)	Improved Better Care Fund Grant	(8,162)
-	Extended Producer Grant	(3,956)
-	National Insurance Grant	(1,635)
(942)	New Homes Bonus	(54)
(4,304)	Revenue Support Grant	(4,414)
(256)	Services Grant	-
(13)	Other Grants	-
(24,011)	Total	(30,033)

* reclassification during 2025/26

Capital Grants and Contributions

2024/25 £'000	Grant or contribution	2025/26 £'000
(909)	CIL funding	(656)
(479)	Condition Funding/Primary Modernisation	(665)
(1,766)	ESFA SEN Funding	(3,704)
(1,465)	GLA - Good Growth & Getting Building Fund	(499)
(64)	Peabody Funding	(3)
(3,669)	Renovation Grants	(3,938)
(3,040)	Transport for London / Department for Transport	(2,307)
(812)	Other	(472)
(12,204)	Total	(12,244)

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

13.3 Grants Receipts in Advance - Capital

2024/25	Grants, contributions and donations received	2025/26
£'000		£'000
(8,794)	Section 106	(8,615)
(2,967)	Other	(67)
(11,761)	Total	(8,682)

13.4 Grants Receipts in Advance - Revenue

2024/25	Grant, contribution or donation	2025/26
£'000		£'000
(558)	Commuted Sums - Various	(623)
(68)	Empowering Parents, Empowering Communities Grant	-
(660)	Homes For Ukraine Grants	(767)
(1,201)	S38/S278 Developer Contributions	(1,050)
(327)	Rough Sleepers Grant	-
-	Place Community Infrastructure	(2,851)
-	Skills and Resources	(521)
-	HMO Licensing	(709)
-	Planning Performance Agreements	(201)
(30)	Other Grants	(337)
(2,844)	Total	(7,059)

Note 14 - Property, Plant and Equipment

14.1 Movements Excluding Infrastructure

Movements in 2025/26 - Cost

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Heritage Operational Assets	Total Property, Plant and Equipment excl Infrastructure	PPP assets*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation:								
At 1 April 2025	550,355	25,283	11,745	7,447	22,918	28,594	646,342	78,589
Additions	6,132	4,668	180	6	5,940	52	16,978	389
Revaluation (decreases) /increases recognised in the Revaluation Reserve	(2,498)	-	-	(2,077)	-	1,082	(3,493)	951
Revaluation decreases recognised in the Deficit on Provision of Services	(536)	-	-	(2)	-	-	(538)	-
De-recognition - Disposals	(24,592)	(206)	-	(1,820)	-	-	(26,618)	-
De-recognition - Other	-	-	-	-	(663)	-	(663)	-
Assets reclassified	16,736	-	1,586	3,296	(23,927)	-	(2,309)	-
Balance at 31 March 2026	545,597	29,745	13,511	6,850	4,268	29,728	629,699	79,929

Movements in 2025/26 - Depreciation

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Heritage Operational Assets	Total Property, Plant and Equipment excl Infrastructure	PPP assets*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment:								
At 1 April 2025	2,496	15,072	-	1	-	-	17,569	1,513
Depreciation charge	31,199	2,528	-	150	-	-	33,877	6,402
Depreciation written out to the Revaluation Reserve	(27,240)	-	-	(241)	-	-	(27,481)	(6,116)
Depreciation written out to the Deficit on Provision of Services	(568)	-	-	-	-	-	(568)	-
De-recognition - Disposals	(1,281)	(76)	-	-	-	-	(1,357)	-
Assets reclassified	(91)	-	-	91	-	-	-	-
Balance at 31 March 2026	4,515	17,524	-	1	-	-	22,040	1,799
Net Book Value as at 31 March 2026	541,082	12,221	13,511	6,849	4,268	29,728	607,659	78,130
Net Book Value as at 31 March 2025	547,859	10,211	11,745	7,446	22,918	28,594	628,773	77,076

* Leisure centres held under Public Private Partnerships are included within Other Land & Buildings in the note, but are also shown in a separate column for ease of reference.

Movements in 2024/25 - Cost

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Heritage Operational Assets	Total Property, Plant and Equipment excl Infrastructure	PPP assets*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation:								
At 1 April 2024	543,624	23,650	11,372	5,615	10,470	27,628	622,359	79,439
IFRS16 Adjustment	13,824	230	-	-	-	-	14,054	6,289
At 1 April 2024 post IFRS16 Adjustment	557,448	23,880	11,372	5,615	10,470	27,628	636,413	85,728
Additions	4,980	2,363	373	10	12,764	3	20,493	593
Revaluation (decreases) /increases recognised in the Revaluation Reserve	(8,165)	-	-	454	-	963	(6,748)	(7,732)
Revaluation decreases recognised in the Deficit on Provision of Services	(3,057)	-	-	10	-	-	(3,047)	-
De-recognition - Disposals	(1,035)	-	-	-	-	-	(1,035)	-
De-recognition - Other	-	(960)	-	-	-	-	(960)	-
Assets reclassified	182	-	-	1,359	(316)	-	1,225	-
Balance at 31 March 2025	550,355	25,283	11,745	7,447	22,918	28,594	646,341	78,589

Movements in 2024/25 - Depreciation

	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accumulated Depreciation and Impairment:								
At 1 April 2024	240	12,829	-	1	-	-	13,070	1,243
Depreciation charge	29,227	3,202	-	125	-	-	32,554	5,686
Depreciation written out to the Revaluation Reserve	(26,332)	-	-	(125)	-	-	(26,458)	(5,416)
Depreciation written out to the Deficit on Provision of Services	(616)	-	-	-	-	-	(616)	-
De-recognition - Disposals	(23)	-	-	-	-	-	(23)	-
De-recognition - Other	-	(960)	-	-	-	-	(960)	-
Balance at 31 March 2025	2,496	15,072	-	1	-	-	17,569	1,513
Net Book Value as at 31 March 2025	547,859	10,211	11,745	7,446	22,918	28,594	628,772	77,076
Net Book Value as at 31 March 2024	543,384	10,821	11,372	5,614	10,470	27,628	609,288	78,196

* Leisure centres held under Public Private Partnerships are included within Other Land & Buildings in the note, but are also shown in a separate column for ease of reference.

14.2 Movements in Infrastructure

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 paragraph 3(a), the Council has made a choice that where we replace a component of an infrastructure asset, for the purposes of determining the carrying amount to be derecognised in respect of that component we determine the relevant amount as nil. The reason for making this choice, allowable by the above statutory provision, is that in some cases the historic information held on previously recognised infrastructure may not be sufficiently detailed to prove the judgement that the components being replaced are fully depreciation or that any remaining balance would not be material.

In accordance with the temporary relief offered by the 'Update to the Code and Specifications for Future Codes For Infrastructure Assets November 2022' this note does not 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. The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

2024/25 £'000	Movements in 2025/26	2025/26 £'000
144,765	Net Book Value as at 31 March 2025	137,193
5,801	Additions	9,150
-	Assets reclassified	1,866
(13,373)	Depreciation charge	(12,932)
137,193	Net Book Value as at 31 March 2026	135,277

14.3 Net Book Value of Property, Plant & Equipment

31-Mar-25 £'000	Net Book Value as at 31 March	31-Mar-26 £'000
137,193	Infrastructure Assets	135,277
628,773	Other Property, Plant & Equipment	607,659
765,966	Total Property, Plant & Equipment	742,936

Schools

Following the implementation in the 2014/15 Code of IFRS 10, Consolidated Financial Statements, and its implications for schools accounts, the Council reviewed its treatment of school assets, in particular those of voluntary aided schools. The review established that control rested with the relevant Diocesan Boards and that the schools used the assets under licence or other similar arrangements that did not cede any interest in the assets to the schools. As a consequence, voluntary aided schools remain off Balance Sheet.

Depreciation

PPE Assets, other than land, community assets and assets under construction are depreciated over their useful economic lives. Assets are being depreciated using the straight-line method over the following periods:

- other land and buildings 0 to 50 years
- infrastructure up to 40 years
- motor vehicles and equipment up to 10 years

Equipment is depreciated on the basis of its ongoing value to the Council which can range from 1 to 10 years depending on the nature of the equipment.

Capital expenditure does not attract capital charges until the following year. From 1 April 2015 depreciation estimates are based on opening balances.

14.4 Capital Commitments

Significant capital expenditure commitments due after the year-end

2024/25 £'000	Expenditure commitment	2025/26 £'000
1,562	Schools Special Educational Needs Funding	124
514	Erith Regeneration	926
202	Central Townley Library	45
132	Highways Schemes	2,186
371	Housing Disabled Facilities Works	333
-	Thames Road Depot	107
-	Townley Road Public Realm Improvements	102
2,781	Total	3,823

Revaluations

The Council carries out a rolling programme that ensures that all property assets are revalued at their current value over a 5 year period. In addition to the planned revaluation rolling programme, all properties valued at over £1m and any other properties subject to a significant change during the year are revalued. All valuations were carried out by external valuers Wilkes Head and Eve.

All Surplus assets were also revalued to Fair Value, highest and best use in accordance with IFRS 13.

The Valuer has arrived at their opinion of Current Value and Fair Value from referring to recent comparable market transactions and are of the view that there are no assets within the portfolio that should be classed at Level 3 in the Fair Value hierarchy.

For Specialised properties, the Current Value has been derived using Depreciated Replacement Cost methodology.

PPE analysis showing those assets held at cost and those at valuation subdivided by the last revaluation date as of 31 March 2026.

14.5 Balances by valuation date at 31 March 2026

	Other Land and Buildings	Vehicles, Plant & Equip- ment	Infra- structure Assets	Community Assets	Surplus Assets	Assets Under Construction	Heritage Operat- ional Assets	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historic cost	-	12,221	135,277	13,511	-	4,268	-	165,277
Values at fair value as at:								
31-Mar-26	504,961	-	-	-	6,849	-	29,728	541,538
31-Mar-25	31,376	-	-	-	-	-	-	31,376
31-Mar-24	-	-	-	-	-	-	-	-
31-Mar-23	1,321	-	-	-	-	-	-	1,321
31-Mar-22	3,424	-	-	-	-	-	-	3,424
	541,082	12,221	135,277	13,511	6,849	4,268	29,728	742,936

14.6 Assets Held For Sale

2024/25		2025/26
£'000		£'000
11,980	Balance at start of year	7,170
42	Additions	27
-	Assets newly classified as held for sale – Property, Plant & Equipment	603
-	Assets newly classified as held for sale – Investment Property	-
-	Revaluation gains	-
-	Revaluation losses	(28)
(3,493)	Assets sold	(437)
(1,359)	Assets reclassified	-
7,170	Balance at end of year	7,335

Note 15 - Heritage Assets**Reconciliation of the Carrying Value of Heritage Assets held by the Council**

Cost or valuation	Art Collection £'000	Civic Regalia £'000	Monuments £'000	Heritage Land £'000	Heritage Buildings £'000	Total Assets £'000
At 1 April 2025	814	626	486	-	34,232	36,158
Additions	-	-	-	-	146	146
Transfers	-	-	-	-	-	-
Revaluations	41	31	-	-	1,211	1,283
Balance at 31 March 2026	855	657	486	-	35,589	37,587

Cost or valuation	Art Collection £'000	Civic Regalia £'000	Monuments £'000	Heritage Land £'000	Heritage Buildings £'000	Total Assets £'000
At 1 April 2024	814	626	486	-	33,075	35,001
Additions	-	-	-	-	131	131
Transfers	-	-	-	-	-	-
Revaluations	-	-	-	-	1,026	1,026
Balance at 31 March 2025	814	626	486	-	34,232	36,158

Museum Collection

Approximately 21,000 items within the Council's museum collection have been valued for insurance purposes and reported in the Balance Sheet. The insurance valuation is updated annually.

Historic Buildings

The Council owns two Grade 1 listed historic buildings, Danson House and Hall Place. These buildings are valued on a replacement cost basis. Due to their specialist nature, the assessment of their replacement cost is undertaken by a specialist consultant on a three yearly cycle, the last assessment being in March 2024. This year an external valuer called BCH carried out a major review assessment.

Danson House is currently being used by the Registrar Service and so is classified as an Operational Heritage Asset and its value included within Operational Property, Plant and Equipment (note 14).

Historic Structures and Monuments

The Council owns two Grade 2 listed clocktowers in Bexley Heath and Crayford. These buildings are valued regularly on a replacement cost basis.

Five Arches Bridge is also owned by the Council, this structure is all that remains of the Foots Cray Estate and has historical significance. It is valued on a replacement cost basis.

War Memorials

There are eleven war memorials located across the borough. In addition, a memorial dedicated to the victims of an explosion at a local munitions factory in January 1924 is located at Erith Cemetery. The memorials are located in public spaces and are therefore accessible all year round.

The asset management of highways and parks structures which includes Crayford and Bexleyheath Clock Towers, Five Arches Bridge, Lesnes Abbey Ruins and the Council's War Memorials, is the responsibility of the Deputy Director of Neighbourhoods. All capitalised building maintenance budgets are the responsibility of the Director of Finance and Corporate Services. Priority criteria for works are reviewed and set each year to develop a programme of work targeting those assets most in need. The proposed work schedule is reported to the Cabinet Member for Resources for approval.

Civic Regalia

The Civic Regalia Collection has been valued for insurance purposes and reported in the Balance Sheet. The Member Services Manager and Scrutiny Lead is responsible for the upkeep of the Council's Civic regalia. Repairs are undertaken on an ad-hoc basis as and when necessary and expenditure incurred would be charged to the Comprehensive Income and Expenditure Statement. The Council's Civic Regalia is displayed at the Civic Offices, 2 Watling Street, Bexleyheath DA6 7AT.

Local Studies and Archive Centre

The Council's local studies and archives collection forms a diverse mix of historical and cultural documents and includes newspapers from 1873 to the present; unique photographs, postcards and illustrations; books and journals on all aspects of Bexley, Kent and London; pamphlets; posters; local maps and plans from around the 18th Century to present; street and trade Directories and south-east London telephone directories from 1940 onwards.

Note 16 - 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.

Investment Properties income and expense

2024/25 £'000		2025/26 £'000
(2,802)	Rental Income from Investment Property	(2,586)
737	Net losses from Fair Value adjustments	35
-	Direct Operating Expenses arising from Investment Property	-
(2,064)	Net (gain)/loss in the Cost of Services in the CIES	(2,551)

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

The following table summarises the movement in the Fair Value of investment properties over the year.

Movement in the Fair Value of investment properties

2024/25 £'000		2025/26 £'000
52,595	Balance at start of year 1 April	47,561
(30)	Additions - Subsequent expenditure	-
-	Disposals	-
(5,137)	Net losses from Fair Value Adjustments	(35)
	Transfers from Property, Plant and Equipment	
134	Transfers to Assets Held for Sale	(159)
47,561	Balance at end of year 31 March	47,368

Where an asset is valued to Fair Value, IFRS 13 requires the valuer to make additional disclosures regarding the valuation technique applied to measure the Fair Value and the nature of the inputs to that valuation technique, having regard to the Fair Value hierarchy prescribed within IFRS13.

It is confirmed that the valuation technique applied in respect of all Fair Value figures is the market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

The inputs to this technique constitute Level 2 inputs in each instance. Level 2 inputs are inputs observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

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

16.2 - Fair Value Hierarchy of Investment Properties

IFRS Fair Value Hierarchy Levels 2025/26

	Fair Value £'000	Land £'000	Buildings £'000
1. Quoted prices in active markets for identical assets	-	-	-
2. Inputs other than quoted market prices included within Level 1 that are observable for the asset	47,368	19,287	28,081
3. Unobservable inputs for the asset	-	-	-
Balance at end of year 31 March	47,368	19,287	28,081

IFRS Fair Value Hierarchy Levels 2024/25

	Fair Value £'000	Land £'000	Buildings £'000
1. Quoted prices in active markets for identical assets	-	-	-
2. Inputs other than quoted market prices included within Level 1 that are observable for the asset	47,561	19,284	28,277
3. Unobservable inputs for the asset	-	-	-
Balance at end of year 31 March	47,561	19,284	28,277

Note 17 - Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The carrying amount of intangible assets includes both purchased licences and internally generated software and is amortised on a straight-line basis.

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

Software Intangible Assets

2024/25 £'000		2025/26 £'000
	Balance at start of year:	
5,251	Gross Carrying Amounts	5,605
(4,086)	Accumulated amortisation	(4,576)
1,165	Net carrying amount at start of year	1,029
-	Internal development	-
355	Purchases	103
(490)	Amortisation for the period	(517)
-	Other changes	-
1,029	Net carrying amount at end of year	615
	Comprising:	
5,605	Gross Carrying Amounts	5,708
(4,576)	Accumulated Amortisation	(5,093)
1,029	Total	615

Note 18 - Financial Instruments

Accounting regulations require the “financial instruments” (investment, lending and borrowing of the Council) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of “financial instruments”.

Level 1 are those where the Fair Values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. These are reported at amortised cost.

Level 2 are those other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. They are reported at Fair Value through profit and loss.

Level 3 unobservable inputs for the asset or liability.

18.1 Financial Instruments - Balances

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

Financial Assets

31-Mar-25				31-Mar-26		
Long Term	Current	Total	Category of Financial Instrument	Long Term	Current	Total
£'000	£'000	£'000	Financial Assets	£'000	£'000	£'000
12,845	-	12,845	Amortised Cost - Level 2	15,553	-	15,553
-	141	141	Current value through profit and loss - Level 2	-	177	177
5,239	77	5,315	Current value through profit and loss - Level 1	4,524	209	4,733
18,084	218	18,302	Total Investments	20,077	386	20,463
8,230	30,422	38,652	Debtors - Level 1	7,534	32,815	40,349
-	16,350	16,350	Cash and Cash Equivalents - Level 1	-	7,870	7,870
26,314	46,990	73,304	Total Financial Assets	27,611	41,071	68,682

Financial Liabilities

31-Mar-25				31-Mar-26		
Long Term	Current	Total	Financial Liabilities	Long Term	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
(224,323)	(6,740)	(231,063)	Amortised Cost - Level 1	(223,338)	(26,806)	(250,144)
(27,413)	(2,399)	(29,812)	PFI and Finance Lease Liabilities - Level 2	(23,459)	(2,751)	(26,210)
(3,174)	(17,169)	(20,343)	Creditors - Level 1	(2,879)	(31,922)	(34,801)
-	(2,713)	(2,713)	Cash and Cash Equivalents Overdrawn - Level 1	-	-	-
(254,910)	(29,021)	(283,931)	Total Financial Liabilities	(249,676)	(61,479)	(311,155)

18.2 Financial Assets and Liabilities that are carried at Amortised cost for which Fair Value disclosures are required

Financial Liabilities

31-Mar-25			31-Mar-26	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
230,615	159,554	Financial Liabilities	249,584	173,912
26,043	26,043	PFI and Finance Lease Liabilities	23,644	23,644
2,713	2,713	Cash and Cash Equivalents Overdrawn	-	-
259,371	188,310		273,228	197,556

The fair value of £174m is measured at the premature repayment rate. For other financial liabilities carried at amortised cost, carrying value are deemed to equate to their fair value.

Financial Assets

31-Mar-25			31-Mar-26	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
16,350	16,350	Cash and Cash Equivalents (MMF)	5,500	5,500

For other financial assets carried at amortised cost, carrying values are deemed to equate to their fair value.

18.3 - Categories of Financial Assets and Liabilities

Financial Assets

31-Mar-25					31-Mar-26					
Investments		Debtors and Cash			Financial Assets	Investments		Debtors and Cash		Total
Non-Current	Current	Non-Current	Current	Total		Non-Current	Current	Non-Current	Current	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5,239	218	-	-	5,457	Fair value through profit and loss	4,524	386	-	-	4,910
12,845	-	8,230	49,118	70,193	Amortised Cost	15,553	-	7,534	40,685	63,772
18,084	218	8,230	49,118	75,650	Total Financial Assets	20,077	386	7,534	40,685	68,682

Financial Liabilities

31-Mar-25					31-Mar-26					
Borrowing		Creditors*			Financial Liabilities	Borrowing		Creditors*		Total
Non-Current	Current	Non-Current	Current	Total		Non-Current	Current	Non-Current	Current	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(224,323)	(6,740)	(30,587)	(24,627)	(286,276)	Amortised Cost	(223,338)	(26,806)	(26,338)	(34,673)	(311,155)
(224,323)	(6,740)	(30,587)	(24,627)	(286,276)	Total Financial Liabilities	(223,338)	(26,806)	(26,338)	(34,673)	(311,155)

This note shows the adjustments made to impairment loss allowances as a result of the reclassification of financial assets and the change from the incurred losses model for calculations.

* Creditors figure in the above table (and in the Balance Sheet) include the PFI and Finance Lease liabilities that are shown separately from the rest of the creditors in the table in note 18.1. They are separated in note 18.1 because they fall into different categories of financial instrument (level 1 and level 2).

18.4 - Comprehensive Income and Expenditure Statement disclosures

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up of the following:

Surplus or Deficit on the Provision of Services 2024/25 £'000	Net gains/losses	Surplus or Deficit on the Provision of Services 2025/26 £'000
(87)	Financial assets measured at fair value through profit or loss - unrealised loss	127
(87)	Total net gains/losses	127

The in-year unrealised gain (£0.127m) resulted from the revaluation of the property pooled funds. The revenue impact of unrealised gains/losses is transferred out of the Comprehensive Income and Expenditure Statement and held in the Pooled Investment Fund Adjustment Account, in accordance with the IFRS9 statutory override.

2024/25 £'000	Interest revenue	2025/26 £'000
(3,347)	Financial assets measured at amortised cost	(1,407)
-	Other financial assets measured at fair value through other comprehensive income	-
(3,347)	Total	(1,407)

18.5 Nature and extent of risks arising from Financial Instruments

Bexley Council is a Council defined by the Local Government Act 1972 as primarily providing statutory services to the local population on a not-for-profit basis. As such, few financial instruments are used by way of commercial business. However, the funding mechanism means that during the year, the Council may hold substantial assets and liabilities. The Council uses financial instruments to manage the risks arising from holding assets and liabilities; it does not use financial instruments for trading or speculative purposes.

The main risks covered are:

Credit Risk - the possibility that other parties might fail to pay amounts due to the Council

Liquidity Risk - the possibility that the Council might not have funds available to meet its commitments to make payments

Market Risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements

Re-financing risk - the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework as described within the Local Government Act 2003 and the associated regulations.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are only made with financial institutions that meet identified minimum credit criteria. The Annual Investment Strategy also imposes a maximum sum that may be invested with a financial institution/group. The Council has adopted the CIPFA Treasury Management Code of Practice.

The Council's Treasury Management Strategy specifies that the two principles that underpin the Council's Investment Strategy are that:

- investments should be restricted to relatively low-risk securities which do not suffer from significant changes in their capital value, and
- a balance should be sought between investment in securities that yield a variable or a fixed rate of interest. This provides an element of diversification in the Council's investment portfolio and reduces the impact of changes in interest rates on the Council's interest earnings

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Short-term core cash was invested for periods of up to one year. No new long term investments were made during the year. The remaining investments met the Council's approved lending criteria as laid out in its Treasury Management Strategy. The portfolio consists of longer-term investments in pooled property funds. The pooled investment vehicles (which do not have credit ratings) are part of the Council's longer-term investment strategy with the potential to earn higher returns than in fixed-term deposits. Fluctuations in the net asset value are expected over the life of these investments but the impact of the IFRS 9 Statutory override in 2020/21 means that they did not affect revenue. Current changes in capital value are not material and changing trends are currently being monitored by Bexley treasury management staff in consultation with the Council's financial advisors, Link Asset Services.

The following analysis summarises the Council's potential maximum exposure to credit risk on loans, based on the 12-month loss model.

Maximum

31-Mar-25 £'000		31-Mar-26 £'000
2,983	Opening Balance	7,258
4,275	+ New loans granted	5,782
-	- Loans repaid	(2,800)
-	Balance carried forward	-
7,258	Nominal value of loans	10,240

No credit limits were exceeded during the financial year and the council expects full repayment on the due date of deposits placed with its counterparts.

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

The Council sets limits on the proportion of its fixed-rate borrowing during specified periods. The strategy is to ensure that not more than 15% of loans are due to mature within any one year through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments.

The maturity analysis of financial liabilities (at nominal value) - Loans outstanding

31-Mar-25 £'000	Loans outstanding	31-Mar-26 £'000
230,615	PWLB	224,584
0	Temporary loans from other Councils	25,000
230,615	Total	249,584

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The maturity analysis of financial liabilities (at nominal value) - Maturity Profile

31-Mar-25 £'000	Maturity Profile	31-Mar-26 £'000
6,031	Less than 1 year	28,016
3,016	Maturing between 1 and 2 years	7,000
21,000	Maturing between 2 and 5 years	19,000
19,268	Maturing between 5 and 10 years	16,268
14,500	Maturing between 10 and 15 years	12,500
0	Maturing between 15 and 20 years	-
12,000	Maturing between 20 and 25 years	17,000
35,800	Maturing between 25 and 30 years	39,300
42,500	Maturing between 30 and 35 years	42,500
42,500	Maturing between 35 and 40 years	42,500
34,000	Maturing between 40 and 45 years	25,500
0	Maturing over 45 years	-
230,615	Total	249,584

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Market Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in 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 liabilities borrowings will fall (no impact on revenue balances)
- investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise (no impact on revenue balances)

Borrowings are not carried at fair value, so nominal gains and losses on fixed-rate borrowings would not impact on the Income and Expenditure Account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and affect the General Fund Balance.

The Council has a number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed-rate loans will be repaid early to limit exposure to losses. The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

Market risk

31-Mar-25 £'000		31-Mar-26 £'000
-	Increase in interest payable on variable rate debt	-
-	Increase in interest receivable on variable rate investments	-
-	Net Impact on Comprehensive Income and Expenditure - Gain	-
-	Decrease in fair value of loans and receivables	-
(31,126)	Decrease in fair value of fixed-rate borrowings liabilities	(10,642)

Foreign exchange risk

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

Note 19 - Inventories

2024/25 £'000		2025/26 £'000
3,814	Balance outstanding at start of year	3,981
768	Purchases	683
(601)	Recognised as expense in year	(607)
3,981	Balance outstanding at year end	4,057

Note 20 - Debtors**20.1 Short Term Debtors**

31-Mar-25 £'000		2025/26 £'000
57,959	Trade receivables	50,201
5,425	Prepayments	6,124
13,650	Other receivable amounts	18,940
77,035	Total Short Term Debtors	75,265

The total short term debtors is shown net of impairment loss provision of £36.474m (2024/25 £39.499m).

20.2 Long Term Debtors

31-Mar-25 £'000		31-Mar-26 £'000
2,533	BexleyCo	2,533
2,915	Finance Leases	2,869
759	Long Term Prepayments	400
450	Mortgages	445
-	Schools PFI Prepayment	-
450	Thames Innovation Centre	450
1,066	Waste Fleet Debtor	780
57	Other Long-Term Debtors	57
8,230	Total Long Term Debtors	7,534

Note 21 - Cash and Cash Equivalents

Cash comprises cash in hand and on-demand deposits. Cash will also include bank overdrafts that are repayable on demand and that are integral to the Council's cash management.

Balances classified as 'Cash Equivalents' fit the definition of being short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Council holds a total of £5.343m under appointeeship or deputyship accounts.

The net balance of Cash and Cash Equivalents is made up of the following elements:

31-Mar-25 £'000		31-Mar-26 £'000
(2,713)	Bank Current Accounts	2,370
16,350	Short term deposits with Building Societies	5,500
13,637	Total Cash and Cash Equivalents	7,870

Note 22 - Short Term Creditors

31-Mar-25 £'000		31-Mar-26 £'000
(16,809)	Trade Payables	(27,598)
(34,520)	Other Payables	(18,823)
(51,329)	Total Short Term Creditors	(46,421)

Note 23 - Provisions

Provisions are amounts set aside to meet future material liabilities of uncertain timing and amount.

Non-Current Provisions

	Insurance	Business Rate Appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2025	1,104	-	-	1,104
Increase/(decrease) in provision	391	-	-	391
Utilised during year	(2)	-	-	(2)
Balance at 31 March 2026	1,493	-	-	1,493

Current Provisions

	Insurance	Business Rate Appeals	Other	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2025	466	2,847	762	4,075
Increase in provision	346	1,958	(391)	1,913
Utilised during year	(406)	(1,854)	-	(2,260)
Closing Balance at 31 March 2026	406	2,951	371	3,728

Insurance Provision

The Council operates an Insurance Provision which is funded from contributions from revenue accounts and is used to pay claims which fall below the excess. At the end of each year, an estimate of the outstanding claims is made and the balance on the Insurance Provision is set at that level. All excess payments under a particular category each year are totalled and if they exceed a 'stop loss', then all further claims are met in full by external insurance. There are four main areas of risk as follows:

Areas of risk

Risk	Excess £m	Stop Loss £m
Fire - Education properties	0.250	1.000
Fire - Other properties	0.100	0.400
Liability	0.125	1.250
Motor	0.025	0.100

Business Rates Appeals

Bexley, as a billing authority, is required to make provision for refunding ratepayers who have successfully appealed against the rateable value on their properties. This will include amounts relating to non-domestic rates charged to businesses in 2025/26 and earlier financial years. Assets and liabilities relating to business rates are shared between the Government, Bexley and the Greater London Authority. The provision shown above is the Council's share of the total amount.

Note 24 - Usable Reserves

The Council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans. Reserves are reviewed as part of the budget process together with the Council's agreed reserves policy in accordance with s.23 of the Local Government Act 2003.

Movements in the Council's Usable reserves are detailed in the Movement in Reserves Statement. Unusable reserves are further detailed in Note 25. Earmarked reserves are detailed in Note 10.

2024/25 £'000		Note	2025/26 £'000
(14,360)	General Fund	10	(14,360)
(48,305)	Earmarked Reserves	10	(48,302)
(5,122)	Capital Receipts Reserve		(1,608)
(16,114)	Capital Grants Unapplied		(15,068)
(83,901)	Total Usable Reserves		(79,338)

Note 24a - Usable Capital Receipts Reserve

The capital receipts are income from the sale of long-term assets and repayments of capital advances.

2024/25		2025/26
£'000		£'000
(1,044)	Balance 1 April	(5,122)
(874)	Transfer from Deferred Capital Receipts	(286)
(7,111)	Sale of other land and building	(2,076)
(9,029)	Total Receipts In Year	(7,485)
738	Capital receipts used for revenue financing	1,911
3,169	Capital receipts used for capital financing	3,966
(5,122)	Balance 31 March	(1,607)

Note 24b - Capital Grants Unapplied

The Capital Grants Unapplied Account holds the grants and contributions received that have not yet been utilised on the capital projects to which they relate. The grants are not assumed to have any conditions attached that would trigger a repayment to the original provider.

2024/25		2025/26
£'000		£'000
(24,169)	Balance 1 April	(16,114)
(11,295)	Add grants and contributions received	(11,587)
	Less grants and contributions repaid	
19,350	Less grants and contributions applied	12,632
(16,114)	Balance 31 March	(15,070)

Note 25 - Unusable Reserves

31-Mar-25 £'000	Note	31-Mar-26 £'000
(414,099)	Revaluation Reserve	25.1 (415,235)
(167,693)	Capital Adjustment Account	25.2 (139,969)
1,085	Financial Instruments Adjustment Account	25.3 1,049
(4,193)	Deferred Capital Receipts Reserve	25.4 (3,884)
5,347	Pension Reserve	25.5 5,785
1,550	Collection Fund Adjustment Account	25.6 2,838
2,604	Accumulated Absences Account	25.7 2,318
16,335	Dedicated Schools Grant Adjustment Account	25.8 22,495
2,463	Pooled Investment Fund Adjustment Account	25.9 2,590
(556,601)	Total	(522,013)

25.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Heritage 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 gains are consumed through depreciation or
- disposed of and the gains are realised

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

2024/25 £'000	Revaluation Reserve	2025/26 £'000
(413,512)	Balance at 1 April	(414,099)
(20,736)	Upward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(25,469)
19,360	Difference between fair value depreciation and historical cost depreciation	20,989
789	Accumulated gains on assets sold or scrapped	3,344
(414,099)	Balance at 31 March	(415,235)

25.2 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. The Account is credited with the amounts set aside by the Council 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 Council.

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2024/25 £'000	Capital Adjustment Account	2025/26 £'000
(183,606)	Balance at 1 April	(167,694)
45,928	Charges for depreciation of non-current assets	46,809
2,431	Revaluation (gains)/losses on non-current assets	195
490	Amortisation of intangible assets	517
(339)	Deferred income written down	(339)
6,040	Revenue expenditure funded from capital under statute	7,339
4,506	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	23,743
59,056	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	78,264
(20,149)	Adjusting Amounts written out of the Revaluation Reserve	(24,333)
38,907	Net written out amount of the cost of non-current assets consumed in the year	53,931
	Capital financing applied in the year:	
(3,169)	Use of Capital Receipts Reserve to finance new capital expenditure	(3,966)
(6,771)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(5,378)
(12,579)	Application of grants to capital financing from the Capital Grants Unapplied Account	(7,254)
(3,767)	Provision for the financing of capital investment charged against the General Fund	(6,945)
(1,846)	Capital expenditure charged against the General Fund	(2,697)
(28,132)	Capital financing applied in year	(26,240)
5,137	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	35
(167,694)	Balance at 31 March	(139,968)

25.3 Financial Instrument Adjustment Account

The Financial Instruments Adjustment Account (FIAA) absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

Premiums and Discounts

The Code requires that, unless directly attributable to a loan held on 31 March 2007, all premiums and discounts carried on the balance sheet be written off to the General Fund balance at 1 April 2007. * Statutory regulations allow for the impact on council tax to be mitigated through a transfer to the Financial Instruments Adjustment Account. The balance of premiums and discounts is amortised to revenue in line with the provisions set down in the Council's accounting policies.

*The Code requires that premiums and discounts arising from debt restructuring on or after 1 April 2007 are charged to the General Fund. Exceptions are permitted where they meet the modification criteria prescribed in the Code. In these instances, they are valued at the carrying value of the new loan and amortised over the remaining period via the effective interest rate.

Soft Loans

The Code also requires that where the Council has provided loans at less than market rates, these should be accounted for on a fair value basis. The difference between the fair value and loan amount is accounted for as an immediate charge to the Comprehensive Income and Expenditure Statement and the impact to be mitigated through a transfer to the FIAA via the Movement in Reserves Statement. The fair value increases over the period of the loan and the annual impact is neutralised by writing down the balance to the General Fund balance by a transfer from the FIAA via the MIRS.

Stepped Interest Loans

Under the Code, where the Council has taken out loans with a stepped interest structure, the interest charged to the Comprehensive Income and Expenditure Statement is at the effective interest rate over the period of the loan. However, for stepped loans taken out before 9 November 2007, regulations permit authorities to charge interest to the General Fund balance at either:

- a) The effective interest rate or
- a) The interest rate due for the financial year under the loan agreement

Where the latter option is applied, the difference between the interest chargeable at the effective interest rate is transferred from the General Fund balance to the Financial Instruments Adjustment Account via the Movement in Reserves Statement and released back to the General Fund balance for

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The transactions reflected in the FIAA are as follows:

2024/25 £'000	Financial Instrument Adjustment Account	2025/26 £'000
1,120	Balance at 1 April	1,085
(35)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(36)
1,085	Balance at 31 March	1,049

25.4 Deferred Capital Receipts Reserve

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

2024/25 £'000	Deferred Capital Receipts Reserve	2025/26 £'000
(5,087)	Balance at 1 April	(4,193)
-	Transfer of Deferred sale proceeds	-
874	Transfer to the Capital Receipt Reserve	286
20	Write down of finance Lease Long Term Debtor	22
(4,193)	Balance at 31 March	(3,884)

25.5 Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the 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 Council 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 Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

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2024/25 £'000	Pension Reserve	2025/26 £'000
6,090	Balance at 1 April	5,347
(1,531)	Actuarial gains on pensions assets and liabilities	3,370
11,257	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	8,131
(10,469)	Employer's pensions contributions and direct payments to pensioners payable in the year	(11,063)
5,347	Balance at 31 March	5,785

25.6 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2024/25 £'000	Collection Fund Adjustment Account	2024/25 £'000
2,868	Balance at 1 April	1,549
(1,319)	Amount by which council tax and non-domestic rates income credited 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	1,289
1,549	Balance at 31 March	2,838

25.7 Accumulated Absences Account

The Accumulated Absences Account absorbs the difference 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 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £'000	Accumulated Absences Account	2025/26 £'000
2,170	Balance at 1 April	2,604
(2,170)	Settlement or cancellation of accrual made at the end of the preceding year	(2,604)
2,604	Amounts accrued at the end of the current year	2,318
2,604	Balance at 31 March	2,318

25.8 DSG Adjustment Account

The DSG Adjustment Account holds accumulated deficits relating to the schools budget since 1 April 2020.

2024/25 £'000	DSG Adjustment Account	2025/26 £'000
16,335	Balance at 1 April	16,335
-	Reporting of Schools Budget Deficit to new Adjustment Account	-
-	Amount by which school budgets have increased the deficit	6,160
16,335	Balance at 31 March	22,495

25.9 Pooled Investment Fund Adjustment Account

2024/25 £'000	Pooled Investment Fund Adjustment Account	2025/26 £'000
2,550	Balance at 1 April	2,463
(87)	Reversal of amounts credited to Comprehensive Income and Expenditure account with respect to fair value of investments	127
2,463	Balance at 31 March	2,590

Note 26 - Cash Flow Statement - Operating Activities

To arrive at the net cash flows from operating activities, the cash flow statement takes the surplus or deficit on provision of services and adjusts for non-cash movements and for items that are investing or financing activities.

The adjustments for non-cash movements are as follows:

2024/25 £'000		2025/26 £'000
45,928	Depreciation	46,809
2,431	Impairment and downward valuations	519
490	Amortisation	517
-	Increase in impairment for bad long-term debts	-
2,338	Increase / (Decrease) in creditors	(295)
(8,679)	(Increase) / Decrease in debtors	4,351
(167)	Increase in inventories	(76)
788	Movement in pension liability	(2,932)
4,506	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	23,743
5,137	Movement in fair value of investment properties	35
44	Other non-cash items charged to the net surplus or deficit on the provision of services	366
52,816	Totals	73,036

The adjustments for items that are investing and financing activities are as follows:

2024/25 £'000		2025/26 £'000
-	Proceeds from long-term investments	-
(7,111)	Proceeds from Sale of PPE, Investment Property and Intangibles	(2,076)
-	Movements on Financial Instruments - Pooled Investment Funds	-
(11,267)	Any other items for which cash effects are investing or financing cash flows	(11,557)
(18,378)	Totals	(13,634)

Note 27 - Cash Flow Statement - Investing Activities

2024/25 £'000		2025/26 £'000
(25,039)	Purchase of Property Plant and Equipment, Investment Property and Intangible assets	(26,928)
(3,271)	Purchase of short-term and long-term investments	(2,708)
(4,354)	Other payments for investing activities	(5,945)
7,985	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,363
5,303	Proceeds from short-term and long-term investments	588
16,273	Other receipts from investing activities	14,924
(3,104)	Net cash flows from investing activities	(17,707)

Note 28 - Cash Flow Statement - Financing Activities

2024/25		2025/26
£'000		£'000
20,029	Cash receipts of short- and long-term borrowing	25,030
(955)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(3,233)
(12,731)	Repayments of short- and long-term borrowing	(6,031)
(6,786)	Other payments for financing activities	(1,980)
(443)	Net cash flows from financing activities	13,786

Note 29 - Pooled Budgets

The Council operated pooled funds with Bexley NHS Clinical Commissioning Group (CCG) to support the integration of health and social care services. The funds were administered under an agreement based on Section 75 of the National Health Service Act 2006. Contributions from the parties and expenditure and income for the year are summarised below.

Under the terms of the new Section 75 agreement approved in 2021/22, the former separate pooled funds for Mental Health, Learning Disability and Community Equipment are now subsumed into one Better Care Fund Pooled Fund, as reflected in the summary below. The London Borough of Bexley was the host for the Better Care Pooled Fund. Each party accounted for its own transactions.

Better Care Fund

2024/25 £'000		2025/26 £'000
2,572	Disabled Facilities Grant	4,199
6,616	Improved Better Care Fund	8,162
-	Winter Funding	-
23,660	LB Bexley additional contribution	23,660
20,604	NHS Bexley CCG minimum contribution	22,953
28,409	NHS Bexley CCG additional contribution	32,810
81,861	Gross Income	91,784
1,394	Balance brought forward 1 April	3,561
83,255	Total Resource available	95,345
3,234	Disabled Facilities Grant	4,064
6,616	Improved Better Care Fund	8,162
-	Winter Funding	-
23,660	LB Bexley additional contribution	23,660
20,604	NHS Bexley CCG minimum contribution	22,953
28,409	NHS Bexley CCG additional contribution	32,810
82,523	Gross Expenditure	91,649
-2,167	ICB Net Spend:	(1,826)
3,561	Unused Improved Better Care Fund carried forward 31 March	5,387

Note 30 - Members' Allowances

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

2024/25		2025/26
£'000		£'000
723	Allowances	717
-	Expenses	-
723	Totals	717

Note 31 - External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services, provided by the Council's External Auditors Ernst and Young LLP.

2024/25		2025/26
£'000		£'000
397	Fees payable to Ernst and Young with regard to Audit Services	408
48	Fees payable to external auditors for the certification of grant claims and returns during the year	55
445	Totals	463

Note 32 - Officers' Remuneration

Note 32.1 Senior Officers' Remuneration

Senior officers with a salary of more than £150,000 are required to be disclosed by name and title; those with a salary of less than £150,000 are disclosed by title only. For Bexley, the senior officers disclosed below are the Corporate Leadership Team, the Director of Public Health and the statutory Monitoring Officer - in Bexley, this is the Deputy Director of Corporate Services.

The remuneration paid to the Council's Senior Employees in 2025/26

Post Holder information	Year	Salary, fees & allowances	Election Expenses	Total Remuneration excluding Pension Contributions	Pension Contributions	Totals
		£	£	£	£	£
Chief Executive - Paul Thorogood	2025/26	220,439	1,754	222,193	32,984	255,177
Director of Adult Social Care & Health - Yolanda Dennehy	2025/26	176,549	-	176,549	26,659	203,208
Director of Children's Services - Stephen Kitchman	2025/26	198,614	-	198,614	29,991	228,605
Director of Place - Matthew Norwell	2025/26	195,506	-	195,506	29,521	225,027
Director of Finance and Corporate Services - Ross Brown	2025/26	189,140	-	189,140	28,560	217,700
Director of Public Health - Nicole Klynman	2025/26	138,067	-	138,067	20,848	158,915
Head of Legal Services (Monitoring Officer) To Feb 2026 - Patricia Narebor	2025/26	217,064	-	217,064	16,942	234,006
Head of Legal Services (Monitoring Officer) From Feb 2026	2025/26	15,149	-	15,149	2,288	17,437
Interim Head of Risk and Assurance - to Jun 2026	2025/26	57,902	-	57,902	-	57,902
Head of Communications and Marketing	2025/26	62,385	-	62,385	9,420	71,805
Head of Strategy & Performance	2025/26	70,888	-	70,888	10,704	81,592
Deputy Director Transformation From Aug 2025	2025/26	87,327	-	87,327	13,186	100,513
Totals	2025/26	1,629,030	1,754	1,630,783	221,103	1,851,886

The remuneration paid to Council's Senior Employees in 2024/25

Deputy Director Transformation	Year	Salary, fees & allowances	Election Expenses	Total Remuneration excluding Pension Contributions	Pension Contributions	Totals
Chief Executive - Paul Thorogood	2024/25	206,374	11,263	217,637	30,861	248,498
Director of Adult Social Care & Health - Yolanda Dennehy	2024/25	166,326	-	166,326	25,115	191,441
Director of Children's Services - Stephen Kitchman	2024/25	192,776	-	192,776	29,109	221,885
Director of Place - Matthew Norwell	2024/25	180,553	1,563	182,116	27,263	209,379
Director of Public Health - Nicole Klynman	2024/25	134,008	-	134,008	20,235	154,243
Interim Director of Finance and Corporate Services to Feb25 - Caroline Holland	2024/25	189,415	1,569	190,984	-	190,984
Finance Consultant - From Feb 2025	2024/25	32,060	-	32,060	-	32,060
Director of Finance and Corporate Services from Feb 2025 - Ross Brown	2024/25	21,989	-	21,989	3,320	25,309
Deputy Director of Legal and Democratic Services (Monitoring Officer) - Patricia Narebor	2024/25	134,736	2,550	137,286	20,345	157,631
Interim Head of Risk and Assurance - Kate Brunning	2024/25	173,272	-	173,272	0.40	173,272
Head of Communications and Marketing	2024/25	67,670	1,369	69,039	10,218	79,257
Head of Strategy & Performance	2024/25	60,550	1,369	61,919	9,143	71,062
Totals	2024/25	1,559,728	19,683	1,579,411	175,609	1,755,021

Note 32.2 Remuneration Bands

The number of Council employees (including teachers) whose remuneration was £50,000 or more in bands of £5,000 is shown below, split between schools and other staff. Remuneration includes all taxable sums paid to or received by an employee. Payments include salary (including performance-related pay), redundancy, expenses and other benefits received other than in cash (e.g. leased car benefit), excluding pension contributions. The figures also exclude voluntary aided schools whose staff are not employed by the London Borough of Bexley. The Chief Executive, Directors and the Monitoring Officer have been excluded from the table below since they are shown separately in the next table in this note.

Number of Council employees (including teachers) whose remuneration was £50,000 or more in bands of £5,000

Remuneration Band	2024/25		2025/26	
	Number of Employees		Number of Employees	
	Number of Non-Teaching Employees	Number of Teaching Employees	Number of Non-Teaching Employees	Number of Teaching Employees
£50,000 - £54,999	89	35	104	33
£55,000 - £59,999	87	29	99	34
£60,000 - £64,999	53	10	52	18
£65,000 - £69,999	26	9	35	8
£70,000 - £74,999	19	6	22	8
£75,000 - £79,999	20	5	25	5
£80,000 - £84,999	8	3	7	2
£85,000 - £89,999	3	3	5	4
£90,000 - £94,999	2	2	5	3
£95,000 - £99,999	2	1	-	3
£100,000 - £104,999	2	1	7	-
£105,000 - £109,999	2	-	1	1
£110,000 - £114,999	-	1	1	1
£115,000 - £119,999	2	-	2	-
£120,000 - £124,999	-	-	2	1
£125,000 - £129,999	2	-	-	-
Over £130,000	1	-	3	-
Totals	318	105	370	121

Two people whose remuneration would have otherwise been below £50,000 are included in the £65,000 - £69,999 and £55,000 - £59,000 teaching bands because of a redundancy payment.

Note 32.3 Exit Packages

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

Exit package cost band (including special payments)

	Number of Compulsory		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
							£	£
£0 - £20,000	1	-	3	4	4	4	27,897	28,248
£20,001 - £40,000	-	-	1	1	1	1	21,235	28,467
£40,001 - £60,000	-	-	-	1	-	1	-	40,739
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	1	-	1	-	97,403
£100,001 - £150,000	-	-	-	-	-	-	-	-
Totals	1	-	4	7	5	7	49,132	194,857

Note 33 - Dedicated Schools Grant

The Council's expenditure on Schools is funded primarily by the Dedicated Schools Grant (DSG). The DSG allocation is calculated on a pupils based formulae. An element of DSG is recouped by the department to fund academy schools in the area. The Central element of the Schools Budget covers local authority expenditure on high needs, early years, pupil-related revenue costs arising from schools expansion and certain specified central services. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. Details outlining the deployment of DSG received for 2024/25 and 2025/26 are as follows:

Expenditure on Schools

2024/25			2025/26			
Central Expenditure £'000	Individual Schools Budget £'000	Total £'000	Deployment of Dedicated Schools Grant	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
		(311,945)	Final DSG before Academy and high needs recoupment			(345,435)
		196,257	Final Academy figure recouped			210,400
		10,511	Final High Needs Recoupment			11,122
		(105,177)	Total DSG after Academy & High Needs recoupment			(123,913)
(56,043)	(61,028)	(117,071)	Agreed initial budgeted distribution	(52,412)	(76,267)	(128,679)
(1,630)	224	(1,406)	In year adjustments	(2,560)	(29)	(2,589)
(57,673)	(60,804)	(118,477)	Final budgeted distribution of DSG Funds	(54,972)	(76,295)	(131,268)
53,933	-	53,933	Less: Actual Central Expenditure	61,332	-	61,332
-	60,804	60,804	Less: Actual ISB deployed to schools	-	76,295	76,295
-200	0	(200)	Plus: Local authority contribution for 2024/25	(200)	-	(200)
(3,940)	-	(3,940)	In Year Carry-forward to 2024/25	6,160	-	6,160
		-	Plus: Carry-forward to next year agreed in advance			-
		(3,940)	Carry-forward to next year			6,160
		16,336	DSG unusable reserve b/f from end of previous year			16,336
		-	Addition to DSG unusable reserve at the end of the year			-
		16,336	Total of DSG unusable reserve at 31 March			16,336
		12,396	Net DSG position at the end of the year			22,496

Bexley entered into an agreement with the Department for Education under the Safety Valve Programme aimed at eliminating the deficit on the Dedicated Schools Grant which has arisen in recent years due to cost pressures within the High Needs budget. The agreement sets out a six year plan for how Bexley will mitigate cost pressures to arrive at an in-year balance on the budget by 2027/28 and to eliminate the accumulated deficit by March 2029. As part of the agreement the Department for Education has agreed additional Dedicated Schools Grant funding and an initial instalment of £11.960m was received in March 2023 with further instalments totalling £3.490m during 2023/24, £1.630m during 2024/25 and £6.160m in 2025/26.

On 9 February 2026 the government announced the first phase of new arrangements for supporting Councils with High Needs deficits which included providing Local authorities with a Stability Grant to fund 90% of the accumulated deficits at 31 March 2026. The Safety Valve programme will close with affect from 1 April 2026.

As at 31 March 2025 Bexley had accumulated a deficit of £12.396m, represented by a deficit of £16.335m in the DSG unusable reserve and a surplus in the DSG earmarked reserve of £3.939. In 2025/26, Bexley had an in-year deficit of £10.099m. The net accumulated position on the Dedicated Schools Grant therefore stands at a deficit of £22.496 as at 31 March 2026.

Note 34 - Other Long Term Liabilities

Other long term liabilities are made up of the following items.

31-Mar-25 £'000	Liabilities	31-Mar-26 £'000
(22,499)	PFI/PPP contracts	(20,053)
(4,914)	Finance leases	(3,406)
(3,630)	Other	(2,904)
(31,043)	Total	(26,363)

Note 35 - Related Parties

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

Central Government has effective control over the general operations of the Council - it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

The Council has prepared this disclosure in accordance with its interpretation and understanding of IAS 24 and its applicability to the public sector utilising current advice and guidance.

Related party transactions that need to be disclosed are those where a Council Member or senior officer has control over one party to the transaction and significant influence over the other. For Bexley, the only Council Members who would have control over one party to a transaction would be the Members of the Cabinet. This also applies to senior officers. The transactions in the table below have been identified for 2025/26. In addition, there are separate disclosures elsewhere within the accounts for senior officer remuneration and members' allowances.

Some of the appointments listed below continued throughout 2025/26. The declaration of a related party transaction does not imply any personal involvement of the Councillors and officers shown below. Transactions between the London Borough of Bexley and other organisations that total less than £10,000 in the year are not included in this note.

Members

The following Members held positions of control or significant influence in related parties to the Council during 2025/26:

- Councillor Patrick Adams is a Director of the Engine House and a Director of Sound Core
- Councillor Esther Amaning is a Voluntary Trustee at Evergreen Care
- Councillor Zainab Asunramu is a Trustee of Thamesmead Arts and Culture Office
- Councillor Cheryl Bacon is a Director of the Engine House
- Councillor Baroness O'Neill of Bexley OBE is a President of the London Council and a Deputy Chair of Local Government Association and a Board Member of Homes England

- Councillor Nigel Betts is a Director/Trustee of Welling Community Centre Trust re Falconwood & St Michael's Community Centre and a Trustee of East Wickham & Welling War Memorial Trust and a Trustee of John Payne Charity and a Trustee of Foster's Foundation

- Councillor John Davey is a Director of the Engine House and a Chairman of Bexley Arts Club and a Governor of Bedonwell Infant and Nursery and Bedonwell Junior School and has a close family member employed by Bexley Voice
- Councillor Richard Diment is a Chairman Eltham Crematorium Joint committee and a Executive Member of the London Councils Transport and Environment Committee and a Trustee of Bexley United Charities and a Trustee of 19 Station Road, Sidcup DA15 7EB
- Councillor Andy Dourmouh is a Operations and Quality Director Eden Valley Group
- Councillor Jeremy Fosten has a close family member employed by Fleet Education Services

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- Councillor Sue Gower MBE has a close family member who is Chief Executive Officer at Crossroads Care SE London
- Councillor Sally Hinkley is a Director of Belvedere Community Forum and a Trustee and treasurer of St Augustine's pre-school
- Councillor David Leaf Leader of the Council is a Chairman Eltham Crematorium Joint committee and a London Councils Grants Committee Member and a LGA Local Government Resources Committee Member and a Member of National Joint Council for Local Government Services on the employers' side
- Councillor Geraldene Lucia-Hennis is a Trustee of Crayford and District Creek Restoration Trust and a Vice Chair of Crayford Living Church Yard and a Trustee of House of God
- Councillor Cafer Munur is a Director of Bexleyheath Business Partnerships Limited and has a close family member who is Director of Just Therapy
- Councillor Mabel Ogundayo is a Director of Origin Consulting
- Councillor Nick O'Hare is a Director of the Engine House
- Councillor Rags Sandhu is a Trustee of Dartford Lions Club
- Councillor Cameron Smith is a Director of Greater Digital Ltd
- Councillor Janice Ward-Wilson is a Director of QSI Limited

Council Officers

Officer Paul Thorogood is a Board Member for the London South East Colleges

Officer Matthew Norwell is a Board Member of Bexley Co

Officer Patricia Narebor is a Director of LLG Enterprises Ltd

Transactions and balances identified for 2025/26

Organisation	Equity £'000	Loan £'000	Expenditure £'000	Income £'000	Debtor £'000	Creditor £'000
Belvedere Community Forum - runs Belvedere Community Centre	-	-	3	-	-	-
Bexley Arts Club				2		
BexleyCo Ltd	15,553	10,200	-	419	146	1,007
Bexley Voice			43	-	-	-
Bexleyheath Business Partnerships Ltd	-	-	-	7	-	-
Crayford Living Church Yard	-	-	6	-	-	-
Crossroads Care SE London	-	-	138	-	-	-
Eltham Crematorium	-	-	-	110	-	-
Engine House	-	634	-	87	1	-
Evergreen Care			10	1	1	-
Fleet Education Services			516	-	-	-
Just Therapy	-	-	-	1	-	-
London South East Colleges			1,526	6	4	-

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St Augustine's pre-school	-	-	16	-	-	-
Thamesmead Arts and Culture Office	-	-	-	-	-	-
The Ignis Academy	-	-	-	86	-	-
Welling Community Centre Trust			21	-	-	-
	15,553	10,834	2,279	719	152	1,007

Creditors relating to BexleyCo Ltd were £1.007m at 31 March 2026. The Bexley Co Ltd Loans of £10.236m shown above includes £0.205m of shareholder loans which are held in Long Term Investments in the Balance Sheet.

Engine House Bexley Limited (formerly Thames Innovation Centre - TIC)

The Engine House is a not-for-profit local Council controlled company that commenced trading at the end of 2006. The London Borough of Bexley has made a loan to TIC of £0.450m as of 31 March 2018 under a loan agreement dated 14 March 2007. No interest was charged within the initial ten year period from the date of the agreement.

Under a service level agreement dated 29 March 2007, the Council is entitled to reasonable free use of TIC's facilities.

Furniture and equipment valued at £0.432m were transferred from the Council to TIC on 29 March 2007. These assets will revert back to the Council at the end of the service level agreement on 31 March 2027. There is a further loan agreement dated 10 February 2010 between the London Borough of Bexley and TIC, providing up to £60,000 for TIC to undertake internal works to convert two existing offices into six smaller offices. Interest is charged at 0.5% above the Public Works Loan Board 10 year annuity rate.

As of 31 March 2026, the amount outstanding on the loan facilities was £0.457m plus accrued interest of £0.177m.

BexleyCo Limited

BexleyCo Limited is a development and regeneration company that was incorporated by the Council in June 2017. It is a company limited by shares with the Council as the sole shareholder. Its primary activity will contribute to the Council's regeneration and commercialism agenda by purchasing and developing real estate.

The Company's Business Plan sets out the aims and objectives of the Company, its structure and key activities. This second Business Plan introduces diversification to both maximise the return and deliver it within a reduced timescale to the Council. The central aim of securing a strong delivery vehicle for housing and other development activity remains.

As of the 31 March 2026, the Council had made loans to Bexley Co of £2.533m for purchase of investment property at Sargasso House, £4.973m for development at West Street, £0.409m for development at Sedgemere Road and £5.085m for development at Hadlow Road of which £2.800m was repaid during 2025/26.

The audited accounts for Bexley Co as of 31 March 2026, showed a net loss of £0.627m (net loss of £0.262m 2024/25) and a net assets balance of £14.597m (£12.478m in 2024/25).

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Central Government

The Council received a number of grants - both revenue and capital - from Central Government. Further details of these are given in Note 13.

London Borough of Bexley Pension Fund

The Council recharged £0.370m to the Pension Fund in 2025/26 (£0.334m in 2024/25) for administration costs. The Director of Finance & Corporate Services for the London Borough of Bexley allocates 2.5% of their time to the Pension Fund. During the year, no Council Members or designated officers have undertaken any declarable transactions with the Pension Fund. There are 11 Council members who sit as members of the Pensions Committee.

Note 36 - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where the capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2024/25 £'000		2025/26 £'000
273,743	Opening Capital Financing Requirement	300,040
14,054	IFRS 16 lease adjustments recognised	-
287,797	Opening Capital Financing Requirement post IFRS 16 adjustment	300,040
	Capital Investment:	
26,294	Property, Plant and Equipment	26,128
131	Heritage Assets	146
(30)	Investment Properties	-
355	Intangible Assets	103
42	Assets Held for Sale	27
6,040	Revenue Expenditure Funded from Capital Under Statute	7,339
4,275	Investment in Subsidiaries - Loans	5,782
3,271	Investment in Subsidiaries - Equities	2,708
40,378	Total Capital Investment	42,233
	Sources of Finance:	
(3,169)	Capital Receipts	(3,966)
(19,353)	Government Grants and other contributions	(12,633)
-	Developers' Contributions	(247)
(1,846)	Sums set aside from revenue - Reserves and Revenue Budgets	(2,697)
	Loan Repayments:	
-	Bexley Co Loan Repayment	2,800
(24,368)	Total sources of finance	(16,743)
14,054	IFRS 16 lease adjustments recognised	-
16,010	Increase in underlying need to borrow	25,490
(3,767)	MRP	(6,945)
26,297	Increase/(Decrease) in Capital Financing Requirement	18,545
300,040	Closing Capital Financing Requirement	318,585

Note 37 - Leases**Council as Lessor****Finance Leases**

The Council has leased out four properties, Welling United Football Club ground, Erith Shopping Centre, Bexleyheath Bowling Centre and Whitehall Lane.

The Council has a gross investment in the lease, made up of minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term receivable for the interest in the property acquired by the lessee and finance income earned by the Council.

Minimum Lease Payments - including interest

2024/25 £'000	Finance Lease Receivable	2025/26 £'000
22	Current	24
2,804	Non-Current	2,779
10,452	Interest	10,193
13,278	Total	12,997

Gross Investment in Lease

2024/25 £'000	Number of years	2025/26 £'000
281	Not later than one year	281
1,126	Later than one year and not later than five years	1,126
11,871	Later than five years	11,589
13,278	Total	12,997

Minimum Lease Payments - excluding interest (by period due)

2024/25 £'000	Number of years	2025/26 £'000
22	Not later than one year	24
114	Later than one year and not later than five years	125
2690	Later than five years	2,654
2,826	Total	2,804

Council as Lessee**Finance Leases**

The Council leases 49 vehicles for waste collection and recycling from Countrystyle; the contract is due to last until March 2031. The following information presents the minimum lease payments due and the balance of outstanding liabilities as of the year-end.

The below 2024/25 figures include lease liabilities accounted for under IFRS 16 implemented in that year.

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Minimum Lease Payments - including interest

2024/25	Finance Lease Payable	2025/26
£'000		£'000
1818	Current	1,853
4,914	Non-Current	3,406
395	Finance costs payable in future years	297
7,127	Total	5,556

Minimum Lease Payments - including interest (by period due)

2024/25	Number of years	2025/26
£'000		£'000
1,927	Not later than one year	1,968
5,180	Later than one year and not later than five years	3,588
20	Later than five years	-
7,127	Total	5,556

Finance Lease Liabilities

2024/25	Number of years	2025/26
£'000		£'000
1819	Not later than one year	1,853
4,894	Later than one year and not later than five years	3,406
20	Later than five years	-
6,732	Total	5,259

Assets included in Property Plant and Equipment

2024/25		2025/26
£'000		£'000
8,592	Gross Cost pre IFRS 16 Adjustment	16,024
7,766	IFRS 16 Adjustment	-
16,358	Gross Cost post IFRS 16 Adjustment	16,024
(9,624)	Accumulated Depreciation	(10,765)
6,733	Total	5,259

Note 38 - Private Finance Initiatives and Similar Contracts

The Council has contracted with Investors in the Community (IIC) for the redevelopment and facilities management of Welling and Bexleyheath academies to provide education services for Bexley pupils. Annual payments commenced during 2005/06 for 25 years and are currently £7.200m, of which 55% will increase annually in line with RPIX and 45% is fixed. They can also vary as a result of performance and availability deductions, benchmarking, certain changes in law and contract variations initiated by the Council. Renewal and termination options and other rights and obligations are available to the Council under the terms of the agreement. The costs are being met from the annual PFI grant provided by the government of £3.056m together with academy contributions and other school budgets approved by the Council.

The Council has also contracted with Parkwood Leisure for the redevelopment and operation of its sports and swimming centres, including both routine and lifecycle building maintenance. The annual payments (the unitary charge) are currently £2.841m, which are inflated by 3% each year. These payments commenced during 2005/06 and are payable over 30 years. They can vary as a result of performance and availability deductions, certain changes in law and contract variations initiated by the Council. In addition, the operational services are benchmarked every five years and at a future benchmarking date (2020 or later) may be market-tested. At July 2010 benchmarking, it was agreed no change would be made to the unitary charge and in July 2015 a unitary charge reduction of £0.300m per annum was agreed. The costs are being met from budgets approved by the Council. At the end of the contract term, which is fixed, all the facilities return to the Council for nil consideration.

The 2024/25 opening balance has been adjusted to reflect the implementation of accounting standard IFRS 16 in this financial year's accounts.

Net Book Value

2024/25	PPP - Leisure Centres	2025/26
£'000		£'000
78,196	Net book value at 1 April pre IFRS 16 adjustment	77,076
6,289	IFRS 16 adjustment	-
84,485	Net book value at 1 April post IFRS 16 adjustment	77,076
593	Additions	389
(5,686)	Depreciation and impairment	(6,402)
(2,316)	Revaluation	7,067
77,076	Net Book Value at 31 March	78,130

Note 38 - Private Finance Initiatives and Similar Contracts

The associated unitary charges are now separated into three elements: service charge, repayment of the liability and interest, which are met from the Council's revenue account. The PFI payments are due to be made for the next 7 years until 2031. The PPP payments will be made for the next 10 years until 2036. An analysis of the payments in 2024/25 and 2025/26 is shown in the table below:

Unitary charges

2024/25				2025/26		
PFI - Schools	PPP - Leisure Centres	Total	Unitary charge elements	PFI - Schools	PPP - Leisure Centres	Total
£'000	£'000	£'000		£'000	£'000	£'000
3,179	1,025	4,203	Service Charges	3,269	1,055	4,324
1,923	286	2,210	Repayments made in year	1,392	368	1,760
2,238	1,854	4,092	Interest Lifecycle costs & Contingent Rents	2,810	1,837	4,647
7,340	3,165	10,505	Value at 31 March	7,471	3,260	10,731

The Council makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contracts at 31 March (excluding any estimation of inflation and availability performance) and PPP contracts, which have been uplifted annually by 3% as per the contract are shown below:

Payments remaining under PFI contracts

	PFI - Schools				PPP - Leisure Centres			
	Repayment of Liability	Interest	Service Charge	Other	Repayment of Liability	Interest	Service Charge	Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Payment in 2025/26	1,521	725	3,269	1,956	587	1,284	1,087	399
Payments within 2 to 5 years	7,335	1,237	11,712	6,486	3,134	4,518	4,684	2,131
Payments within 6 to 10 years	-	-	-	-	6,875	2,223	5,391	2,159
Payments within 11 to 15 years	-	-	-	-	-	-	-	-
Total future payments (excluding any future indexation)	8,856	1,962	14,981	8,442	10,596	8,025	11,162	4,689

Note 39 - Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pension on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is a multi-employer defined benefit scheme. The scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The scheme has more than 12,911 participating employers and consequently, the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2025/26 the Council paid £6,157k (2024/25 £5.819k) to Teachers' Pensions in respect of teachers' retirement benefits, representing 38.4% of contributory salary of £16,040k. There was £522k of contributions remaining payable at the year-end.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 40. The Council is not liable to the scheme for any other entities' obligations under the plan.

There are also some staff who are members of the National Health Service Superannuation Scheme administered by the Department of Health. This scheme is also an unfunded multi-employer defined benefit scheme. In the NHS, the scheme is accounted for as if it were a defined contribution scheme.

Note 40 - Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally by the Council - this is a funded defined benefit scheme, meaning that the Council 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.

The London Borough of Bexley pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of the London Borough of Bexley. The policy is determined in accordance with the Pension Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

Transactions Relating to Post-employment Benefits

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

Eltham Crematorium

When Eltham Crematorium was devolved, the sum of £0.834m was incorporated in the Bexley Balance Sheet to recognise a historic liability obligation in respect of Eltham Crematorium pension fund.

London Pension Fund Authority

When the Greater London Council was disbanded, Bexley was allocated 1.23% of the fund, which currently represents a liability of £0.371m. As at the date of the latest fund valuation (31 March 2022) there were three members receiving funded benefits, In addition, there is one member of the scheme receiving unfunded benefits.

40.1 Balance Sheet Pension Fund Schemes

	31-Mar-25 £'000	31-Mar-26 £'000
Local Government Pension Scheme (all)	(4,943)	(5,414)
London Pension Fund Authority**	(404)	(371)
Total Pensions Liability	(5,347)	(5,785)

**The LPFA scheme is not included in the disclosures at Notes 40.2 to 40.6 due to materiality.

40.2 Movements in CIES and MIRS

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 & Expenditure Statement (CIES)

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Cost of Services:				
Current Service Cost	10,386	7,266	-	-
Administration Expense	848	899	-	-
Financing and Investment Income and Expenditure:				
Net Interest Expense	(4,732)	(9,717)	264	268
Interest on the asset ceiling	4,491	9,415	-	-
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	10,993	7,863	264	268

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Other Comprehensive Income & Expenditure:				
Return on Plan Assets (excluding amounts included in net interest expense)	20,320	(21,871)	-	-
Actuarial Gains Arising on Changes in Demographic Assumptions	(2,055)	(14)	(19)	10
Actuarial Gains Arising on Changes in Financial Assumptions	(84,685)	(279)	(378)	-
Experience Loss/(Gain) on defined benefit obligation	(900)	16,942	(9)	799
Change in effect of the asset ceiling	66,195	7,783	-	-
Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(1,125)	2,561	(406)	809

Movement in Reserves Statement (MIRS)

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(10,993)	(7,863)	(264)	(268)
Employer's pensions contributions and direct payments to pensioners payable in the year	9,868	10,462	601	606

40.3 LGPS Pension Assets and Liabilities Recognised in the Balance Sheet

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Present value of the defined benefit obligation	(591,558)	(615,010)	(4,943)	(5,414)
Fair value of plan assets	753,888	794,538	-	-
Impact of asset ceiling	(162,330)	(179,528)		
Net asset arising from defined benefit obligation	-	-	(4,943)	(5,414)

The effect of the asset ceiling has been determined by the Scheme's actuaries on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in future employer's contributions because of the minimum funding requirement imposed on it by the funding strategy for the Scheme in place at 31 March 2026.

40.4 Reconciliation of the movements in the current value of scheme (plan) assets and liabilities

Reconciliation of Fair Value of Scheme Assets

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Assets as of the beginning of the period	761,262	753,888	-	-
Interest on Assets	36,740	43,048	-	-
Return assets less interest	(20,320)	21,871	-	-
Administration expenses	(848)	(899)	-	-
Employer Contributions	9,868	10,457	601	606
Contributions by Scheme Participants	4,423	4,742	-	-
Benefits Paid	(37,237)	(38,569)	(601)	(606)
Change in the effect of the asset ceiling	(162,330)	(179,528)	-	-
Assets as of the End of the Period	591,558	615,010	-	-

Reconciliation of Present Value of Scheme Liabilities

	Local Government Pension Scheme (Funded)		Discretionary Benefits Arrangements (Unfunded)	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Liabilities as of the Beginning of the Period	(669,618)	(591,558)	(5,686)	(4,943)
Current Service Cost	(10,386)	(7,266)	-	-
Interest Cost	(32,008)	(33,331)	(264)	(268)
Contributions by Scheme Participants	(4,423)	(4,742)	-	-
Change in financial assumptions	84,685	246	378	-
Change in demographic assumptions	2,055	14	19	(10)
Experience (Losses)/Gains on defined benefit obligation	900	(16,942)	9	(799)
Benefits Paid	37,237	38,569	601	606
Liabilities as of the End of the Period	(591,558)	(615,010)	(4,943)	(5,414)

40.5 Local Government Pension Scheme Assets comprised:

	Quoted (Yes/No)	2024/25 £'000	2025/26 £'000
Cash and Cash Equivalents:			
Cash Instruments	Yes	71,846	11,006
Net Current Assets	No	3016	0
Sub-Total Cash and Cash Equivalents		74,862	11,006
Equity Instruments:			
Global Equities	Yes	239,585	301,802
Sub-Total Equity		239,585	301,802
Bonds:			
UK Government indexed	Yes	57,371	106,583
Other Class 1	Yes	101,096	67,806
UK	No	-	97,720
Sub-Total Bonds		158,467	272,109
Private Equity:			
Private Equity - Overseas LLP	Yes	71,619	70,982
Funds - Property	No	94,613	36,562
Funds - Diversified Growth	Yes	45,007	25,409
Infrastructure	No	69,735	76,669
Sub-Total Private Equity		280,974	209,622
Total Financial Assets		753,888	794,539

40.6 Assumptions and Sensitivity

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. Under the projected unit method the current service cost will increase as members of the scheme approach retirement (where there is an increase in the age profile of the active membership). Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Mercer Ltd, an independent firm of actuaries, estimates for the Council Fund being based on the latest full valuation of the scheme as of 31 March 2022.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2024/25	2025/26
Longevity at 65 for Current Pensioners:		
Men	21.4	21.5
Women	23.7	23.9
Longevity at 65 for Future Pensioners:		
Men	22.4	25.4
Women	25.4	25.3
Rate of CPI Inflation	2.60%	2.90%
Rate of increase in salaries	4.10%	4.40%
Rate of increase in pensions	2.70%	3.00%
Rate for discounting scheme liabilities	5.80%	6.10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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 the other assumptions remain constant. 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 an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Principal Assumptions

Factor	Change	Local Government Pension Scheme Impact on the Net Defined Benefit Asset / Liability	
		2024/25 £'000	2025/26 £'000
Rate of discount scheme liabilities	Increase by 0.5%	36,088	34,711
Rate of Inflation	Increase by 0.25%	(21,906)	(14,120)
Rate of increase in salaries	Increase in pay growth by 0.25%	(1,922)	(1,425)
Rate of discount scheme liabilities	Life expectancy 1 year	(12,853)	(13,343)

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible, subject to the administering Council not taking undue risk. The most recent valuation of the Fund took place as at 31 March 2022. This showed that the Fund is 114% Funded. The next triennial valuation is due to be as at 31 March 2025. This will be completed in 2025/26.

There were national changes to the scheme under the Public Pensions Services Act 2013. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The new scheme for local government was set out in the LGPS Regulations 2013.

The total amount of contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 are is £6.070m. This includes expected contributions for the Discretionary Benefits scheme £0.606m.

The weighted average duration of the defined benefit obligation for scheme members at the latest valuation date of 31 March 2022 is 16 years (15 years at 31 March 2019).

Note 41 - Contingent Liabilities

The Council material contingent liabilities as at 31 March 2026 are detailed below.

A claim for losses has been made against the Council by Lazpro Ltd concerning the sale of homes in a redevelopment site. This claim exceeds £1.5m. The case has been listed for trial at the High Court in December 2026. The Council is defending this case, but the outcome of the claim is not wholly in its

A claim has been made against the Council in the matter of alleged discrimination. The claim exceeds £400,000 but is considered to low risk and is subject to an application to strike it out on 7 August 2026

Note 42 - Contingent Assets

The Council did not have any material contingent assets to disclose at 31 March 2026.

Collection Fund

The Collection Fund shows the transactions of the Council as a billing authority in relation to the collection of council tax and non-domestic rates and its subsequent distribution to local authorities and the Government. There is no requirement for a separate Collection Fund Balance Sheet since the assets and liabilities arising from collecting non-domestic rates and council tax belong to the bodies concerned (i.e. major preceptors, the billing authority and the Government). The Council's share of council tax and business rates income is reflected in the Comprehensive Income and Expenditure Statement on an accruals basis in line with the Code. However, the amount to be reflected in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory credit made through the Movement in Reserves Statement and the Collection Fund Adjustment Account.

Collection Fund for the Year Ended 31 March 2026

	Business Rates NNDR3 £'000	Business Rate Supplement £'000	Council Tax £'000	Totals £'000
INCOME				
Council Tax receivable	-	-	(195,754)	(195,754)
Business Rates receivable	(91,014)	-	-	(91,014)
Transitional Protection sums due from Central Government	-	-	-	-
Council tax discounts funded from Billing Authority General Fund	-	-	-	-
Business Rate Supplements (BRS) receivable	-	(2,376)	-	(2,376)
Apportionment of previous year's Collection Fund Deficit				
Central Government	-	-	-	-
Bexley	-	-	-	-
Greater London Authority	-	-	-	-
Total Income	(91,014)	(2,376)	(195,754)	(289,144)
EXPENDITURE				
Precepts, Demands and Proportionate Shares				
Central Government	31,413	-	-	31,413
London Borough of Bexley	28,557	-	-	28,557
Greater London Authority	35,221	-	150,619	185,840
Business Rate Supplement				
Business Rate Supplement (BRS) levy due	-	2,370	-	2,370
Charges to Collection Fund				
Write-off of uncollectable amounts	-	-	-	-
Change in provision for non-collection	(2,171)	-	5,434	3,263
Increase in provision for appeals	347	-	-	347
Disregarded amounts	13	-	-	13
Allowance for cost of collection	245	6	-	251
Apportionment of previous year's Collection Fund Surplus				
Central Government	576	-	-	576

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Bexley	524	-	-	524
Greater London Authority	646	-	-	646
Total Expenditure	95,371	2,376	156,053	253,800
Movements on the Collection Fund				
Surplus / Deficit arising during the year	4,630	-	(106)	4,524
Surplus / Deficit brought forward 1 April 2025	4,928	-	75	5,003
(Surplus) / Deficit carried forward 31 March 2026	9,558	-	(31)	9,527

Collection Fund Surplus / Deficit 31 March 2026

	Business Rates £'000	Business Rate Supplement £'000	Council Tax £'000	Total £'000
Central Government	3,154	-	-	3,154
London Borough of Bexley	2,867	-	(29)	2,838
Greater London Authority	3,537	-	(2)	3,535
Surplus / Deficit carried forward 31 March 2026	9,558	-	(31)	9,527

Memorandum Note

Debtors and Prepayments	Business Rates £'000	Business Rate Supplement £'000	Council Tax £'000	Total £'000
Sums outstanding from Ratepayers (Arrears/Debtors)	7,419	7,771	52,776	67,966
Prepayments and Overpayments	(3,723)	(3,723)	(4,540)	(11,986)

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Collection Fund for the Year Ended 31 March 2025

	Business Rates NNDR3 £'000	Business Rate Supplement £'000	Council Tax £'000	Totals £'000
INCOME				
Council Tax receivable	-	-	(184,675)	(184,675)
Business Rates receivable	(93,195)	-	-	(93,195)
Transitional Protection sums due from Central Government	(498)	-	-	(498)
Council tax discounts funded from Billing Authority General Fund	-	-	7	7
Business Rate Supplements (BRS) receivable	-	(2,597)	-	(2,597)
Apportionment of previous year's Collection Fund Deficit				
Central Government	(2,981)	-	-	(2,981)
Bexley	(2,710)	-	-	(2,710)
Greater London Authority	(3,342)	-	-	(3,342)
Total Income	(102,726)	(2,597)	(184,668)	(289,991)
EXPENDITURE				
Precepts, Demands and Proportionate Shares				
Central Government	31,626	-	-	31,626
London Borough of Bexley	28,751	-	141,412	170,163
Greater London Authority	35,459	-	39,594	75,053
Business Rate Supplement				
Business Rate Supplement (BRS) levy due	-	2,591	-	2,591
Charges to Collection Fund				
Write-off of uncollectable amounts	-	-	-	-
Change in provision for non-collection	3,949	-	(1,112)	2,837
Increase in provision for appeals	(171)	-	-	(171)
Disregarded amounts	13	-	-	13
Allowance for cost of collection	242	6	-	248
Apportionment of previous year's Collection Fund Surplus				
Central Government	-	-	-	-
Bexley	-	-	3,266	3,266
Greater London Authority	-	-	885	885
Total Expenditure	99,869	2,597	184,045	286,511
Movements on the Collection Fund				
Surplus / Deficit arising during the year	(2,857)	-	(623)	(3,481)
Surplus / Deficit brought forward 1 April	7,786	-	699	8,485
(Surplus) / Deficit carried forward 31 March 2025	4,929	-	76	5,005

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Collection Fund Surplus / Deficit 31 March 2025

	Business Rates £'000	Business Rate Supplement £'000	Council Tax £'000	Total £'000
Central Government	1,626	-	-	1,626
London Borough of Bexley	1,480	-	56	1,536
Greater London Authority	1,823	-	20	1,843
Surplus / Deficit carried forward 31 March 2025	4,929	-	76	5,005

Memorandum Note

Debtors and Prepayments	Business Rates £'000	Business Rate Supplement £'000	Council Tax £'000	Total £'000
Sums outstanding from Ratepayers (Arrears/Debtors)	8,356	172	47,169	55,697
Prepayments and Overpayments	(4,414)	(78)	(3,957)	(8,449)

Notes to the Collection Fund

Note 1 - Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council and its preceptors and dividing this by the Council Tax Base (equivalent number of Band D properties).

Council Tax Base Calculation

2024/25 Band D equivalent £'000	Bands and value ranges	Estimated number of properties	Multiplier	2025/26 Band D equivalent £'000
3	A - Reduced Band A	3	5/9	2
1,887	A - up to £40,000	2,962	6/9	1,975
5,776	B - £40,001 to £52,000	7,582	7/9	5,897
21,845	C - £52,001 to £68,000	25,048	8/9	22,265
24,514	D - £68,001 to £88,000	24,800	9/9	24,800
21,503	E - £88,001 to £120,000	17,739	11/9	21,682
6,974	F - £120,001 to £160,000	4,907	13/9	7,088
2,695	G - £160,001 to £320,000	1,632	15/9	2,720
73	H - £320,001 and over	39	18/9	79
85,271	Subtotal			86,506
(1,279)	Less Allowance for non-collection			(1,298)

London Borough of Bexley Statement of Accounts 2025/26

83,992	Council Tax Base	84,713	85,209
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Note 2 - NNDR Rateable Values

2024/25		2025/26
£227.995m	Non-Domestic Rateable Value Gross	£264.126m
51.2p	Standard Business Rate	55.5p
49.9p	Small Business Rate	49.9p
£79.099m	Business Rates Receivable after reliefs and transition	£93.297m

Note 3 - Business Rate Supplement (BRS) - Crossrail

The Mayor of London introduced a levy of 2p on non-domestic properties with a rateable value of over £75,000 in London from 1 April 2010, to help pay for Crossrail. Powers were granted to the Greater London Authority (GLA) to introduce this under the Business Rates Supplements Act 2009. The Crossrail Business Rate Supplement (BRS) is being collected on behalf of the GLA by the Council along with general business rates (NNDR). Income collected and payments made to the GLA are included in the Collection Fund Statement.

London Borough of Bexley Statement of Accounts 2025/26

Group Accounts

Group Comprehensive Income and Expenditure Statement

This Group statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (Note 7) and the Movement in Reserves Statement. Intragroup balances are eliminated on consolidation.

2024/25				2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
133,038	(65,822)	67,216	Adult Social Care and Public Health	142,603	(71,627)	70,976
4,651	(196)	4,455	Chief Executive's Office	4,777	(50)	4,727
217,088	(150,635)	66,453	Children and Education	246,180	(173,981)	72,199
116,989	(60,973)	56,016	Finance and Corporate Services	104,187	(47,020)	57,167
100,682	(39,349)	61,333	Place	102,798	(38,779)	64,019
572,448	(316,975)	255,473	Cost of Services	600,545	(331,457)	269,088
		(2,076)	Other Operating Expenditure			22,911
		9,057	Financing and Investment Income and Expenditure			4,587
		(223,240)	Other Taxation and Non-Specific Grant Income			(234,315)
		39,215	(Surplus) or Deficit on Provision of Services			62,271
		(20,736)	Surplus on revaluation of Property, Plant and Equipment assets			(25,469)
		(1,531)	Remeasurement of the Pension net defined liability/(asset)			3,370
		(22,267)	Other Comprehensive Income and Expenditure			(22,099)
		16,948	Total Comprehensive Income and Expenditure			40,172

London Borough of Bexley Statement of Accounts 2025/26

Group Accounts

Group Movement in Reserves Statement 2025/26

The Group Movement in Reserves Statement shows the movement from the start of the year to the end on different reserves held by the Council and its subsidiaries, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'Unusable Reserves'. This Statement shows how the movements in the year of the Council's and subsidiary's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments. The General Fund also includes earmarked reserves.

	General Fund Balance £'000	Retained Earnings Adjustment £'000	Earmarked Reserve Balance £'000	Capital Receipts Reserve £'000	Capital Grants unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance At 1 April 2025	(9,887)	(4,522)	(48,305)	(5,122)	(16,114)	(83,950)	(556,602)	(640,552)
Movement in Reserves during 2024/25:								
Deficit on the provision of services	60,234	2,037				62,271		62,271
Other Comprehensive Income and Expenditure		-				-	(22,099)	(22,099)
Total Comprehensive Income and Expenditure	60,234	2,037	-	-	-	62,271	(22,099)	40,172
Adjustments between group accounts and authority accounts	-	206		-		206	-	206
Adjustments between accounting basis and funding basis under regulations	(61,246)			3,515	1,044	(56,687)	56,687	-
Net (Increase)/Decrease in year 2024/25 before Transfers to earmarked reserves	(1,012)	2,243	-	3,515	1,044	5,790	34,588	40,378
Other adjustments:						-		-
Transfers to earmarked reserves	(4)		4			-		-
Other adjustments:						-		-
Net (Increase)/Decrease in year 2024/25 before Transfers to earmarked reserves	(1,016)	2,243	4	3,515	1,044	5,790	34,588	40,378
Closing Balance as at 31 March 2026	(10,903)	(2,279)	(48,301)	(1,607)	(15,070)	(78,160)	(522,014)	(600,174)

London Borough of Bexley Statement of Accounts 2025/26

Group Movement in Reserves Statement 2024/25

	General Fund Balance £'000	Retained Earnings Adjustment £'000	Earmarked Reserve Balance £'000	Capital Receipts Reserve £'000	Capital Grants unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance At 1 April 2024	(9,500)	(4,643)	(46,811)	2,856	(24,169)	(82,266)	(574,972)	(657,238)
Movement in Reserves during 2024/25:								
Deficit on the provision of services	38,833	383				39,216		39,216
Other Comprehensive Income and Expenditure		-				-	(22,267)	(22,267)
Total Comprehensive Income and Expenditure	38,833	383	-	-	-	39,216	(22,267)	16,949
Adjustments between group accounts and authority accounts	-	(263)		(3,900)		(4,163)	3,900	(263)
Adjustments between accounting basis and funding basis under regulations	(40,714)			(4,078)	8,055	(36,737)	36,737	-
Net (Increase)/Decrease in year 2024/25 before Transfers to earmarked reserves	(1,881)	121	-	(7,978)	8,055	(1,683)	18,370	16,687
Other adjustments:								
Transfers to earmarked reserves	1,494		(1,494)			-		-
Net (Increase)/Decrease in year 2024/25 before Transfers to earmarked reserves	(387)	121	(1,494)	(7,978)	8,055	(1,683)	18,370	16,687
Closing Balance as at 31 March 2025	(9,887)	(4,522)	(48,305)	(5,122)	(16,114)	(83,950)	(556,602)	(640,552)

Group Accounts

Group Balance Sheet

The Group Balance Sheet shows the value at the Balance Sheet date of the assets and liabilities recognised by the entity and its subsidiaries. The net assets (assets less liabilities) are matched by the reserves. Reserves are reported in two categories. The first category of reserves is usable reserves, which the Council 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 Council is not able to use to provide services. This category of reserves includes those 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 Group Movement in Reserves Statement line 'Adjustments between Accounting basis and funding basis under regulations'. Intragroup balances are eliminated on consolidation.

31-Mar-25		31-Mar-26
£'000		£'000
765,965	Property plant and equipment	741,988
36,158	Heritage Assets	37,587
50,531	Investment Property	50,204
1,029	Intangible Assets	615
5,443	Long Term Investments	4,729
5,697	Long Term Debtors	5,001
-	Pension Assets	-
864,823	Long Term Assets	840,124
7,170	Assets Held For Sale	7,335
218	Short-term Investments	385
22,148	Inventories	26,368
72,809	Short Term Debtors	69,931
16,801	Cash and Cash Equivalents	8,511
119,146	Current Assets	112,530
(2,713)	Cash and Cash Equivalents Overdrawn	-
(6,740)	Short-Term Borrowing	(26,806)
(53,271)	Short-Term Creditors	(49,144)
(4,075)	Provisions	(3,729)
(2,844)	Grants Receipts in Advance - Revenue	(7,059)
(2,850)	Grants Receipts in Advance - Capital	-
(72,493)	Current Liabilities	(86,738)
(1,104)	Long-Term Provisions	(1,493)
(224,323)	Long Term Borrowing	(223,338)
(31,239)	Other Long-Term Liabilities	(26,384)
(5,347)	Pension Liabilities	(5,785)
(8,911)	Grants Receipts in Advance - Capital	(8,744)
(270,924)	Long Term Liabilities	(265,744)
640,552	Net Assets	600,172
(83,951)	Usable Reserves	(78,159)
(556,601)	Unusable Reserves	(522,013)
(640,552)	Total Reserves	(600,172)

Group Accounts

Group Cash Flow Statement

The Group Cash Flow Statement shows the change in cash and cash equivalents of the Council and its subsidiaries during the reporting period. The statement shows how the Council and its subsidiaries generate and uses cash and cash equivalents by classifying cash flows as operating, investing or 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council and its subsidiaries. Investing activities represent the extent to which cash outflows have been made for resources which intended to contribute to the Council and its subsidiaries 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 Council and subsidiaries.

2024/25 Restated £'000		2025/26 £'000
(39,215)	Net Deficit on the Provision of Services	(62,271)
42,563	Adjustments to net surplus or deficit on the provision of services for non-cash movements	64,566
(18,549)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(14,185)
(15,201)	Net cash flows from Operating Activities	(11,890)
185	Investing Activities	(14,998)
3,910	Financing Activities	21,285
(11,106)	Net decrease in Cash and Cash Equivalents	(5,603)
25,220	Cash and Cash Equivalents at the beginning of the reporting period	14,114
14,114	Cash and Cash Equivalents at the end of the reporting period for the Group	8,511

Group Accounts

Group Accounts - Disclosures

Introduction

The Council holds a 100% interest in BexleyCo Limited, a company limited by shares. The Council has loans and equity with this subsidiary. The Company was incorporated in June 2017 and fulfils the strategic aims and objectives of the Council to generate additional income streams in line with the Asset Investment Strategy and for Housing Redevelopment both residential and a proportion of affordable housing. Voting rights are such that shares rank equally for voting purposes.

The London Borough of Bexley (the reporting authority) has one subsidiary company reported in the group accounts:

BexleyCo Limited

The London Borough of Bexley owns 100% of the share capital of BexleyCo and BexleyCo operates at the Civic Offices, 2 Watling Street, Bexleyheath DA6 7AT.

Basis of Consolidation

The group Financial Statements i.e the group balance sheet, group movement in reserves statement and group cash flow statement have been prepared by consolidating the accounts of the reporting authority (London Borough of Bexley) and its subsidiary (BexleyCo) on a line by line basis. The accounts of BexleyCo have been prepared in accordance with paragraph 9.1.2.60 of the Code, using uniform accounting policies for like transactions and other events in similar circumstances.

Financial Performance

In 2025/26 the company made an operating loss of £0.472m (£0.208m loss in 2024/25). The turnover of BexleyCo was £4.499m (£0.510m in 2024/25) and the cost of sales was £4.231m (£0.294m in 2024/25).

Investment Properties

The Statement of Financial Position for BexleyCo includes £2.836m of Investment Properties at 31 March 2026 (£2.970m at 31 March 2025).

Inventories

Inventories of BexleyCo includes Work in Progress of £21.830m at 31 March 2026 (£17.811m at 31 March 2025).

Creditors

The Statement of Financial Position for BexleyCo includes £12.212m of Creditors at 31 March 2026 (£9.110m at 31 March 2025). Out of this, £10,478m relates to London Borough of Bexley (£7.086m at 31 March 2025). This leaves £1.734m relating to other parties (£2.024m at 31 March 2025).

London Borough of Bexley Statement of Accounts 2025/26

Operating Cash Flows

To arrive at the net cash flows from operating activities, the cash flow statement takes the surplus or deficit on provision of services and adjusts for non-cash movements and for items that are investing or financing activities.

2024/25 £'000		2025/26 £'000
45,928	Depreciation	46,809
2,431	Impairment and downward valuations	519
490	Amortisation	517
-	Increase/(decrease) in impairment for bad long-term debts	-
(1,170)	Decrease in creditors	(11,567)
(4,023)	(Increase)/Decrease in debtors	10,177
(11,750)	(Increase)/Decrease in inventories	(4,578)
788	Movement in pension liability	(2,932)
4,506	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	24,691
5,263	Movement in fair value of investment properties	169
99	Other non-cash items charged to the net surplus or deficit on the provision of services	761
42,562	Total	64,566

The surplus or deficit on provision of services has been adjusted for the following items that are investing and financing activities:

2024/25 £'000		2025/26 £'000
(7,282)	Proceeds from sale of property, plant & equipment, investment property and intangible assets	(2,628)
-	Movements on financial instruments - pooled investment funds	-
(11,267)	Any other items for which cash effects are investing or financing cash flows	(11,557)
(18,549)	Total	(14,185)

London Borough of Bexley Statement of Accounts 2025/26

Investing Activities

The group cash flow statement includes the following cash flows relating to investing activities:

2024/25 £'000		2025/26 £'000
(25,039)	Purchase of Property Plant and Equipment, Investment Property and Intangible assets	(26,928)
(4,354)	Other payments for investing activities	(5,945)
7,985	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,363
5,303	Proceeds from short-term and long-term investments	588
16,290	Other receipts from investing activities	14,924
185	Net cash flows from investing activities	(14,998)

Financing Activities

The group cash flow statement includes the following cash flows relating to financing activities:

2024/25 £'000		2025/26 £'000
24,383	Cash receipts of short and long-term borrowing	32,529
(955)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(3,233)
(12,731)	Repayments of short- and long-term borrowing	(6,031)
(6,787)	Other payments for financing activities	(1,980)
3,910	Net cash flows from financing activities	21,285

Glossary

Accounts	A generic term for statements setting out details of income and expenditure or assets and liabilities or both in a structured manner. Accounts may be categorised by the type of transactions they record e.g. revenue accounts, capital accounts or by the purpose they serve e.g. management accounts, final accounts, balance sheets
Actual	The final amount of expenditure or income which is recorded in the Council's accounts.
Actuarial Gains and Losses	For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because: (a) events have not coincided with the actuarial assumptions made for the last valuation (experience (b)the actuarial assumptions have changed.
Assets	Resources controlled by the Council as a result of past events and from which future economic benefits or service potential is expected to flow to the Council.
Balance Sheet	A statement of the recorded assets, liabilities and other balances at a specific date at the end of an accounting period.
Budget	A statement of the Council's plans for net revenue and capital expenditure over a specified period of time
Capital Expenditure	Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.
Capital Receipts	Proceeds from the sale of fixed assets, repayments of grants or the realisation of certain investments. Capital receipts are available to finance other items of capital expenditure or to repay debt on assets originally financed from loan
Collection Fund	The fund into which are paid amounts of council tax and non- domestic rates and from which are met demands by this Council and the Greater London Authority and payments to the national non-domestic rates pool.
Community Assets	Assets that the Council intends to hold in perpetuity, that have no determinable finite useful life, and in addition may have restrictions on their disposal, e.g. parks and cemetery land.
Council Tax	A local tax set by councils to help pay for local services. There is one bill per dwelling based on its relative value compared to others in the area. There are discounts, including where only one adult lives in the dwelling. Bills will also be reduced for properties with people on low incomes, for some people with disabilities and some other special cases.

London Borough of Bexley Statement of Accounts 2025/26

Current Service Cost (Pensions)	The increase in the present value of a defined scheme's liabilities, expected to arise from employee service in the current period
Deferred Credits	Income still to be received (or applied in the accounts) where deferred payments (or application) have been allowed.
Depreciation	The measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period.
Events after the Balance Sheet date	Those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.
Exit Packages	Can include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex gratia payments and other departure costs
Fair Value	Is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Finance Lease	A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.
General Fund (GF)	The main revenue fund of the Council from which are made payments to provide services and into which receipts are paid, including the Council's share of council tax.
Heritage Assets	Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture.
Impairment	A reduction in the value of a fixed asset below its carrying amount on the balance sheet.
Infrastructure Assets	Inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use, e.g. coast protection works.
Investment Assets	Those assets that are held solely to earn rentals or for capital appreciation or both.
Lease	An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.
Liabilities	present obligations of a Council arising from past events, the settlement of which is expected to result in an outflow from the Council of resources embodying economic benefits or service potential.
Minimum Revenue Provision	A prudent annual provision has to be made for the repayment of debt in accordance with Capital Finance Regulations

London Borough of Bexley Statement of Accounts 2025/26

Net Book Value	The amount at which property, plant and equipment are included in the balance sheet i.e. their historical cost or fair value less the cumulative amounts provided for depreciation and impairment.
Net defined liability	Also known as the net pension liability.
Net Service Expenditure	Comprises of all expenditure less all income, other than income from council tax and revenue support grant, in respect of a particular service
Non-Current Asset	Any asset which is not easily convertible to cash, or not expected to become cash within the next year.
Non-Domestic Rates	Businesses contribute to local government expenditure on the basis of a uniform rate, decided by the Government, levied on the rateable value of the business premises.
Non-Distributed Costs	Overheads for which no user now benefits and should not be apportioned to services. Costs generally included under this heading are those arising from early retirement payments to the pension fund
Non-specific Grant Income	Grant that cannot be attributed to a specific revenue Service (e.g. New Homes Bonus).
Past Service Cost	The increase in the present value of the pension scheme liabilities, related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.
Precept	The demand on the collection fund by one authority (e.g. Greater London Authority) which is collected from the council tax payer by another (e.g. Bexley).
Prior Period Adjustments	Those adjustments applicable to prior years arising from the correction of material errors
Provisions	Amounts set aside for liabilities of uncertain timing or amount that have been incurred.
Public Works Loans Board	A government agency which provides longer term loans to the public sector at interest rates only slightly higher than those at which the government itself can borrow.
Remuneration	All sums paid to or receivable by an employee and sums due by way of expenses allowances and the money value of any other benefits received other than in cash (excludes employer pension contributions).

London Borough of Bexley Statement of Accounts 2025/26

Reserves	<p>The general capital and revenue balances of the Council. There are two types of reserves which might be described as either available or not available to finance expenditure. Revenue reserves which result from monies being set aside or surpluses or delayed expenditure can be spent or earmarked at the discretion of the Council (e.g. General Fund). The capital receipts reserve is also available to the extent allowed for by statute. However, other capital reserves are not available to meet expenditure, e.g. the capital adjustment account.</p>
Revenue Expenditure	<p>The day-to-day running costs of services including salaries, running expenses and capital charges.</p>
Revenue Support Grant	<p>A general grant paid by the Government to help finance the cost of local government services.</p>