



**CAMBRIDGESHIRE
& PETERBOROUGH
FIRE AUTHORITY**

**UNAUDITED
Statement of Accounts
for the year ending
31 March 2026**



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Narrative Report

Cambridgeshire and Peterborough Fire Authority was formed on 1 April 1998 following Local Government re-organisation in Cambridgeshire. Our three main roles are fire prevention, fire protection and response to fires. We also attend road traffic collisions and specialist services (including flooding, animal rescues, chemical spills, water and other rescues). Our aim is to deliver these services as effectively and efficiently as possible within the resources available to us, whilst achieving our response time targets.

The Fire Authority must prepare and publish a Statement of Accounts annually. Its purpose is to give electors, local taxpayers, Fire Authority Members, employees and other interested parties clear information about the Fire Authority's finances.

Publication of these accounts, which have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom for 2025/26', which is based on International Financial Reporting Standards (IFRS), is required under the Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015.

The purpose of the Statement of Accounts is to provide information on:

- The cost of providing Fire Authority services in the financial year;
- How these services were funded;
- What assets the Fire Authority owned at the end of the financial year; and
- What was owed to and by the Fire Authority at the end of the financial year.

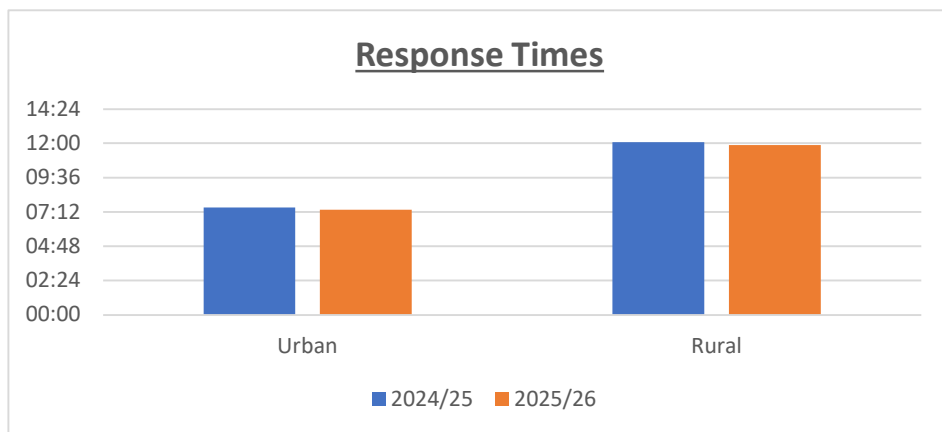
This report provides a guide to the most important matters included in the Statement of Accounts. The accounts have been prepared on the going concern basis.

Performance

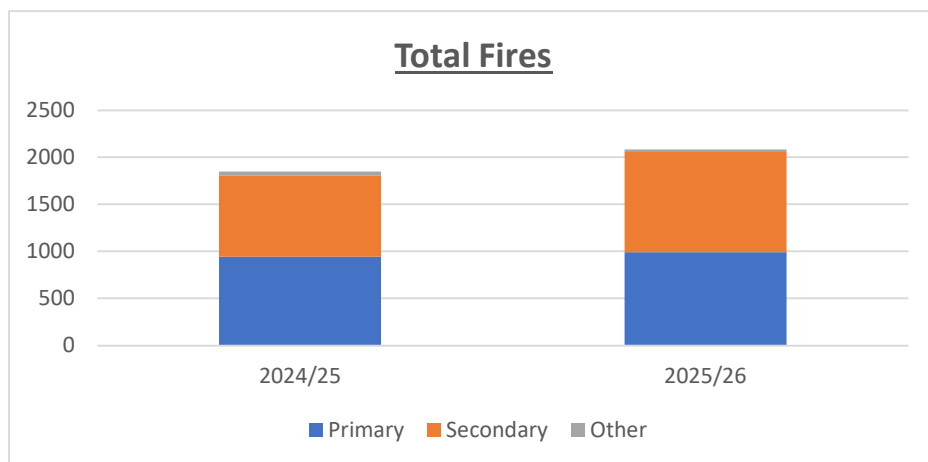
All fire and rescue services are required to produce a Community Risk Management Plan (CRMP). This plan looks at different risks across the county, how these could impact our work and what we plan to do to manage the risks. The Authority measures performance and progress against its CRMP, and performance data is regularly reviewed and reported to the Fire Authority and other stakeholders.

The CRMP 2024-2029 was approved by the Fire Authority in February 2024. Further details and the document can be found here - <https://www.cambsfire.gov.uk/about-us/our-community-risk-management-plan/>

The Service currently responds to the most critical incidents in urban areas in 07:21 minutes, which is 10 seconds quicker than in 2024/25. We attended rural incidents in 11:53 minutes, which is 11 seconds quicker than prior year. Rural attendance times are greater than urban attendance times mainly due to the non-addressable locations in rural areas, which means the attending appliances require more time to locate the incident. Within the Service, we continue to promote the use of the What3words app. The app is a useful tool for operational crews and the public, as it provides an exact location of an incident in rural and remote areas.



Total fires have increased by 14% from 1,834 in 2024/25 to 2,093 in 2025/26. Of the 2,093 fires, 990 were primary fires* and 1,063 were secondary fires**.

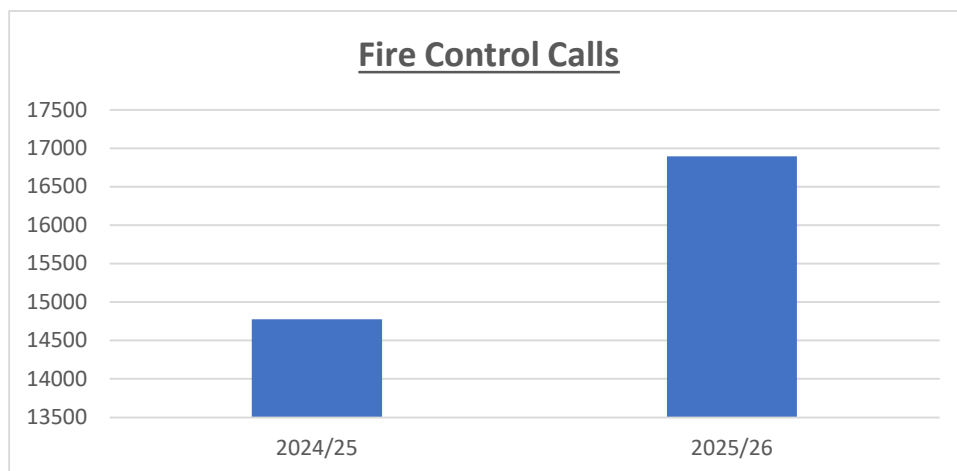


**Primary fires are fire in buildings, vehicles or some outdoor structures; any fire involving death, injury or rescue; fires attended by five or more pumping appliances.*

***Secondary fires are small outdoor fires, not involving people or property.*

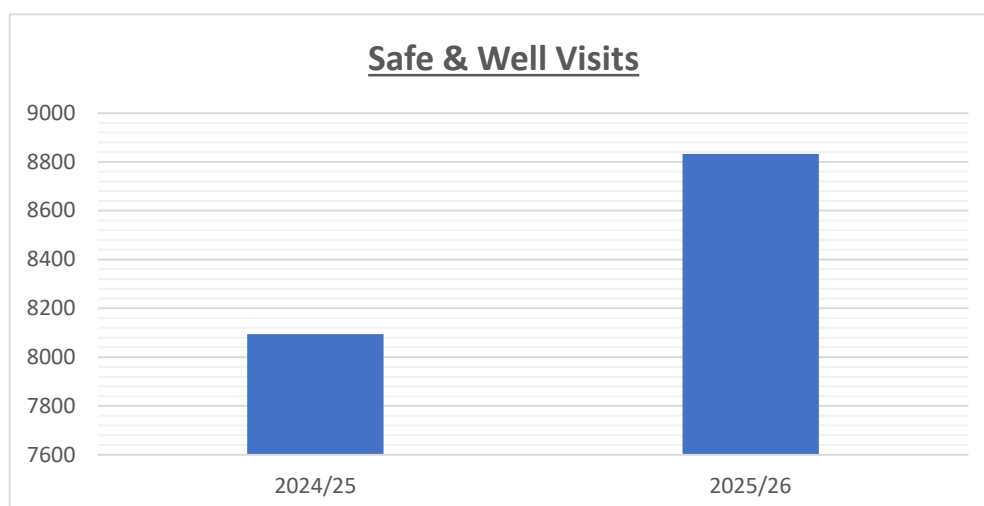
Deliberate fires have increased by 13% compared to the previous year, increasing from 501 in 2024/25 to 565 in 2025/26. Accidental dwelling fires has decreased by 16% compared to last year, decreasing from 289 to 244.

The shared control room collaboration with Suffolk Fire and Rescue Services ceased in June 2025. Calls to Fire Control increased from 14,776 being received in 2024/25 to 16,894 in 2025/26.



The Service has seen an increase in the availability of our on-call strategic appliances, from 62.2% last year to 65.5% this year. In 2025/26, the Service has been trialling on-call availability on weekends to increase cover throughout the county, as well as exploring alternative contractual arrangements to hopefully increase on-call availability further. The Service will continue to utilise the on-call weekend availability arrangements from 2026/27 onwards. Other crewing models and arrangements are currently being considered as part of our Vision 30 Project.

Community safety activities have increased significantly with the introduction of two roaming Community Safety Officers and in collaboration with East of England Ambulance Service, two Community Welfare Officers. The successful collaboration has delivered measureable improvements in both health and home fire safety through innovative multi-agency working. During 2025/26, a total of 8,832 safe and well visits were delivered, an increase of 738 compared with 2024/25. The Service also carried out 690 business engagements, (an increase of 1), 906 fire protection audits, (an increase of 54) and 817 building consultations, (an increase of 150) compared with last year.



During 2025/26, the Service saw an overall net increase of 6 wholetime firefighters, this was achieved by drawing on successful applicants from the 2025/26 recruitment process and the existing pool from a previous campaign. The Service will continue to manage the wholetime establishment to retain experiences and skills and fill vacancies from planned retirements.

The Service continues to focus on equality, diversity and inclusion. Women make up 23.1% of our overall workforce, including 9.4% of the operational workforce. Personnel from Black, Asian and ethnic minority backgrounds represent 4.1% of the overall workforce.

More details on the Services equality and inclusion plan can be found at **www.cambsfire.gov.uk/about-us/equality-and-inclusion/**

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services

The Government has commissioned His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) to inspect all 44 Fire and Rescue Services. The general inspection looks at three main areas: how effective we are, how efficient we are and how well we look after our people. Other themed inspections are also carried out, such as the 2020 inspection of our response to the Covid pandemic and, more recently, a review of culture within Fire and Rescue Services.

The Service was inspected in 2018, 2021, 2023 and the latest being December 2025.

We reflect on the feedback provided by HMICFRS and use this to support our plans to deliver an efficient and effective service to the public, whilst ensuring the safety, wellbeing and engagement of our employees. The majority of the areas highlighted for improvement are things we are already aware of and are working towards improving. We are a small fire and rescue service and we prioritise our areas of focus based on risk and resources, knowing we cannot do everything at once.

The inspectorate has grouped more categories together in this latest inspection and as such it is not directly comparable to previous reports.

The below table shows the high level results from our inspection completed in 2025.

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Understanding fire and risk	Preventing fire and risk	Responding to fires and emergencies	
	Public safety through fire regulation	Responding to major incidents	Ensuring fairness and diversity	
		Best use of resources and future affordability	Leading people effectively	
		Promoting values and culture		
		Right people, right skills		

More details concerning our latest inspection report can be found at www.cambsfire.gov.uk/about-us/our-inspection-report/

Further information about HMICFRS can be found at <https://hmicfrs.justiceinspectorates.gov.uk/>

Internal Controls

The Service carries out internal audits using an external provider, RSM UK Risk Assurance Services LLP. During 2025/26, the Service carried out five assurance assignments:

- Training and Development - Reasonable Assurance
- Site Specific Risk Information - Reasonable Assurance
- Governance - Substantial Assurance
- Risk Management - Reasonable Assurance
- Key Financial Controls (On Call Payments System) - Substantial Assurance

The Service actively reviews the assurance assignments carried out and addresses any deficiencies in controls and standards to ensure they are rectified. These are followed up by the internal auditors during the following financial year and reported to the Fire Authority.

Sustainability & Environmental Impact

The Service is actively looking at ways to reduce its impact on the environment and promote sustainability in the service it provides whilst still considering the financial impact and value for money.

The Service is currently looking at moving its fleet to more sustainable electric vehicles. This has begun within the silver fleet provision with electric pool vehicles being purchased and hybrid vehicles for all officer vehicles. Further electric and hybrid vehicles will be rolled out across the Service in the future as part of the Service vehicle replacement programme. The Service has also put in place the use of hydrotreated vegetable oil (HVO) in some of its red operational fleet. This is currently being used in the areas of Huntingdon and Peterborough and is looking at opportunities to roll this out to all compatible vehicles across the county.

The Service is also exploring ways to enhance sustainability across several key areas including:

- Property: Refurbishment projects now incorporate more environmentally friendly heating systems, LED lighting, EV charging points and solar panels where possible.
- ICT: Improved access to digital information is helping to reduce the need for printing and enables remote working, reducing travel.
- Waste Management: Initiatives include reducing single-use plastics, introducing refillable bottles, and providing recycling bins throughout the organisation.

In 2022/23 the Service worked with the Carbon Trust in order to assess its carbon footprint. This work helped identify key priority areas for reducing emissions. A further assessment is planned within the next two years to review progress to date and to evaluate future plans.

Financial Outlook

Ongoing conflicts in Ukraine and the Middle East continue to create significant uncertainty within the global economy, particularly in relation to inflation and anticipated reductions in the bank rate. Sustained periods of elevated inflation are contributing to increased costs and uncertainty within the Service's revenue budget, and are expected to have an adverse impact on both the UK economy and global markets throughout 2026/27.

The Service budgeted for a 2% pay increase for 2025/26, but after the budget-setting process, a pay deal of 3.2% was agreed. This additional financial burden was offset by some unfilled vacancies and some additional unbudgeted funding which was received during the year. Inflation (CPI) was, on average, 3.4% during 2025/26, ranging from 3% to 3.8% and although this dipped slightly in April 2026 to 2.8%, it is expected to continue to fluctuate over the forthcoming year. The Service holds a Financial Business Continuity Reserve to help fund any temporary adverse financial pressures should it need to do so without impacting on service delivery.

Following the General Election in July 2024, the Labour Party and Prime Minister Starmer were elected to run the government for the next four years.

The Labour Government initially issued a one-year Comprehensive Spending Review (CSR) for 2024/25, which provided limited investment for Fire and Rescue Services. This was followed by a three-year CSR in June 2025, setting departmental budgets through to 2028/29. The review did not include significant increases in central funding for the sector, meaning services will continue to rely heavily on local government settlements and council tax. Combined with rising costs and increasing demand, this is likely to result in ongoing real-term financial pressures if services are to be at least maintained. Government spending continues to focus on Health, Social Care, Defence and Infrastructure.

The primary source of funding is derived from Council Tax precepts, which account for approximately two-thirds of total funding. In recent years, increases in Council Tax have been limited to 3% or a £5 cap. As part of the multi-year settlement, the Government has confirmed in its policy statement that the core Council Tax flexibility of up to £5 will continue to apply to all Fire and Rescue Authorities.

The Service's investments in 2025/26 generated returns exceeding expectations by £324k. This was partly due to the Bank of England base rate remaining higher than anticipated, resulting in stronger interest returns than originally budgeted. In addition, the use of short-term investments enabled the Service to maximise interest income on available funds.

Where additional funding was realised, this has been used to support both revenue and capital projects initiated during 2025/26, with any remaining balances transferred to earmarked reserves to support projects continuing into 2026/27 and beyond.

The Authority has an efficiency plan in place that sets out how it plans to improve the service it provides while operating with reduced real-term funding levels. It is also looking at a contingency plan should funding be reduced significantly whilst costs are rising.

Other than the above, the Authority does not forecast any other material financial impacts.

The Statement of Accounts for the year ended 31 March 2026 consists of the following:-

The Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Fire Authority and the Chief Finance Officer for preparing the Statement of Accounts.

The Movement in Reserves Statement

This statement shows the movement in year on the different reserves held by the Fire Authority, analysed between usable and other reserves. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Fire Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The Comprehensive Income and Expenditure Statement

This 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. The Fire Authority raises taxation to cover expenditure in accordance with statutory requirements, and this may differ from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

This shows information on the financial position of the Fire Authority as at the 31 March 2026, including the level of balances and reserves available to the Fire Authority, its long-term indebtedness, and the value of the assets it holds.

The Cash Flow Statement

This shows the movement of cash and cash equivalents in and out of the Fire Authority arising from transactions with third parties for both revenue and capital purposes.

The Statement of Accounting Policies

This summarises the accounting rules used to prepare the Statement of Accounts.

Notes to the Financial Statements

These explain in more detail a number of entries in the core financial statements.

The Firefighter Pension Fund Accounts

These set out the payments made and received in respect of the Firefighter Pension Schemes.

Opinion

In my opinion the statement of accounts present a true and fair view of the financial position of the Fire Authority at 31 March 2026 and its income and expenditure for the year then ended.

Ursula Bird
Chief Finance Officer
Date: 24 June 2026

Signed on behalf of the Fire Authority:

I confirm that these accounts were approved and events after the 31 March 2026 up to the 24th June 2026 were taken into account by the Cambridgeshire and Peterborough Fire Authority.

Cllr Morris
On behalf of Cambridgeshire and Peterborough Fire Authority

Date: 24 June 2026

For further information concerning any items contained in this Statement please write to:

The Chief Finance Officer Cambridgeshire and Peterborough Fire Authority Hinchingsbrooke Cottage Brampton Road Huntingdon Cambs PE29 2NA or telephone (01480) 444500
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Summary of the Financial Year

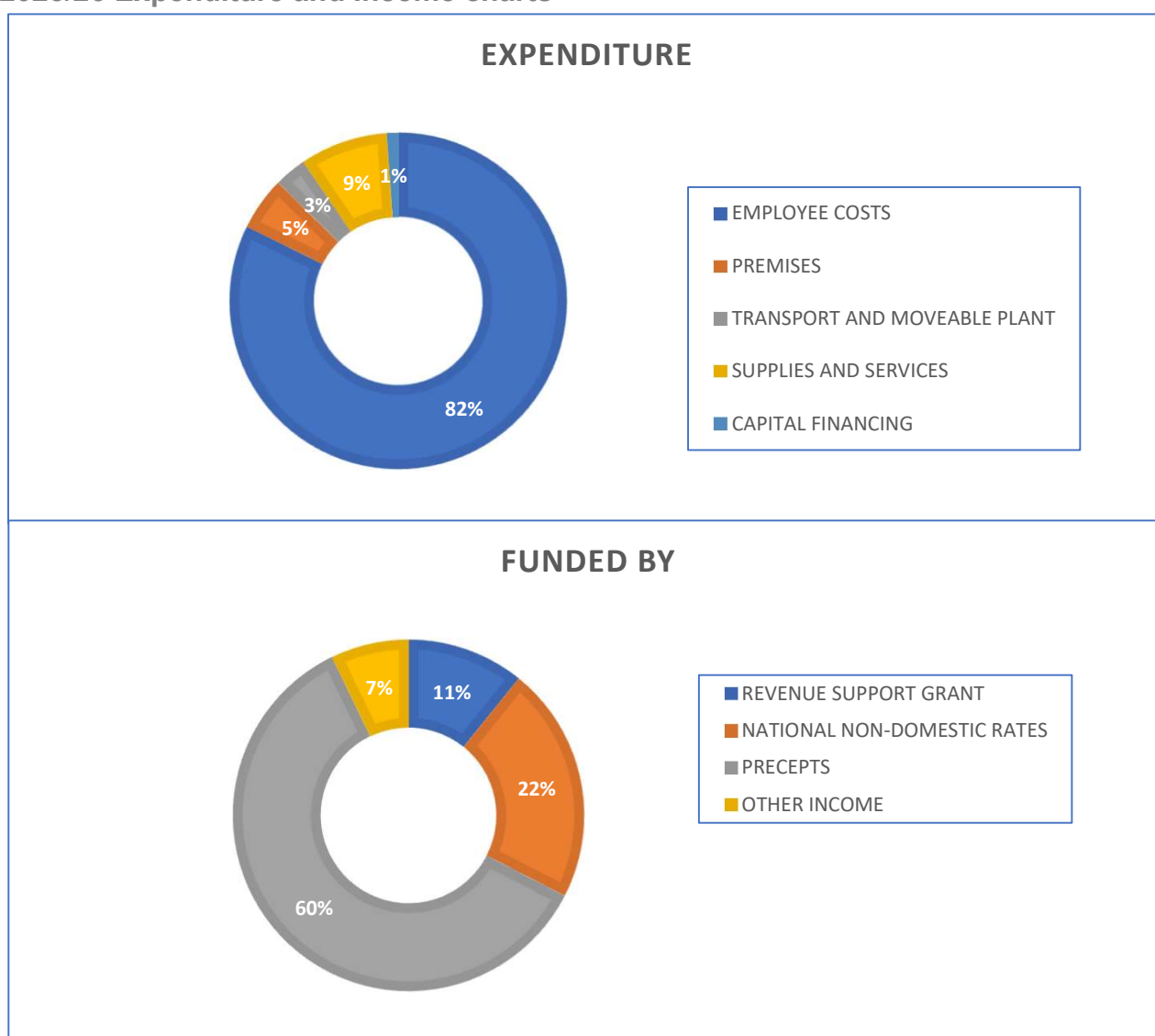
Revenue Spending

The figures used in this summary are taken from the Fire Authority's management accounts and therefore differ in some areas to the numbers in the Statement of Accounts. The Fire Authority's total net expenditure was £41.162m. This is made up of £44.911m expenditure, £3.205m other income and grants, and £0.544m interest received and equates to a cost of £44.07 (2024/25 £41.67) per head of population (based on the latest population figure from the Office of National Statistics).

In 2024/25, due to national non-domestic reliefs being reimbursed - funding that had not previously having been relied upon to support core service costs - the Service was able to allocate £1.5m towards some short- and medium-term revenue projects to help drive some key projects forward and ease some pressures, £0.7m of this was utilised during 2025/26.

The following charts show where the monies we received came from and how we spent it.

2025/26 Expenditure and Income charts



The Fire Authority held £2.742m in general reserves as at 31 March 2026, which equals 7% of the revenue budget.

The General Reserve is required to provide the Fire Authority with financial flexibility when dealing with unexpected circumstances. Specific reserves have also been established to provide for future or predicted liabilities. In particular, £860k (£860k in 2024/25) has been held in a Finance Business Continuity Reserve to help provide some security as we continue to experience fluctuating inflation rates and a volatile global economic environment, which is resulting in increases in costs across the whole Service over and above those budgeted, alongside unknown future incomes. The Service has been able to transfer an additional £281k to the General Reserve this year, largely down to the extra investment interest earned and the receipt of non-domestic rates pooling dividends of £480k, also covering any inflationary increases above those budgeted. A statement detailing our earmarked reserves is set out in Note 8.

A summarised comparison of the Fire Authority's expenditure for the year against the budget is presented in the table on page 15. A reconciliation between the figures shown in this table and the Comprehensive Income and Expenditure Statement is shown in the Expenditure and Funding Analysis on page 18.

The table below shows the cash movements to reconcile with that in the Movement in Reserves Statement (page 19).

	£000's
General reserve balance as at 31st March 2025	2,474
Transfer to General Reserve	268
General reserve balance as at 31st March 2026	2,742

The Fire Authority has continued to recruit wholetime firefighters during 2025/26 to maintain operational staffing levels in line with the approved budget. Recruitment has been carefully managed to ensure the workforce remains within established limits, while also reflecting the anticipated retirement profile over the next 18 months.

A separate reserve has been designated to support wholetime recruitment and any associated additional expenditure. However, no funding from reserves was required in 2025/26 to support wholetime recruitment or related costs.

The primary variances against the budget are as follows:

Employee Costs: This area of expenditure is under budget by 2%. General overtime and the new Grey Book Pay Bandings for On-call firefighters (from January 2025) created financial pressures; however, staff turnover and delays in recruitment have offset this.

Premises Costs: Expenditure in this area is in line with budget, with increased energy prices in quarter 4 pushing up costs which were offset by underspends in rents and rates.

Transport and Plant: This area of expenditure is overspent by 8%. This is primarily due to higher-than-anticipated fuel costs arising from current economic pressures, as well as increased fleet maintenance costs across both frontline emergency vehicles and officer cars. Increased spending on new equipment and consumables has been partially offset by an underspend in equipment repairs and maintenance, reflecting a shift towards replacing items rather than repairing them.

Supplies and Services: Expenditure on consultancy and hired support was below budget by 16% (£1113k), some of these costs arise on an ad hoc basis and are therefore inherently difficult to predict. In contrast there has been a significant increase in community safety activities, including fire safety visits, which has led to bulk purchases of fire alarms as well as other community safety equipment in readiness for demand, resulting in an overspend in this area of £43k. There has been a substantial underspend of £423k within Telecommunications; the Service has experienced a reduction of approximately £300k in Airwave charges as a result of regulatory controls on Motorola revenue and further savings have been achieved through reduced usage and issuance of telephones, contributing to lower overall costs.

Other Income & Government Grants: The Service has generated more income than anticipated, primarily driven by increased collaboration with partner agencies. In addition, an audit grant was received to offset the rise in audit fees as well as a Cartel Settlement relating to prior years. During 2025/26, the Service also received dividends we do not budget for; these were part of a non-domestic rate pooling system which has not continued into 2026/27. Note 25 provides some details of the grants received.

Summary Financial Table

Description	Original Budget £'000's	Revised Budget £'000's	Actual to Date £000's	Variance £000's	Variance %
Operational Wholetime	17,450	17,671	17,573	(98)	-1%
Operational On-Call	4,180	4,498	4,595	97	2%
Operational Control	1,852	2,046	2,053	7	0%
Operational Other	940	1,103	1,115	12	1%
Operational Support Other	2,383	2,661	2,611	(50)	-2%
Support Mgt & Admin	6,076	6,445	6,198	(247)	-4%
Support Mechanics	320	324	321	(3)	-1%
Support Caretakers/Handymen	238	241	235	(6)	-2%
Other Employee Costs	1,699	2,135	1,820	(315)	-15%
EMPLOYEE COSTS	35,138	37,124	36,521	(603)	-2%
Property Maintenance	586	638	617	(21)	-3%
Building Insurance	51	51	48	(3)	-6%
Energy Costs	511	413	460	47	11%
Cleaning	7	10	31	21	210%
Rents & Rates	981	1,055	1,011	(44)	-4%
Other Property Expenditure	62	63	76	13	21%
PREMISES	2,198	2,230	2,243	13	1%
Equipment Expenditure	332	444	438	(6)	-1%
Vehicle Running Expenses	679	687	811	124	18%
Vehicle Insurance	145	145	126	(19)	-13%
TRANSPORT AND MOVEABLE PLANT	1,156	1,276	1,375	99	8%
Office Expenses	258	302	271	(31)	-10%
IT & Communications Equip.	2,775	2,828	2,321	(507)	-18%
Fire Equipment	38	40	42	2	5%
Insurance	30	30	30	-	0%
Other Supplies & Services	986	1,426	1,066	(360)	-25%
SUPPLIES AND SERVICES	4,087	4,626	3,730	(896)	-19%
Debt Charges	242	242	227	(15)	-6%
External Interest	(220)	(220)	(544)	(324)	147%
Capital Financing	306	306	815	509	166%
CAPITAL FINANCING	328	328	498	170	52%
CONTROLLABLE EXPENDITURE	42,907	45,584	44,367	(1,217)	-3%
Other Income	(761)	(1,015)	(1,288)	(273)	27%
Other Government Grants	(1,427)	(1,669)	(1,749)	(80)	5%
Secondments	-	(163)	(168)	(5)	3%
CONTROLLABLE INCOME	(2,188)	(2,847)	(3,205)	(358)	13%
NET CONTROLLABLE EXPENDITURE	40,719	42,737	41,162	(1,575)	-4%
Grant/Precept Income	(40,719)	(41,162)	(41,505)	(343)	0%
In-year Reserve Movements	-	(1,575)	74	1,649	0%
CONTRIBUTIONS	(40,719)	(42,737)	(41,431)	1,306	0%
CONTRIBUTION TO GENERAL RESERVE	-	-	269	269	0%

Capital Spending

The table below details the capital expenditure and how this was financed.

Expenditure	£000's	£000's
Vehicles	639	
IT & Equipment	336	
Building Works	1,916	
IFRS16 Leased Assets	414	
Assets Under Construction	<u>576</u>	
		3,881
Financed By		
Borrowing	1,202	
Transfer from Capital Reserve	1,569	
IFRS16 Leasing Arrangements	414	
Application of Capital Receipts and revenue contribution	<u>696</u>	
		3,881

Vehicle expenditure includes the purchase of both operational and non-operational vehicles. During 2025/26, the Service acquired two rescue pump appliances and seven caddy vans. It also continued its programme to transition flexi-officer vehicles from petrol to hybrid electric.

Property expenditure relates to the maintenance and refurbishment of existing properties. The redevelopment of St Neots Fire Station was completed in September, making it the first station in the county to be fully carbon neutral. The Service received a £700k grant from Huntingdon District Council's Community Infrastructure Levy (CIL) towards the St Neots redevelopment, as well as a £45k CIL grant from Peterborough City Council in relation to works at Dogsthorpe Fire Station.

Equipment expenditure relates to the replacement of cutting equipment and the installation of CCTV systems within operational vehicles, enhancing both effectiveness and safety and EV charging units at our strategic stations.

The ICT capital budget covers the acquisition of major IT systems and hardware. Expenditure in the current year primarily relates to the Service-wide endpoint replacement programme, ensuring that devices remain up to date, secure, and capable of supporting operational and administrative functions effectively.

The former Huntingdon Fire Station and staff housing is still currently held for sale and is expected to be sold during 2026/27 (sale has just been agreed subject to contract for the houses as at 16 June 2026).

Statement of Responsibilities for the Statement of Accounts

The Fire Authority's Responsibilities

The Fire Authority 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 Fire Authority, that officer is the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

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

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code.

The Chief Finance Officer has also:

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

Ursula Bird
Chief Finance Officer

Date: 24 June 2026

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure 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. The Fire Authority raises taxation 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 and the Movement in Reserves Statement.

2024/25				2025/26		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
24,757	-	24,757	Employee Costs	27,343	-	27,343
2,262	-	2,262	Premises Costs	2,255	-	2,255
872	-	872	Transport and Plant	952	-	952
5,432	-	5,432	Supplies and Services	4,810	-	4,810
2,526	-	2,526	Depreciation and Amortisation	3,579	-	3,579
-	(2,595)	(2,595)	Other Income	-	(1,819)	(1,819)
35,849	(2,595)	33,254	Cost of Services	38,939	(1,819)	37,120
-	(210)	(210)	Other Operating Income and Expenditure	-	(177)	(177)
13,720	(3,360)	10,360	Financing and Investment Income and Expenditure	13,626	(4,006)	9,620
-	(40,604)	(40,604)	Taxation and Non Specific Grant Income	-	(43,234)	(43,234)
49,569	(46,769)	2,800	Deficit on Provision of Services	52,565	(49,236)	3,329
		1,157	Surplus or deficit on revaluation of Property, Plant and Equipment	Note 11		(3,330)
		(539)	Impairment reversals on non-current assets charged to the Revaluation Reserve	Note 11		(71)
		908	Deficit on revaluation of available for sale financial assets and financial instruments at fair value through other comprehensive income and expenditure	Note 11		299
		(50,983)	Remeasurement of the net defined benefit liability	Note 29		21,051
		(49,457)	Other Comprehensive Income and Expenditure			17,949
		(46,657)	Total Comprehensive Income and Expenditure			21,278

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end, on the different reserves held by the Authority. These are analysed into 'usable reserves' i.e. those that can be applied to suspense expenditure or reduce local taxation and 'unusable reserves'. The statement shows how the movements in-year of the Fire Authority'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 for the year. The Net Increase/Decrease line shows the statutory General suspense Balance movements in the year following those adjustments. Further details can be found in Notes 18 and 19.

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2025	(2,474)	(4,880)	(7,354)	-	-	(7,354)	127,017	119,663
Rounding Adjustment	-	-	-	-	-	-	-	-
Revised opening balance	(2,474)	(4,880)	(7,354)	-	-	(7,354)	127,017	119,663
Movement in reserves during 2025/26								
Net Deficit on the provision of services	3,329	-	3,329	-	-	3,329		3,329
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	17,949	17,949
Total Comprehensive Income and Expenditure	3,329	-	3,329	-	-	3,329	17,949	21,278
Adjustments between accounting basis and funding basis under regulations	(3,669)	-	(3,669)	-	-	(3,669)	3,669	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(340)	-	(340)	-	-	(340)	21,618	21,278
Transfers to / from Earmarked Reserves	72	751	823	-	-	823	(823)	-
Increase/Decrease in 2025/26	(268)	751	483	-	-	483	20,795	21,278
Balance at 31 March 2026	(2,742)	(4,129)	(6,871)	-	-	(6,871)	147,812	140,941

	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2024	(2,110)	(4,897)	(7,007)	-	-	(7,007)	173,328	166,321
Rounding Adjustment	-	-	-	-	-	-	(1)	(1)
Revised opening balance	(2,110)	(4,897)	(7,007)	-	-	(7,007)	173,327	166,320
Movement in reserves during 2024/25								
Net Deficit on the provision of services	2,800	-	2,800	-	-	2,800		2,800
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	(49,457)	(49,457)
Total Comprehensive Income and Expenditure	2,800	-	2,800	-	-	2,800	(49,457)	(46,657)
Adjustments between accounting basis and funding basis under regulations	(3,724)	-	(3,724)	-	-	(3,724)	3,724	-
Net Increase or Decrease before Transfers to Earmarked Reserves	(924)	-	(924)	-	-	(924)	(45,733)	(46,657)
Transfers to / from Earmarked Reserves	560	17	577	-	-	577	(577)	-
Increase/Decrease in 2024/25	(364)	17	(347)	-	-	(347)	(46,310)	(46,657)
Balance at 31 March 2025	(2,474)	(4,880)	(7,354)	-	-	(7,354)	127,017	119,663

Balance Sheet

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

31 March 2025 £000	Notes	BALANCE SHEET AS AT	31 March 2026 £000
56,174	Note 11	Property, Plant and Equipment	59,504
1,672	Note 12	Intangible Assets	1,529
57,846		Long Term Assets	61,033
7,500	Note 13	Short term Investments	6,500
2,300		Assets Held for Sale	1,750
65		Inventories	59
2,883	Note 15	Short Term Debtors	2,941
4,922	Note 16	Cash and Cash Equivalents	2,519
17,670		Current Assets	13,769
(30)	Note 13	Short Term Borrowing	(30)
(11,983)	Note 17	Short Term Creditors	(9,879)
(460)		Provisions	(312)
(12,473)		Current Liabilities	(10,221)
(807)	Note 13	Long Term Creditors	(1,202)
(5,700)	Note 13	Long Term Borrowing	(5,700)
(176,199)	Note 29	Other Long Term Liabilities	(198,620)
(182,706)		Long Term Liabilities	(205,522)
(119,663)		Net Liabilities	(140,941)
(7,354)	Note 18	Usable Reserves	(6,871)
127,017	Note 19	Unusable Reserves	147,812
119,663		Total Reserves	140,941

The draft unaudited financial statements are confirmed by the Chief Finance Officer, Ursula Bird, on 24 June 2026.

Cash Flow Statement

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

2024/25			2025/26
£000	Notes		£000
2,800	CIES	Net Deficit on the provision of services	3,329
(13,490)	Note 20	Adjustment to surplus or deficit on the provision of services for non-cash movements	(3,434)
310	Note 20	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	196
(10,380)		Net cash flows from operating activities	91
6,880	Note 21	Net cash(in)/out flows from investing activities	2,271
39	Note 21	Net cash(in)/out flows from financing activities	41
(3,461)		Net (increase) or decrease in cash and cash equivalents	2,403
(1,461)		Cash and cash equivalents at the beginning of the reporting period	(4,922)
(4,922)		Cash and cash equivalents at the end of the reporting period	(2,519)

Note 1 - Accounting Policies

A1.1 General Principles

The Statement of Accounts summarises the Fire Authority's transactions for the financial year and its position at the year-end. The Fire Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015. These regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom for 2025/26, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The principal accounting policies have been applied consistently throughout the year.

These accounts have been prepared on a going concern basis. The Authority assesses annually the likely impact of inflation and other potential monetary fluctuations on its financial position and performance as part of its budget setting process and updating of its Medium Term Finance Plan (MTFP). The Authority considers known and expected government funding and determines whether it has sufficient liquidity from its ability to access short term investments and sufficient general fund balances and reserves to continue to deliver services. As a result, the Authority is satisfied that it will continue in operational existence in the medium term.

A1.2 Accruals of Income and Expenditure

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

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

A1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 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.

A1.4 Charges to Revenue for Non-current Assets

The Comprehensive Income and Expenditure Statement is 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; and
- Amortisation of intangible assets attributable to the service.

The Fire Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Fire Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

A1.5 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within twelve 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 Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Fire Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Fire Authority is demonstrably committed to the termination of employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Fire Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

There is a requirement for a disclosure note setting out the number of exit packages agreed, analysed between compulsory redundancies and other departures. The total cost of packages in each band must also be disclosed. Please see Note 23.

Post-employment Benefits

Employees of the Fire Authority are members of the following pension schemes:

- The Local Government Pension Scheme for non-uniformed and control room employees, administered by Cambridgeshire County Council. This is a funded scheme, meaning that the Fire Authority and employee pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- The Firefighters Pension scheme for uniformed employees. A separate account detailing the 2025/26 transactions and liabilities is shown within the Firefighter Pension Fund Account.

These schemes provide defined benefits to members (retirement lump sums and pensions), which are earned as employees worked for the Authority.

The liabilities of the Cambridgeshire County Council pension fund attributable to the Fire Authority are included in the Balance Sheet, along with that of the Firefighters' scheme, on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 6.20% (based on the indicative rate of return on high quality AA rated corporate bonds).

There are no assets in the Firefighters schemes. The assets of Cambridgeshire County Council pension fund attributable to the Fire Authority are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value.

The change in the net pension's liability is analysed into the following components:

- Current service cost – the increase in the present value of a defined benefit obligation (liability) resulting from employee service in the current period. This is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service costs – the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan (scheme) amendment (i.e. the introduction or withdrawal of, or change to, a defined benefit plan) or a curtailment (i.e. a significant reduction by the Fire Authority in the number of employees covered by a plan). It is debited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Any gain or loss on settlements – a settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of employees, that is set out in the terms of the plan and included in the actuarial assumptions. However, if the plan is replaced by a new plan that offers benefits that are, in substance the same, the termination of a plan is not a settlement.
- Net interest on the net defined benefit pensions' liability – the change during the period in the net defined benefit liability that arises from the passage of time. The net interest on the net defined benefit liability comprises the interest income on plan assets and interest cost on the defined benefit obligation. It is charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement and 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. This takes into account any changes in the net defined liability during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - 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.
 - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – this is defined as interest, dividends and other income derived from the plan assets, together with realised and unrealised gains and losses on the plan assets, less:
 - > any costs of managing plan assets; and
 - > any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

It is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Contributions paid to the Cambridgeshire County Council pension fund and Firefighters' fund – amounts paid by the employer to reduce scheme liabilities.

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

Discretionary Benefits

The Fire Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

A1.6 Financial Instruments

A financial asset or liability is recognised on the Balance Sheet when the Fire Authority becomes party to the contractual provisions of the instrument. This will normally be the date that a contract is entered into but may be later if there are conditions that need to be satisfied.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Fire Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line on the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Financial Assets

Financial Assets at amortised cost are recognised on the Balance Sheet when the Fire Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

A1.7 Council Tax and Non-Domestic Rates

The Authority is a precepting authority and receives council tax and non-domestic rates (NDR) collected on our behalf by billing authorities. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and Central Government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR, the council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's 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 Authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

A1.8 Government Grants and Contributions

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

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

Amounts recognised as due to the Fire Authority 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.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account.

A1.9 Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis subject to a de minimis of £7,500 for vehicles and £10,000 for all other assets, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Fire Authority and the cost of the item can be measured reliably. Expenditure that is below the de minimis or 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; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- Assets under construction and vehicles, plant, furniture and equipment – depreciated historical cost; or
- Land and buildings current value; or
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use.

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), 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, but as a minimum every three years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains (see Note 11 for further details).

Where decreases in value are identified, they are accounted for as follows:

- 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); or
- 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:

- 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); or
- 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 lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

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

Depreciation is applied in the year of purchase.

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer. Currently the useful life is between 25-60 years depending on the component type.
- Vehicles, plant, furniture and equipment – straight line allocation, of each class of assets in the Balance Sheet, over the useful life of the asset as advised by a suitably qualified officer. Currently the useful life of these types of assets are 3-15 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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.

Assets Held for Sale

Non-current assets (or disposal groups) intended for sale are classified as held for sale when ready for immediate sale, actively marketed, and sale is highly probable within 12 months. They are measured at the lower of carrying amount and fair value less costs to sell, presented separately on the balance sheet as current assets, and no longer depreciated.

Disposals

When an asset is disposed of or decommissioned, the carrying amount for the asset in the Balance Sheet (whether Property, Plant or Equipment) 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 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.

Capital receipts are generally categorised as those for which the disposal relates to assets held in the balance sheet at the time of disposal. 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.

Subsequent measurement is in accordance with the Property, Plant and Equipment policy and are depreciated accordingly.

A1.10 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset.

Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Measurement

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost.

Impairment

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.

Amortisation

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 from its date of acquisition.

Disposals

Any gain or loss arising on the disposal 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.

A1.11 Reserves

The Fire Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

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

A1.12 Leases

The Authority as a Lessee

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

Initial Measurement

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

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

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- exercise price under a purchase option that authority is reasonably certain to exercise
- lease payments in an optional renewal period if authority 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 lease liability, adjusted for any pre-payments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent Measurement

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

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

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

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

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

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority 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 in right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by 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 authority is reasonably certain to exercise and any termination options that authority is reasonably certain not to exercise).

Lease expenditure

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

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

A1.13 Events after the Reporting Period

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

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

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

Note 2 - Accounting Standards Issued, Not Adopted

Accounting standards that have been issued but not adopted

Under The Code of Practice on Local Authority Accounting disclosure of the impact of accounting standards issued but not yet adopted is required. After a review of the relevant standards the following has been determined:

- IAS 21 - The Effect of changes in Foreign Exchange Rates (Lack of Exchangeability) issued in August 2023
- IFRS 17 - Insurance Contracts issued in May 2017

The Section 151 Officer, on behalf of the Fire Authority, has assessed the impact of the relevant future standards above and there would be no material changes to the accounts if they were to be adopted.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Fire Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for Local Government. However, the Fire Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Fire Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The fair value of the PWLB loan is disclosed in the accounts using the new loan rate from the market rather than the premature loan rate from PWLB. The new loan rate is felt to be more appropriate to use as there is no intention to repay the loan early. This treatment is consistent to that in previous years. The difference between the two is £2.38m based on the differing calculation methods.

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 Fire Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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

Land and Buildings (Carrying value £50.589m)

- Based on this year's movements in indices and revaluations the valuations in following years could have a material impact.
- The remaining useful lives of all assets are estimated and the Fire Authority relies on the expertise of external valuers to determine the current valuations of the Land & Buildings on an annual basis.

The effect of changes in their assumptions would have the following effect:

Assumed Fees %	15%
Age & Obsolesce Allowance	Varies per site
	£'000s
Reduction in fees by 1%	(237)
Reduction in Age & Obsolesce allowance by 1%	(541)
Reduction in Fees & Age & Obsolesce by 1%	(796)
Increase in fees by 1%	234
Increase in Age & Obsolesce allowance by 1%	542
Increase in Fees & Age & Obsolesce by 1%	805

- The Valuer's general assumptions in regard to costs are that our valuations have been provided in gross form and do not include an allowance for purchaser's costs at the appropriate rate.

Pensions Liability (Carrying value £198.6m)

- Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fire Authority with expert advice about the assumptions to be applied.
- The effect on net pension's liability of changes in individual assumptions can be measured. Assumptions are detailed in Note 29.

Note 5 - Events After the Balance Sheet Date

There have been no events since the balance sheet date which would require disclosure or adjustment in these financial statements.

Note 6 - Expenditure and Funding Analysis

This 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. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. A further breakdown of the adjustments can be found on page 39.

Net Expenditure Chargeable to the General Fund Balance	2024/25			2025/26		
	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement	
£000	£000	£000		£000	£000	£000
32,711	(7,954)	24,757	Employee Costs	35,855	(8,512)	27,343
2,262	-	2,262	Premises Costs	2,255	-	2,255
872	-	872	Transport and Plant	952	-	952
5,432	-	5,432	Supplies and Services	4,810	-	4,810
-	2,526	2,526	Depreciation and Amortisation	-	3,579	3,579
-	(2,595)	(2,595)	Other Income	-	(1,819)	(1,819)
41,277	(8,023)	33,254	Net Cost of Services	43,872	(6,752)	37,120
(42,201)	11,747	(30,454)	Other Income and Expenditure	(44,212)	10,421	(33,791)
(924)	3,724	2,800	Deficit on Provision of Services	(340)	3,669	3,329
(7,007)			Opening Combined General Fund Balance	(7,354)		
(924)			Plus Surplus on the General Fund Balance for the Year (Statutory basis)	(340)		
577			Transfers to/from other Reserves	823		
(7,354)			Closing Combined General Fund Balance	(6,871)		

Note to the Expenditure and Funding Analysis

2025/26	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£	£	£	£	£
Employee Costs	-	(8,567)	-	55	(8,512)
Depreciation and Amortisation	3,579	-	-	-	3,579
Other Income	-	-	-	(1,819)	(1,819)
Net Cost of Services	3,579	(8,567)	-	(1,764)	(6,752)
Other Income and Expenditure	-	9,937	-	484	10,421
Difference between the Statutory Charge and the Deficit in the Comprehensive Income and Expenditure Statement	3,579	1,370	-	(1,280)	3,669

2024/25	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Other Differences	Total Adjustments
	£	£	£	£	£
Employee Costs	-	(8,071)	-	117	(7,954)
Depreciation and Amortisation	2,526	-	-	-	2,526
Other Income	-	-	-	(2,595)	(2,595)
Net Cost of Services	2,526	(8,071)	-	(2,478)	(8,023)
Other Income and Expenditure	-	10,724	-	1,023	11,747
Difference between the Statutory Charge and the Deficit in the Comprehensive Income and Expenditure Statement	2,526	2,653	-	(1,455)	3,724

Net Capital Statutory Adjustments – this adds in depreciation, impairment and revaluation gains and losses in the services line.

Net Pensions Statutory 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 Authority as allowed by statute and the replacement with current service costs and past service costs.
- For other income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

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

- The charge under other 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.

Note 7 - 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 Fire Authority 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 Authority 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 an authority are required to be paid and out of which all liabilities of the Authority 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 Fire Authority 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. A 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 Fire Authority 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	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(1,370)	-	-	1,370
Council tax and NNDR (transfers to or from the Collection fund)	343	-	-	(343)
Holiday pay (transferred to the Accumulated Absences reserve)	(55)	-	-	55
Equal pay settlements (transferred to the Unequal Pay / Back Pay Account)	-	-	-	-
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(4,344)	-	-	4,344
Total Adjustments to Revenue Resources	(5,426)	-	-	5,426
Adjustments between Revenue and Capital Resources:				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	196	(196)	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	-	-	-
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-
Mitigation of operating leases as lessee reclassified as finance leases upon transition to IFRS 16	-	-	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	315	-	-	(315)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	500	-	-	(500)
Total Adjustments between Revenue and Capital Resources	1,011	(196)	-	(815)
Adjustments to Capital Resources:				
Use of the Capital Receipts Reserve to finance capital expenditure	-	196	-	(196)
Application of capital grants or reserves to finance capital expenditure	-	823	746	(1,569)
Total Adjustments to Capital Resources	-	1,019	746	(1,765)
Total Adjustments	(4,415)	823	746	2,846

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to (or from) the Pensions Reserve)	(2,653)	-	-	2,653
Council tax and NDR (transfers to or from the Collection Fund)	(431)	-	-	431
Holiday pay (transferred to the Accumulated Absences reserve)	(117)	-	-	117
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(2,462)	-	-	2,462
Total Adjustments to Revenue Resources	(5,663)	-	-	5,663
Adjustments between Revenue and Capital Resources:				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	310	(310)	-	-
Mitigation of operating leases as lessee reclassified as finance leases upon transition to IFRS	(164)	-	-	164
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	294	-	-	(294)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	1,500	-	-	(1,500)
Total Adjustments between Revenue and Capital Resources	1,940	(310)	-	(1,630)
Adjustments to Capital Resources:				
Use of the Capital Receipts Reserve to finance capital expenditure	-	310	-	(310)
Application of capital grants to finance capital expenditure	-	577	-	(577)
Total Adjustments to Capital Resources	-	887	-	(887)
Total Adjustments	(3,723)	577	-	3,146

Note 8 - Transfers to/from Earmarked Reserves

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

	Balance at 1 April 2024	Transfers In 2024/25	Transfers Out 2024/25	Balance at 31 March 2025	Transfers In 2025/26	Transfers Out 2025/26	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
General Fund Reserves:							
Financial Business Continuity Reserve	(860)	-	-	(860)	-	-	(860)
Tactical Reserve	(297)	-	15	(282)	-	61	(221)
Revenue Pension Reserve	(523)	-	-	(523)	-	-	(523)
On Call Operations Reserve	(400)	-	-	(400)	-	-	(400)
Property Development Reserve	(1,400)	-	577	(823)	-	823	-
Revenue C/Forwards Reserve	(1,417)	(1,925)	1,350	(1,992)	(1,648)	1,515	(2,125)
Total General Fund	(4,897)	(1,925)	1,942	(4,880)	(1,648)	2,399	(4,129)

Note 9 - Financing and Investment Income and Expenditure

2024/25		2025/26
£000		£000
192	Interest payable and similar charges	227
10,724	Net interest on the net defined benefit liability or asset	9,937
(556)	Interest receivable and similar income	(544)
10,360	Total	9,620

Note 10 - Taxation and Grant Income

2024/25		2025/26
£000		£000
(24,902)	Council tax income	(27,079)
(9,177)	Non-domestic rates income, grants and expenditure	(10,008)
(5,331)	Revenue Support and Services Grants	(4,824)
(1,194)	Other government grants	(1,323)
(40,604)	Total	(43,234)

Note 11 - Property, Plant and Equipment

Movements to 31 March 2026

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Assets Held for Sale £000	*Right of Use Assets £000	Total Property, Plant and Equipment £000
Cost or Valuation						
at 1 April 2025	46,951	21,273	624	2,300	239	71,387
Roundings Adjustment		-	1	-	-	1
Adjusted Opening Balance	46,951	21,273	625	2,300	239	71,388
Adjustments to cost/value & depreciation/impairment						
Additions	1,916	936	572	-	414	3,838
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,099	-	-	(303)	-	1,796
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(964)	-	-	(247)	-	(1,211)
Derecognition – disposals	-	(431)	-	-	-	(431)
Reclassifications and transfers	587	6	(593)	-	-	-
at 31 March 2026	50,589	21,784	604	1,750	653	75,380
Accumulated Depreciation and Impairment						
at 1 April 2025	-	(12,906)	-	-	(7)	(12,913)
Adjustments to cost/value & depreciation/impairment						-
Depreciation charge	(781)	(1,593)	-	(20)	(32)	(2,426)
Depreciation written out to the Revaluation Reserve	598	-	-	-	-	598
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-
Impairment reversals recognised in the Revaluation Reserve	55	-	-	16	-	71
Impairment reversals recognised in the Deficit on Provision of Services	128	-	-	4	-	132
Derecognition – disposals	-	412	-	-	-	412
Derecognition – other	(69)	-	-	-	-	(69)
Other movements in depreciation and impairment	69	-	-	-	-	69
at 31 March 2026	-	(14,087)	-	-	(39)	(14,126)
Net Book Value						
at 31 March 2026	50,589	7,697	604	1,750	614	61,254
at 31 March 2025	46,951	8,367	624	2,300	232	58,474

*Right of Use Assets adopted 1 April 2024

Movements to 31 March 2025

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Assets Held for Sale £000	*Right of Use Assets £000	Total Property, Plant and Equipment £000
Cost or Valuation						
at 1 April 2024	48,408	21,268	401	3,208	239	73,524
Adjustments to cost/value & depreciation/impairment						
Additions	127	1,647	622	-	-	2,396
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,413)	-	-	(908)	-	(2,321)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(171)	-	-	-	-	(171)
Derecognition – disposals	-	(2,041)	-	-	-	(2,041)
Reclassifications and transfers	-	399	(399)	-	-	-
at 31 March 2025	46,951	21,273	624	2,300	239	71,387
Accumulated Depreciation and Impairment						
at 1 April 2024	-	(13,400)	-	-	-	(13,400)
Depreciation charge	(795)	(1,446)	-	-	(7)	(2,248)
Depreciation written out to the Revaluation Reserve	92	-	-	-	-	92
Impairment reversals recognised in the Revaluation Reserve	539	-	-	-	-	539
Impairment reversals recognised in the Deficit on Provision of Services	164	-	-	-	-	164
Derecognition – disposals	-	1,940	-	-	-	1,940
Derecognition – other	(130)	-	-	-	-	(130)
Other movements in depreciation and impairment	130	-	-	-	-	130
at 31 March 2025	-	(12,906)	-	-	(7)	(12,913)
Net Book Value						
at 31 March 2025	46,951	8,367	624	2,300	232	58,474
at 31 March 2024	48,408	7,868	401	3,208	-	59,885

Property, Plant and Equipment Revaluations

	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Assets Held for Sale £000	*Right of Use Assets £000	Total £000
Carried at historical cost	-	7,698	-	-	7,698
Valued at current value as at 31 March 2026	50,588	-	1,750	614	52,952
Total Cost or Valuation	50,588	7,698	1,750	614	60,650

Valuations of all the Authority's property was carried out by the appointed valuer, Wilks, Head and Eve, a surveyor with a RICS qualification with an effective revaluation date of 31 March 2026.

See Note 4 for Valuer's general assumptions.

Property, Plant and Equipment Disposals

Capital receipts relating to assets held in the Balance Sheet are included in disposal proceeds of non-current assets. Receipts for low-value assets not held in the Balance Sheet are recorded as revenue income.

Our old Huntingdon Fire Station and adjacent houses remain as 'held for sale'. The station was sold subject to planning permission approvals during 2024/25 and remains as such. It is anticipated that the sale of these properties should complete in 2025/26.

Capital Commitments

Contracts for goods and services, including purchase orders raised not received are summarised below:-

Category	Description	£000
Buildings	Station refurbishment & welfare facilities St Neots	65
	Property sustainability	21
	Station upgrades	324
	New St Ives Fire Station	26
	Gyms	14
	Security	104

Note 12 - Intangible Assets

The Fire Authority 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 intangible assets include both purchased licenses and internally generated software. 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 Authority.

2024/25		2025/26
Total		Total
£000		£000
	Balance at start of year:	
2,679	Gross carrying amounts	2,972
(1,193)	Accumulated amortisation	(1,300)
1,486	Net carrying amount at start of year	1,672
292	Purchases	42
-	Disposals	(16)
(107)	Amortisation for the period	(185)
-	Amortisation written off on disposal	16
1,671	Net carrying amount at end of year	1,529
	Comprising:	
2,972	Gross carrying amounts	2,998
(1,300)	Accumulated amortisation	(1,469)
1,672	Total	1,529

Note 13 - Financial Instruments

Current Financial Assets

	Investments		Debtors		Cash		Total	Total
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000	£000	£000	£000	£000
Amortised cost	7,500	6,500	720	390	4,922	2,519	13,142	9,409
Total financial assets	7,500	6,500	720	390	4,922	2,519	13,142	9,409

Non-Current Financial Liabilities

	Borrowings		Creditors		Total	Total
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000	£000	£000
Amortised cost	(5,700)	(5,700)	(173)	(569)	(5,873)	(6,269)
Total financial liabilities	(5,700)	(5,700)	(173)	(569)	(5,873)	(6,269)

Current Financial Liabilities

	Borrowings		Creditors		Total	Total
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000	£000	£000
Amortised cost	(30)	(30)	(4,560)	(4,024)	(4,590)	(4,054)
Total financial liabilities	(30)	(30)	(4,560)	(4,024)	(4,590)	(4,054)

Note 14 - Financial Instruments - Fair Value

Fair Values of Assets and Liabilities

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

- For loans from the PWLB and other loans payable, new loan rates from the market have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other payables is taken to be the invoiced or billed amount.

The valuation basis adopted in calculating fair value uses level 2 inputs - i.e. inputs other than quoted prices that are observable for financial assets and financial liabilities. There has been no change to the valuation techniques applied in previous years.

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are required)

Financial Liabilities

	2024/25		2025/26	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial Liabilities held at Amortised Cost	(5,700)	(3,480)	(5,700)	(3,319)
Total	(5,700)	(3,480)	(5,700)	(3,319)

The value of the liabilities is less than the carry amount because the Authority's portfolio of loans includes a fixed rate loans where the interest rate payable is less than the prevailing rates at the Balance Sheet date. Due to the short term repayment periods of the Authority's assets the difference between the carrying value (in Note 13) and the fair value is immaterial.

Note 15 - Debtors

2024/25 £000		2025/26 £000
59	Trade Receivables	9
	Other:	
801	Prepayments	914
1,762	Local Authorities Accrued income & Levies	1,636
112	VAT debtor	213
149	Other accrued income and receivable Amounts	169
2,824	Total other	2,932
2,883	Total	2,941

During the year to 31 March 2026, £0k was written off as a bad debt (£0k in 2024/25).

Note 16 - Cash and Cash Equivalents

2024/25 £000		2025/26 £000
15	Cash and Bank balances	16
4,907	Short Term Deposits	2,503
4,922	Total Cash and Cash Equivalents	2,519

Note 17 - Creditors

2024/25 £000		2025/26 £000
(101)	Trade payables	(83)
(1,980)	Deferred income	(192)
(3,480)	Pension scheme creditor	(3,686)
(1,274)	Local Authorities Provision for appeals & overpayments	(1,196)
(5,148)	Accruals and other payables	(4,722)
(11,983)	Total Creditors	(9,879)

Note 18 - Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

Total General Fund Balance

2024/25		2025/26
£000		£000
(2,474)	General Fund Balance	(2,742)
	Earmarked Reserve:	
(860)	Finance Business Continuity Reserve	(860)
(282)	Tactical Reserve	(221)
(523)	Pension Reserve	(523)
(400)	Wholetime Operations Reserve	(400)
(823)	Property Development Reserve	-
(1,992)	Revenue C/Forwards Reserve	(2,125)
(7,354)	Balance 31 March	(6,871)

Capital Receipts Reserve

2024/25		2025/26
£000		£000
-	Balance 1 April	-
(310)	Capital Receipts in year	(196)
310	Capital Receipts used for financing	196
-	Balance 31 March	-

Capital Grants Unapplied

2024/25		2025/26
£000		£000
-	Balance 1 April	-
-	Capital grants recognised in year	(746)
-	Capital grants and contributions applied	746
-	Balance 31 March	-
(7,354)	Total Usable Reserves Balance 31 March	(6,871)

Note 19 - Unusable Reserves

2024/25		2025/26
£000		£000
(20,604)	Revaluation Reserve	(22,991)
(29,607)	Capital Adjustment Account	(28,559)
176,199	Pension Reserve - IAS19	198,620
492	Collection Fund Adjustment Account	149
537	Accumulated Absences Account	593
127,017	Total	147,812

Revaluation Reserve

2024/25		2025/26
£000		£000
(21,792)	Balance 1 April	(20,604)
(319)	Adjustment to prior year balance	-
1,976	Revaluation of assets	(1,796)
1,657	Surplus on revaluation of non-current assets not charged to the Surplus on the Provision of Services	(1,796)
(469)	Difference between fair value depreciation and historical cost depreciation	(591)
-	Accumulated gains on assets sold or scrapped	-
(469)	Amount written off to the Capital Adjustment Account	(591)
(20,604)	Balance 31 March	(22,991)

The prior year adjustment is between the Revaluation Reserve and Capital Adjustment Account and relates to the realignment of the differences between historical and current cost depreciation. This has no impact on the Comprehensive Income and Expenditure Statement.

Capital Adjustment Account

2024/25 £000		2025/26 £000
(29,890)	Balance 1 April	(29,607)
319	Adjustment to prior year balance	-
(29,571)	Adjusted Brought Forward Balance	(29,607)
1,797	Charges for depreciation and impairment of non-current assets	4,629
171	Revaluation gain/(loss) on non-current assets	(1,796)
107	Amortisation of intangible assets	184
101	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	20
2,176	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	3,037
469	Adjusting Amounts written out of the Revaluation Reserve	591
2,645	Net written out amount of the cost of non-current assets consumed in the year	3,628
(310)	Use of Capital Receipts Reserve to finance new capital expenditure	(196)
(294)	Statutory provision for the financing of capital investment charged against the General Fund	(315)
(2,077)	Capital expenditure charged against the General Fund	(2,069)
(2,681)	Capital financing applied in year:	(2,580)
(29,607)	Balance 31 March	(28,559)

Pension Reserve - IAS19

2024/25		2025/26
£000		£000
224,529	Balance 1 April	176,199
(50,983)	Remeasurements of the net defined liability	21,051
13,584	Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	12,171
(10,931)	Employer's pensions contributions and direct payments to pensioners payable in the year	(10,801)
176,199	Balance 31 March	198,620

Collection Fund Adjustment Account

2024/25		2025/26
£000		£000
60	Balance 1 April	492
432	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(343)
492	Balance 31 March	149

Accumulated Absences Account

2024/25		2025/26
£000		£000
421	Balance 1 April	537
(421)	Settlement or cancellation of accrual made at the end of the preceding year	(538)
537	Amounts accrued at the end of the current year	594
117	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	55
537	Balance 31 March	593

Note 20 - Cash Flow used in Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£000		£000
(507)	Interest received	(475)
188	Interest paid	188
(319)	Total	(287)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2024/25		2025/26
£000		£000
2,248	Depreciation	2,426
171	Impairment and downward valuations	1,716
107	Amortisation	184
7,821	(Decrease)/Increase in creditors	(2,104)
(26)	Adjustment for the adoption of IFRS 16 lease liability	22
353	(Increase)/Decrease in debtors	(58)
(2)	(Increase)/decrease in inventories	6
2,653	Movement in pension liability	1,370
101	Carrying amount of non-current assets sold or derecognised	20
64	Other non-cash movements charged to the deficit on provision of services	(148)
13,490	Total	3,434

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

2024/25		2025/26
£000		£000
310	Proceeds from the sale of property, plant and equipment	196
310	Total	196

Note 21 - Cash Flow used in Investing Activities

2024/25		2025/26
£000		£000
2,689	Purchase of property, plant and equipment and intangible assets	3,467
26,000	Purchase of short-term and long-term investments	22,000
(310)	Proceeds from the sale of property, plant and equipment	(196)
(21,499)	Proceeds from short-term and long-term investments	(23,000)
6,880	Net cash flows from investing activities	2,271

Cash Flow from Financing Activities

2024/25		2025/26
£000		£000
-	Increase in short-term borrowing	-
-	Increase in long-term creditors	-
(39)	Payments related to IFRS16 leases	(41)
(39)	Net cash flows from financing activities	(41)

Note 22 - Members' Allowances

2024/25		2025/26
£000		£000
43	Salaries	49
46	Allowances	47
2	Expenses	0
91	Total Members' Allowances	96

Note 23 - Officers' Remuneration

Senior Officer Remuneration

		Salary inc. CPD	Other Payments	Expenses Allowances	Pension Contribution	Total
		£	£	£	£	£
Chief Fire Officer - C Strickland (retired 2024/25)	2025/26	-	-	0	-	-
	2024/25	90,215	-	48	-	90,263
Chief Fire Officer (from July 2024, previously Deputy Chief Executive & Treasurer) - M Warren	2025/26	185,491	709	613	69,744	256,557
	2024/25	173,981	1,063	2,502	57,307	234,853
Deputy Chief Fire Officer - J Anderson (from July 2024, previously ACFO)	2025/26	162,457	-	103	61,084	223,644
	2024/25	154,710	-	99	55,795	210,604
Assistant Chief Fire Officer - S Smith (from July 2024)	2025/26	152,659	714	103	56,873	210,349
	2024/25	136,836	3,581	2,470	35,254	178,141
Total	2025/26	500,607	1,423	819	187,701	690,550
	2024/25	555,742	4,644	5,119	148,356	713,861

The Expenses Allowances column reflects Benefits in Kind (e.g. Car Allowance).

Officer Remuneration

	Number of Employees	
	2024/25	2025/26
£50,001 to £55,000	26	31
£55,001 to £60,000	28	30
£60,001 to £65,000	10	18
£65,001 to £70,000	5	12
£70,001 to £75,000	24	12
£75,001 to £80,000	5	10
£80,001 to £85,000	3	10
£85,001 to £90,000	3	1
£90,001 to £95,000	3	2
£95,001 to £100,000	1	1
£100,001 to £105,000	1	2
£105,001 to £110,000	1	-
£110,001 to £115,000	-	3
Total	110	132

Officer remuneration does not include the senior officer remuneration as these are stated in the senior officer remuneration table.

Exit Packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		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	1	1	1	13,847	2,532
£20,001-£40,000	-	-	-	1	-	1	-	30,448
Total	-	-	1	2	1	2	13,847	32,980

Note 24 - External Audit Costs

2024/25		2025/26	
£000		£000	
183	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	108	
-	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for previous financial years.	26	
183	Total	134	

The standard annual audit fee for 2025/26 is set at £108k (2023/24 £105k). In 2025/26 the PSAA reviewed and confirmed the audit scale fees relating to financial audits for 2021/22, 2022/23 & 2023/24. The additional charge relating to the previous financial years amounted to £25k.

Note 25 - Grant Income

Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

2024/25 £000		2025/26 £000
(4,730)	Revenue Support Grant	(4,824)
(601)	Services Grant	-
(7)	New Burdens Grant	-
(10)	Emergency Services Mobile Communications Programme (ESMCP) Grant	-
(75)	Other Minor Grants	(301)
(1,102)	Home Office Pension Grant	(1,022)
(6,525)	Total	(6,147)

Grant Income Credited to Net Cost of Services

2024/25 £000		2025/26 £000
(236)	Fire Protection Uplift Grant	(141)
(7)	New Dimensions Grant	(7)
-	Multi Agency Incident Transfer (MAIT) Funding Grant	(24)
-	Grenfell Grant	(5)
-	McCloud Consensation grant	(186)
(243)	Total	(363)

Note 26 - Related Parties

The Fire Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Fire Authority (FA) or to be controlled or influenced by the FA. Disclosure of these transactions allows the reader to assess the extent to which the FA 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 FA.

Central Government

Central Government has effective control over the general operations of the FA – it is responsible for providing the statutory framework within which the FA operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the FA has with other parties (e.g. Council Tax bills). Grants receipts outstanding at 31 March 2026 are included in Note 17.

Members & Officers

Members of the FA have direct control over the FA's financial and operating policies. The total of member's allowances paid in 2025/26 is shown in Note 22. Contracts were entered into in full compliance with the FA's standing orders. We have consulted with all members and Senior Managers of the FA with regard to Related Party Transactions for 2025/26 and there are no material transactions to disclose (£Nil in 2024/25). The FA has 17 elected members, of which 13 are Cambridgeshire County Councillors and 4 are Peterborough City Councillors.

Note 27 - Capital Expenditure and Capital Financing

2024/25		2025/26
£000		£000
9,689	Opening Capital Financing Requirement	9,935
	Capital Investment:	
2,396	Property Plant and Equipment	3,425
239	Right of Use Assets	414
292	Intangible Assets	42
2,927	Total Capital Spending	3,881
	Sources of Finance:	
(310)	Capital receipts	(196)
(577)	Government grants and other contributions	(1,569)
	Sums set aside from revenue:	
(1,500)	Direct revenue contributions	(500)
(294)	Minimum revenue provision	(315)
(2,681)	Total Sources of Finance	(2,580)
9,935	Closing Capital Financing Requirement	11,236

Explanation of movements in year

2024/25		2025/26
£000		£000
60,146	Long Term Assets	62,783
(20,604)	Revaluation Reserve	(22,991)
(29,607)	Capital Adjustment Account	(28,559)
9,935	Net Asset Total	11,233
246	Movement	1,298
(540)	Borrowings in year	(1,613)
(294)	Decrease in underlying need to borrow (unsupported by government financial assistance)	(315)
(294)	Decrease in Capital Financing Requirement	(315)

Minimum Revenue Provision is charged using an equal annual instalment method over the life of the asset.

Note 28 - Leases

Parkside Fire Station

The Fire Authority retains the freehold of the land at Parkside, Cambridge. However the Authority leased out this land to allow for the development of 99 residential units, a commercial unit and a fire station.

On completion of the development, the fire station was leased back to the Fire Authority in July 2013 for 995 years on a peppercorn rent. The fair value of the land and buildings has been included in the Balance Sheet at £8,165k (£7,820k in 2024/25) and depreciated as per our normal depreciation policy (£120k). As there is nil consideration for this lease there is no interest or lease liability. A management service fee is charged annually, this was £63k in 2025/26 (£60k in 2024/25).

Milton Training Centre

The Land at the Milton Training Centre site has been leased from Anglian Water since April 2012, on a 20 year lease at an initial annual rental of £25k. A 2% per annum uplift is added every 5 years and is currently £30k per annum. The asset value is based on the present value of the lease liability on 1st April 2025 at £220k. In 2025/26, the Authority signed a new lease for 20 years to begin on the 1st April 2032, this has increased the asset value to £593k as at 31st March 2026.

Water Coolers

On 1st July 2024, a 2 year lease rental contract of 24 water cooler units was entered into, with additional units added and co-termed, making a total of 41 units at £10k per annum. These units are payable in advance, increasing annually with CPI. The depreciation charge for the year is £9k. The lease for water coolers was renewed in June 2026 for an

Other Right of Use Assets Leases Charged to the Comprehensive Income and Expenditure Statement (CIES)

Other leases included in our CIES is for our Multi-functional Devices (printers). A new contract was awarded in 2025/26 by Bedfordshire Fire and Rescue Service, of which we share a shared ICT function with. We also have a Canon Wide Format Printer on a 5 year lease commenced in 2023/24 which is below £5k and, due to the low value, IFRS 16 accounting has not been applied to either of these leases

Lease Payment Schedule

category	Year 1	Years 2-5	Years 5+	Total
	£000	£000	£000	£000
Land	30	135	1,207	1,372
Property	-	-	-	-
Plant	10	10	-	20
	40	145	1,207	1,392

Authority as Lessee - Right of Use Assets

The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	31 March 2026			
	Land	Property	Plant	Total
Book Values:-	£000	£000	£000	£000
B/fwd	220	7,820	12	8,052
Depreciation	(23)	(120)	(9)	(152)
Revaluation	-	465	-	465
Additions and/or Disposals	396	-	18	414
Total	593	8,165	21	8,779

Transactions under Leases

The Authority incurred the following expenses and cash flows in relation to leases:

	2024/25	2025/26
	£000	£000
Comprehensive income and expenditure statement		
Cash Flow Statement		
Minimum lease payments	39	41

Note 29 - Defined Benefit Pension Scheme

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

The Fire Authority participates in post employment schemes:

- The Local Government Pension Scheme (LGPS) for non-uniformed and control room employees, administered by Cambridgeshire County Council. This is a funded defined benefit final salary scheme, meaning that The Fire Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The Firefighters Pension Scheme 2015 (FPS 2015) is an unfunded defined benefit scheme. The Firefighters' pension scheme has no assets. The total contributions, by both current members and the Fire Authority, are used to fund payments to the current pensioners regardless of which scheme they were in. A separate account detailing the 2025/26 transactions and liabilities is shown within the Firefighters' Pension Fund Account note.

Until 1st April 2022, Firefighters could be active members of three different Firefighter pension schemes (FPS) , FPS 1992, FPS 2006 and FPS 2015. In 2015, new laws introduced a new scheme for firefighters - the Firefighters' Pension Scheme 2015 (FPS 2015). These laws included protections which meant that some members of the existing schemes (FPS 1992 and FPS 2006) didn't join FPS 2015 either straight away or at all, depending on their age.

Following a legal challenge known as Sargeant, the courts determined that the protections given to members were age discriminatory. This confirmed discrimination will be addressed in two parts:

Part 1 - Future discrimination (prospective) - To remove future discrimination from the scheme and ensure equal treatment, all remaining protected members who were not members of FPS 2015 were transferred into this scheme on 1 April 2022.

This means that all future service for all members will build up in the existing FPS 2015 - the scheme is not changing. Benefits already built up in either of the previous schemes are fully protected.

Part 2 - Past discrimination (retrospective) - The period during which the discrimination was in place - 1 April 2015 to 31 March 2022 - is known as the remedy period. Members who moved into FPS 2015 on 1 April 2015 or later will have their benefits converted to their former final salary scheme for the whole of their service in the remedy period. The benefits built up in FPS 2015 will be kept as an underpinned record.

At retirement, eligible members will be able to keep their final salary benefits or choose to receive the underpinned FPS 2015 benefits for the same period. This known as Deferred Choice Underpin (DCU).

The changes to remove past discrimination are currently being processed.

The Local Government 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 Cambridgeshire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the Authority 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.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Authority does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

The operation of the Firefighters' Pension Schemes is controlled by the Firefighters Pension Scheme (Amendment)(England) Order 2006 (SI 2006/1810) and The Firefighters' Pension Scheme (England) Regulations 2014. Employees' and employers' contributions into the Firefighter Pension Fund are determined by the Secretary of State on the advice of the Government Actuary. Payments of pensions and other retirement benefits are made from the Pension Fund. Government grant is payable to cover any shortfall on the Pension Fund account.

The principal risks to the Fire Authority are statutory change to the scheme and the number of ill health retirements and injury awards. The Authority contributes at the rate prescribed by the Fund's actuary.

The actuarial value of the fund's liabilities as at 31 March 2026, in accordance with International Accounting Standard (IAS) 19, was completed by the Government's Actuary Department on 31 March 2026, and subject to triennial valuation.

Transactions relating to retirement benefits:

- We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

- The employer contributions figure includes the relief from Ministry of Housing, Communities and Local Government (MHCLG) (Top-up Grant). The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2026 will be £1,684k. Expected contributions to the Firefighters' Pension Scheme in the year to 31 March 2026 are £6,355k.

The following tables show the amount included in the balance sheet arising from the Authority's obligation in respect of its defined benefit plans.

General Fund Transactions

2024/25				Comprehensive Income and Expenditure Statement		2025/26			
LGPS	FF Main Scheme	FF Injury Pensions	Total			LGPS	FF Main Scheme	FF Injury Pensions	Total
£000	£000	£000	£000	(CIES)		£000	£000	£000	£000
Service cost comprising:									
1,260	1,400	200	2,860	Current service cost		934	1,000	300	2,234
Financing and Investment Income and Expenditure:									
(676)	10,300	1,100	10,724	Net interest expense		(1,263)	10,400	800	9,937
584	11,700	1,300	13,584	Total charged to Deficit on Provision of Services		(329)	11,400	1,100	12,171
Other post-employment benefits charged to the CIES									
Re-measurement of the net defined benefit liability comprising:									
1,775	-	-	1,775	Return on plan assets (excluding the amount included in the net interest expense)		46	-	-	46
(425)	(8,500)	(100)	(9,025)	Actuarial gains and losses - experience		2,772	1,570	130	4,472
(76)	(3,600)	-	(3,676)	Actuarial gains and losses arising on changes in demographic assumptions		(555)	1,750	150	1,345
(7,857)	(31,900)	(300)	(40,057)	Actuarial gains and losses arising on changes in financial assumptions		(1,786)	(5,720)	(480)	(7,986)
-	-	-	-	- Changes in Asset Ceiling		23,174	-	-	23,174
(6,583)	(44,000)	(400)	(50,983)	Total charged to Other CIES		23,651	(2,400)	(200)	21,051
(5,999)	(32,300)	900	(37,399)	Total charged to the CIES		23,322	9,000	900	33,222

2024/25				Movement in Reserves Statement	2025/26			
LGPS	FF Main Scheme	FF Injury Pensions	Total		LGPS	FF Main Scheme	FF Injury Pensions	Total
£000	£000	£000	£000		£000	£000	£000	£000
(584)	(11,700)	(1,300)	(13,584)	Reversal of net charges made to the Deficit on the Provision of Services	329	(11,400)	(1,100)	(12,171)
				Actual amount charged against the general fund balance for pensions in the year:				
1,631	8,400	900	10,931	Employers' contributions payable to scheme	1,701	8,200	900	10,801

2024/25				Pensions Assets and Liabilities Recognised in the Balance Sheet	2025/26			
LGPS	FF Main Scheme	FF Injury Pensions	Total		LGPS	FF Main Scheme	FF Injury Pensions	Total
£000	£000	£000	£000		£000	£000	£000	£000
(37,899)	(183,300)	(14,300)	(235,499)	Present value of the defined obligation	(40,314)	(184,000)	(14,400)	(238,714)
59,300	-	-	59,300	Fair value of plan assets	63,268	-	-	63,268
-	-	-	-	- Effects of the Asset Ceiling	(23,174)	-	-	(23,174)
21,401	(183,300)	(14,300)	(176,199)	Net liability arising from the defined benefit obligation	(220)	(184,000)	(14,400)	(198,620)

2024/25				Movement in the Value of Scheme Assets	2025/26			
LGPS	FF Main Scheme	FF Injury Pensions	Total		LGPS	FF Main Scheme	FF Injury Pensions	Total
£000	£000	£000	£000		£000	£000	£000	£000
57,469	-	-	57,469	Opening fair value of scheme assets	59,300	-	-	59,300
2,804	-	-	2,804	Interest income	3,462	-	-	3,462
				Re-measurement gains and losses:				
(1,775)	-	-	(1,775)	The return on plan assets, excluding the amount included in the net interest expense	(46)	-	-	(46)
1,631	8,400	900	10,931	Contributions from employer	1,701	8,200	900	10,801
472	1,600	-	2,072	Contributions from employees into the scheme	507	1,900	-	2,407
(1,301)	(10,000)	(900)	(12,201)	Benefits / transfers paid	(1,405)	(11,700)	(900)	(14,005)
59,300	-	-	59,300	Closing value of scheme assets	63,519	(1,600)	-	61,919

2024/25				Movements in the Fair Value of Scheme Liabilities	2025/26			
LGPS	FF Main Scheme	FF Injury Pensions	Total		LGPS	FF Main Scheme	FF Injury Pensions	Total
£000	£000	£000	£000		£000	£000	£000	£000
(43,698)	(216,700)	(21,600)	(281,998)	Opening balance at 1 April	(37,899)	(183,300)	(14,300)	(235,499)
(1,260)	(1,400)	(200)	(2,860)	Current service cost	(934)	(1,000)	(300)	(2,234)
(2,128)	(10,300)	(1,100)	(13,528)	Interest cost	(2,199)	(10,400)	(800)	(13,399)
(472)	(1,600)	-	(2,072)	Contributions from scheme participants	(507)	(1,900)	-	(2,407)
Re-measurement gains and losses:								
425	8,500	100	9,025	Actuarial gains / (losses) - experience	(2,521)	(1,570)	(130)	(4,221)
76	3,600	-	3,676	Actuarial gains / (losses) from changes in demographic assumptions	555	(1,750)	(150)	(1,345)
7,857	31,900	300	40,057	Actuarial gains / (losses) from changes in financial assumptions	1,786	5,720	480	7,986
-	-	-	-	- Past service cost	-	-	-	-
-	-	-	-	- Transfers in/out	-	(1,600)	-	(1,600)
1,301	10,000	900	12,201	Benefits / transfers paid	1,405	11,700	900	14,005
(37,899)	(176,000)	(21,600)	(235,499)	Balance as at 31 March	(40,314)	(184,100)	(14,300)	(238,714)

LGPS - Pension Scheme - Assets comprised of:

2024/25				2025/26		
Quoted £000	Unquoted £000	Total £000	Fair value of scheme assets	Quoted £000	Unquoted £000	Total £000
1,382	-	1,382	Cash and cash equivalents	1,929	-	1,929
Equity Instruments by industry type:						
-	7,511	7,511	Private Equity	-	8,334	8,334
-	23,250	23,250	Investment Funds & Unit Trusts	-	23,247	23,247
1,377	-	1,377	Consumer, Manufacturing and utilities	1,232	-	1,232
657	-	657	Financial Institutions	729	-	729
536	-	536	Health & Care	497	-	497
1,568	-	1,568	Information Technology	1,642	-	1,642
-	5,598	5,598	Real Estate UK Property	-	5,382	5,382
55	-	55	Other	70	-	70
4,193	36,359	40,552	Subtotal Equity Instruments	4,170	36,963	41,133
Bonds by sector:						
-	7,808	7,808	Investment Funds & Unit Trusts	-	8,567	8,567
-	5,260	5,260	UK Government	-	7,375	7,375
-	(1)	(1)	Other	-	(1)	(1)
-	13,067	13,067	Subtotal Bonds	-	15,941	15,941
Investment Funds and Unit Trusts						
-	4,299	4,299	Infrastructure	-	4,266	4,266
-	4,299	4,299	Subtotal Investment Funds and Unit Trusts	-	4,266	4,266
5,575	53,725	59,300	Total Assets	6,099	57,170	63,269

The significant assumptions used by the actuary have been:

2024/25	LGPS	2025/26
Long term expected rate of return on assets:		
5.8%	Equity Instruments	6.3%
5.8%	Bonds	6.3%
5.8%	Investment Funds and Unit Trusts	6.3%
Mortality assumptions:		
Longevity at retirement for current pensioners		
21.5	Men	22.1
24.6	Women	25.2
Longevity at retirement for future pensioners		
22.6	Men	23.3
25.8	Women	26.3
Other assumptions:		
3.1%	Rate of inflation	3.3%
3.3%	Rate of increase in salaries	3.5%
2.8%	Rate of increase in pensions (CPI)	3.0%
5.8%	Rate for discounting scheme liabilities	6.3%

Impact of assumptions on the obligation:

Increase by 1%	LGPS	Decrease by 1%
£000	Assumption	£000
(23)	Rate of increase in salaries	(18)
(746)	Rate of increase in pensions	(685)
(748)	Rate for discounting scheme liabilities	(702)

The significant assumptions used by the actuary have been:

2024/25	Firefighters Main Scheme	2025/26
Mortality assumptions:		
Longevity at retirement for current pensioners		
25.6	Men	26.1
28.5	Women	28.7
Longevity at retirement for future pensioners		
27.7	Men	28.1
30.5	Women	30.8
Other assumptions:		
3.2%	Rate of inflation	3.3%
3.2%	Rate of increase in salaries	3.3%
2.8%	Rate of increase in pensions	3.0%
5.8%	Rate for discounting scheme liabilities	6.2%

Impact of assumptions on the obligation:

Increase by 1%	Firefighters Main Scheme	Decrease by 1%
£000	Assumption	£000
5,950	Longevity - 1 year increase	(5,950)
360	Rate of increase in salaries	(360)
27,400	Rate of increase in pensions	(27,400)
32,600	Rate for discounting scheme liabilities	(32,600)

Note 30 - Nature and Extent of Risks Arising from Financial Instruments

Disclosure of Nature and Extent of Risk Arising From Financial Instruments

All monies within these institutions are currently subject to the respective administration and policy.

Key Risks

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- Re-financing risk – the possibility that the Authority might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Interest rate risk – the possibility that the Authority could pay higher costs on variable rate debt.
- Price risk – the possibility that the Authority could lose money on its investments.

Overall Procedures for Managing Risk

The Fire Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the finance team, under policies approved by the Fire Authority in the Annual Treasury Management Statement. The Fire Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

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

This risk is minimised through the Annual Treasury Management Statement, which requires that deposits are not made with banks and financial institutions unless they meet minimum credit criteria of A, as laid down by Moody, Fitch, Standard & Poor's Rating Services and Credit Default Spread data provided by Link Asset Services. The Fire Authority has a policy of not investing more than £4m with any one group of institutes, unless it is UK Government backed where it is capped at £8m.

The Fire Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £9,019k cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Fire Authority's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise.

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Fire Authority 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 Fire Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Fire Authority sets limits on the proportion of its fixed rate borrowing during specified periods. The strategy is to ensure budget certainty through the use of long term funding secured at low rates of interest. The maturity analysis of financial liabilities is shown in the Liquidity Risk table below.

Time to maturity (years)	Liabilities	
	Interest £000's	Principle £000's
Not over 1	(187)	-
Over 1 but not over 2	(187)	-
Over 2 but not over 5	(562)	-
Over 5 but not over 10	(937)	-
Over 10 but not over 20	(1,875)	-
Over 20 but not over 40	(1,851)	(3,200)
Over 40	(235)	(2,500)
Total	(5,834)	(5,700)

Market Risk

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

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

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

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

The finance 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 quarterly 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.

Sensitivity Analysis

According to this assessment strategy, at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000s
Increase in interest receivable on variable rate investments	140
Impact on Surplus or Deficit on the Provision of Services	(140)

Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the provision of Services or Other Comprehensive Income and Expenditure). The impact of a 1% fall in interest rates would be as above, but with the movements being reversed. 1% is not the Fire Authority's estimate of probable variation, it is used as an example to allow readers to easily work out comparisons using their own estimates.

Fire Fighters Pension Fund Account

This account shows the contributions made to and payments from the Firefighters' Pension Schemes. The schemes are unfunded and consequently since the scheme has no investment assets, the difference between the contributions and payments is now fully financed by the Home Office. The net effect on the Fire Authority will always be nil.

The fund's financial statements do not take into account any liabilities to pay pension and other benefits after the period end.

2024/25		2025/26
£000's		£000's
	Contributions Receivable	
(4,843)	Employers	(5,323)
(75)	Ill-health retirements	-
(1,883)	Employees	(2,033)
(6,801)		(7,356)
(18)	Transfers in from other schemes	(1,554)
	Benefits Payable	
9,496	Pensions	10,601
660	Commutation of pension and lump sum retirement benefits	2,053
51	Other payments in respect to lump sum retirement benefits	48
-	Transfers out to other schemes	42
3,388	Deficit for the year before top up grant receivable from sponsoring department	3,834
(3,388)	Top up grant receivable from sponsoring department	(3,834)
-	Net amount payable/receivable for the year	-

Notes to the Fire Fighters Pension Fund Account

Note F1

Firefighters Pension Fund Statement Notes

- The fund was established under the Firefighters' Pensions Scheme (Amendment) (England) Order 2006. The scheme is an unfunded scheme and has no investment assets. The fund pays all Firefighters' retirement benefits with the exception of injury awards which are paid from the Fire Authority's account and included in the Comprehensive Income and Expenditure Statement.
- The fund displays the contributions receivable and the benefits paid out in respect of pensions and leavers. As there are no investment assets held within the fund the difference between the income, from employee and employer contributions, and expenditure is met by a contribution from / to the Department of Communities and Local Government, thus the fund is balanced to nil each year. The fund is administered by the LGSS (Local Government Shared Service) Pensions Section of Cambridgeshire County Council and managed by Cambridgeshire & Peterborough Fire Authority.
- The accounting policies followed are as stated in the Accounting Policies. The Pension Fund Account only relates to the liabilities incurred during the 2025/26 financial year. All future liabilities are accounted for on an IAS 19 basis and are included within the core financial statements.
- The employees' and employer's contributions are based on percentages of pensionable pay set nationally by the MHCLG and subject to triennial revaluation by the Government Actuary's Department.

Note F2

Net Assets Statement

2024/25		2025/26
£000's		£000's
(3,480)	Top-up grant due from/refundable to(-) the Government	(3,686)
3,480	Amount due to (-)/from General Fund	3,686
-		-

Independent Auditors' Report to the Members of Cambridgeshire and Peterborough Fire Authority

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Glossary

AAA FITCH RATING

Highest credit quality - 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA FITCH RATING

Very high credit quality - 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A FITCH RATING

High credit quality - 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed

ASSET

An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

A statement of the Fire Authority's policy expressed in financial terms.

CAPITAL EXPENDITURE

Expenditure on the acquisition of non-current assets or expenditure, which adds to the value of existing non-current assets, (i.e. over and above maintenance).

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Fire Authority intends to carry out over a specific period of time.

CAPITAL RECEIPTS

Income from the sale of assets. Such income may only be used to repay loan debt or to finance new capital expenditure.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The principal accountancy body dealing with local government finance.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Fire Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSETS

A possible asset arising from past events, whose existence will only be confirmed by future events not wholly within the Fire Authority's control.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Fire Authority's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CREDITORS

Amounts owed by the Fire Authority for which payment has not been made by the end of the financial year.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTORS

Amounts due to the Fire Authority but unpaid at the end of the financial year.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Fire Authority's non-current assets.

EQUITY

The Fire Authority's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Fire Authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Fire Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Fire Authority in general.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INJURY AWARD

An injury award compensates an individual for the potential loss of earnings for injury sustained whilst on duty that results in some level of disablement which hinders or prevents them from working in the future. An injury award is a life time award.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Fire Authority's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

LIABILITY

A liability is where the Fire Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Fire Authority without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

LONG TERM BORROWING

Loans raised to finance capital spending which have still to be repaid.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Authority's borrowings less cash and liquid resources.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the 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.

PENSION SCHEMES

a) Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of: (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

b) Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPTING

The Fire Authority is deemed a major precepting authority and now has the power to levy a local Council Tax charge on the local taxpayer.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets that yield benefits to the Fire Authority for a period of more than one year.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

The government body that provides local authority loans.

RELATED PARTIES

There is a detailed definition of related parties in FRS 8. For the Council's purposes related parties are deemed to include the Fire Authority's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Statement Of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Fire Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

REVENUE EXPENDITURE AND INCOME

Expenditure and income arising from the day to day operation of the Fire Authority.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

ROYAL INSTITUTE OF CHARTERED SURVEYORS (RICS)

The body dealing with property surveys.

STOCKS

Items of raw materials and stores an authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Fire Authority will derive benefits from the use of a fixed asset.