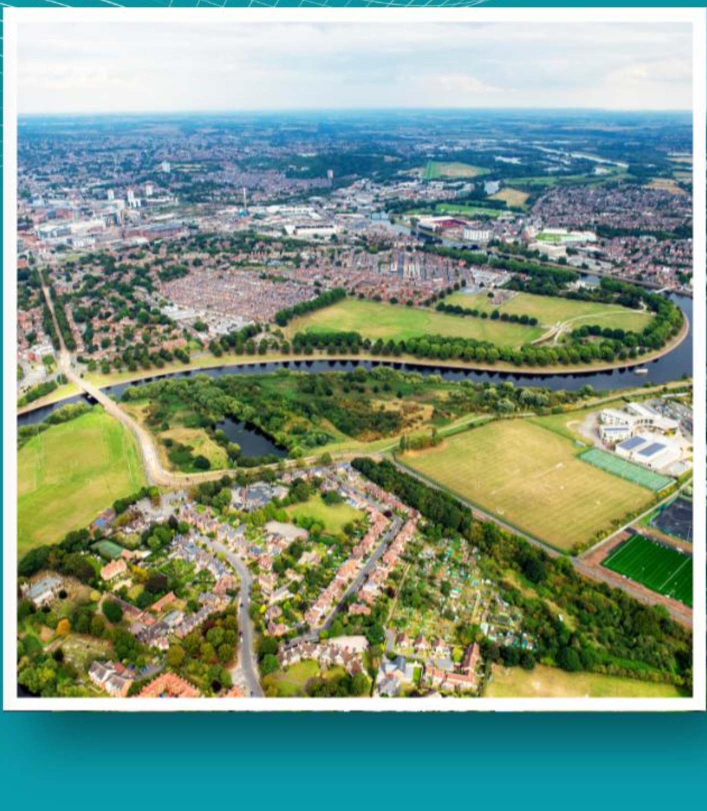
East Midlands Combined County Authority

Statement of Accounts 2025/26

DRAFT



CLAIRE WARD
MAYOR OF THE
EAST MIDLANDS

EAST MIDLANDS
COMBINED COUNTY
AUTHORITY

CONTENTS

1. INDEPENDENT AUDITORS' REPORT

To be added after the statutory audit of the 2025/26 Statement of Accounts by Forvis Mazars LLP. This will be included in the final Statement of Accounts report

2. STATEMENT OF RESPONSIBILITIES

1.The East Midlands Combined County Authority's Responsibility

The East Midlands Combined County Authority (EMCCA) is required to:

(i) Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. These responsibilities are discharged through the role of the Responsible Finance Officer. This is the Executive Director of Resources (Section 73 Officer).

(ii) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

(iii) Approve the Statement of Accounts.

2. The Responsible Finance Officer's Responsibility

The Responsible Finance Officer is responsible for the preparation of EMCCA'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 Responsible Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.
- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

3. Certification of the accounts

I certify that this Statement of Accounts gives a true and fair view of the financial position of EMCCA at the reporting date and of its income and expenditure for the year ended 31 March 2026.

Richard Williams
Executive Director of Resources & Responsible Finance Officer
Date: 30 June 2026

4. Approval of the Accounts

I certify that the audited Statement of Accounts covering the period 1 April 2025 to 31 March 2026 were approved by a resolution of the Audit and Governance Committee on

To be signed after completion of the audit

Shail Shah
Independent Chair of the Audit and Governance Committee
Date:

3. GUIDE TO THE STATEMENTS

The Statement of Accounts brings together the major financial statements for the financial year 2025/26. The financial statements, along with the notes that accompany them, aim to give full and clear financial information. A separate Annual Governance Statement is published alongside, which sets out how the Authority's governance arrangements comply with the principles of the Local Code of Governance.

The key contents of each section are as follows.

Statement of Responsibilities – sets out the responsibilities of the EMCCA and the Chief Finance Officer in respect of the Statement of Accounts

The Narrative Report – provides information about the Authority, its main objectives, and strategies, an provides commentary on how resources have been used to achieve its desired outcomes, and to demonstrate how it is equipped to deal with the challenges ahead.

Policies and decisions underpinning these accounts – sets out the policies and key assumptions and estimations used in preparing the accounts.

Core Statements

- **Comprehensive Income and Expenditure Statement** (CIES) – This records all income and expenditure for the year. The top half of the statement includes departmental activity. The bottom half of the statement deals with corporate transactions and funding. It includes actuarial valuations in accordance with the Code.
- **Movement in Reserves Statement** (MIRS) – This is a summary of the changes to the Reserves during the year. Usable Reserves are set aside for future policy purposes or to cover contingencies. The Unusable Reserves manage the movements resulting from accounting adjustments required by the Code, for capital, financial instruments, retirement, and employee benefits.
  Reserves are created by appropriating amounts out of the General Fund Balance through the MIRS. Expenditure to be financed from a reserve is charged to the appropriate service and hence included within the 'Provision of Services' in the CIES. The reserve is then appropriated back in the MIRS to avoid impacting on council tax.
- **Balance Sheet** –This shows the value of assets and liabilities at the end of the accounting year. The net assets (assets less liabilities) are matched by the reserves held
- **Cash Flow Statement** – This summarises the inflows and outflows of cash, and cash equivalents. The Cash Flow Statement has been prepared using the 'Indirect Method', which adjusts the surplus or deficit on the provision of services for non-cash items. This statement shows the changes in cash and cash equivalents during the reporting period. Cash includes cash in hand and deposits of up 24 hours' notice. Cash equivalents are investments that mature up to three months from acquisition date. These are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand. It shows the reasons for changes in cash balances during the year,

whether the change is due to operating activities, new investment or financing activities (such as the repayment of borrowing and other long-term liabilities).

Notes to the Financial Accounts – the core statements have additional notes and supporting information.

4. NARRATIVE REPORT

The narrative report sets the context for East Midlands Combined County Authority's financial statements for the financial year ending 31 March 2026.

1. About the East Midlands Combined County Authority

The East Midlands Combined County Authority (EMCCA) is a strategic regional government body in England, formally established on 28 February 2024. It covers the local authority areas of Derby City, Derbyshire, Nottingham City and Nottinghamshire. It has powers devolved from central government under a devolution deal designed to support regional growth, infrastructure development, and economic inclusion.

EMCCA is led by the directly elected Mayor of the East Midlands. Claire Ward was elected as the region's first Mayor in May 2024. EMCCA is responsible for a range of functions including transport, housing, skills, economic development, and the environment and climate change.

2. Overview of the Organisation

EMCCA is made up of four founding members across the East Midlands. Each of the following four Constituent Authorities is represented by two nominated representatives or substitutes at East Midlands Combined County Authority Board meetings:

Derby City Council
Derbyshire County Council
Nottingham City Council
Nottinghamshire County Council

EMCCA Board decides the strategic direction of the organisation but seeks advice on its decisions from several other committees. Three thematic committees (Skills and Employment Committee, Housing and Land Committee and Transport and Digital Connectivity Committee) consider issues and provide advice to the Board on themes within their remit. The Investment Committee considers and provides advice to the Board on all proposed investments that are not in the remit of either of the other two thematic committees. There are two further specific advisory committees (the Business Advisory Board reflecting the voice of local business and the Innovation Advisory Board reflecting the voice of organisations involved in the innovation sector). Additionally, one of the voting Board members is responsible, as Portfolio Holder, for Rural and Farming Communities

In October 2025, EMCCA published the Inclusive Growth Framework and East Midlands Growth Plan, which together set out how EMCCA will deliver inclusive growth, where a stronger economy means better livelihoods for people and communities. The Inclusive Growth Framework sets out six long-term ambitions (see diagram below), which form the basis for the Corporate Plan 2026-2029 priorities for delivery as well as the Outcomes Framework which were agreed by the Board in March 2026.

The Outcomes Framework sets outcomes for each of the six long-term ambitions to translate ambitions into measurable change.

People and values are central to EMCCA's ability to deliver for the region. As EMCCA takes on more powers and responsibilities, the organisation is developing to be high-performing, values-driven and equipped with the skills and capability to deliver inclusive growth.

As part of the organisational development, there will be a dedicated Workforce and People Strategy to guide how to attract, and develop talent, strengthen leadership, and bring the values to life as EMCCA grows and matures.

3. Corporate Plan

During 2025/26 EMCCA developed a Corporate Plan for the period of April 2026 to March 2029, which was approved by the Board in March 2026. The Corporate Plan is a basis for collaboration and partnership, to deliver meaningful change for the people of the East Midlands. The Corporate Plan includes delivery priorities against key targeted ambitions, an overview of our organisational resources and a link to our Outcomes Framework to measure performance and impact going forward. The Corporate Plan can be viewed here.

4. Achievements during 2025/26

Over the past year, EMCCA has made significant progress on delivering inclusive growth that brings meaningful change for the region's residents and businesses. The Corporate Plan 2025-26 captures EMCCA's key achievements as set out below.

In 2025/26, EMCCA was successful in securing funding from Government totalling over £388m, the majority of which (around 67%) being for capital projects. This has helped to provide significant funding for councils in the region to maintain and improve the state of their roads, including potholes, as well as committing funding to create new homes on brownfield sites and invest in major regeneration projects, such as Broadmarsh in Nottingham and the South Derbyshire Growth Zone.

Key Achievements by strategic theme in 2025-26 as set out in the Corporate Plan 2026-29

Growth and opportunity

- Launched our 10-year **East Midlands Growth Plan** and the RSA-led Inclusive Growth Commission report.
- Supported the launch of the £160 million 10-year East Midlands Investment Zone Strategy and Investment Plan.
- Launched EMCCA's £25 million Investment Fund pipeline, including town centre regeneration, and new business and community spaces, with £4 million investment into Ashbourne, Chesterfield and Staveley town centres.
- Invested to support development of the Broadmarsh site in Nottingham, the Infinity Prototyping Centre in Derby and the South Derbyshire Growth Zone.
- Invested in Midlands Mindforge which aims to raise £250 million of investment capital over five years to support early-stage university spin-outs and science-based companies.
- Invested £1.4 million from our Early-Stage Angel Investor Fund to drive equity into five early stage and start-up businesses.

Green growth and environment

- Secured plans for an £11 billion redevelopment of Cottam Power Station to create the UK's first nuclear-powered data centre campus.
- Secured investment of £1.3 billion to back STEP Fusion, the UK's first fusion energy plant at West Burton as part of Government's overall investment of £2.5 billion into fusion.
- Submitted two Artificial Intelligence Growth Zone proposals to the Government at 1. Ratcliffe-on-Soar and 2. Cottam and High Marnham to catalyse major infrastructure investment in the region and attract high-value sectors and jobs.
- Funded the development of England's largest Local Area Energy Plan with Digital Twin, for completion in summer 2026.

- Secured £1.4 million from the Mayoral Renewables Fund to develop solar at Williamsthorpe Colliery in Derbyshire and on a leisure centre in Nottinghamshire, to reduce energy bills for local communities.
- Supported two Local Nature Recovery Strategies led by Derbyshire County Council and Nottinghamshire County Council.
- Established the Nature and Biodiversity Taskforce to protect and enhance the natural world and support healthier communities across the East Midlands.

Skills for good work

- Launched our Get East Midlands Working Plan to get more people into good work, with a 10-year goal for 80% of working age people in employment.
- Set up and implemented over £50 million devolved Adult Skills Funding in the East Midlands for the first time.
- Developed skills and employment programmes to support residents with new skills and provide them with support into work via the Adult Skills Fund, Free Courses for Jobs and Skills Bootcamps.
- Launched Connect to Work programme, to help thousands of people with long-term health conditions get back into employment through a dedicated £13 million annual fund.
- Announced a 20-year collaboration with the UK Atomic Energy Authority on fusion energy development and skills training.
- Supported Derby College Group to become a Construction Technical Excellence College for the East Midlands.
- Developed an offer for our young people through careers support within schools via the Careers and Enterprise Company and with our Youth Guarantee, getting young people into education, employment or training. The £5 million Youth Guarantee Trailblazer has already supported 1,200 young people between April 2025 and January 2026.
- Established a new Regional Youth Committee for young people to shape our work.

Connected Communities

- Secured £2.2 billion from the Government's Transport for City Regions fund to improve transport across the region – our first consolidated regional settlement.
- Launched the first stage of public consultation on the Mayor's Transport Plan.
- Established EMCCA as a single regional Transport Authority, including for bus services.
- Renewed the successful High Peak student bus pass for 2025-26 academic year, enabling free travel to Manchester colleges for students in rural Derbyshire.
- Supported Great British Railways, which will manage passenger services and rail infrastructure, to be headquartered in Derby.
- Appointed Sustainable Travel Ambassador Alan Simpson.

Housing and place

- Launched our Vision for Growth, which sets the development potential across seven Growth Strategy Areas, from the Trent Arc to the Heartlands and Supercluster.

- Signed our Strategic Place Partnership with Homes England to support our ambition for 100,000 new homes over the next decade.
- Launched our East Midlands Retrofit Strategy to improve energy efficiency and reduce fuel poverty.
- Championed the investment potential of the Peak Cluster, Supercluster and Trent Arc at the Regional Investment Summit in Birmingham.
- Launched a review on access to support and services for people experiencing homelessness and rough sleeping, and secured funding to develop a blueprint for tackling rough sleeping across the East Midlands.
- Launched the Peak Partnership between the Mayors of the East Midlands, Manchester and South Yorkshire to work together to maximise opportunities across the Peak District.
- Tackled unsafe cladding and improved building.

Health, wellbeing and belonging (including public services)

- Launched the £3 million Mayor's Community Development Fund to improve community resilience, improve skills and help people shape their neighbourhoods.
- Supported the Government's Pride in Place investment in neighbourhoods in Nottingham, Derby, Broxtowe, Mansfield and Ashfield.
- Convened leaders and professionals at the Healthy East Midlands conference to shape a preventative health system.

Devolution and partnerships

- Applied to become an "Established" Mayoral Strategic Authority, to give EMCCA more powers, more funding opportunities, and a long term funding deal.
- Engaged with local authorities on their proposals to reorganise local government and what this means for residents and future devolution in the region.
- Put in place a Single Assurance Framework to make sure the money we spend delivers value and makes a real difference.
- Worked closely with other Mayoral Strategic Authorities, and championed the priorities.

5. Public Transport Services

The most significant structural change in EMCCA during 2025/26 has been the transfer of public transport services from the four constituent councils to create a new regional public transport service. This is the first ever transfer of public transport functions at combined county level.

The transfer took place on 1 February 2026 and EMCCA is now responsible for overseeing 97 million bus journeys each year across the EMCCA area, on over 1000 buses running 330 different routes. The gross cost of running transport services is estimated to be c£80m per annum. Over 60 staff members, 278 contracts, and over £40m of assets have transferred and further work on integration and improvement has commenced.

6. Governance

East Midlands Combined County Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. EMCCA also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, EMCCA is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. These arrangements are described in more detail in the Annual Governance Statement (AGS) 2025/26 that is published in draft form alongside the Statement of Accounts and which will be presented to Audit Committee on 10 July 2026.

7. Financial Performance 2025/26

Both the revenue and capital expenditure reflects a step-up in the scope and scale of EMCCA as a regional strategic authority, compared to the previous financial year. Revenue expenditure for the year was £122m and capital investment over £193m.

Revenue Outturn Position 2025/26

The following table below provides a brief overview of EMCCA's outturn against its revenue budget for 2025/26.

Expenditure Category	2025/26 Original Budget £m	2025/26 Revised Budget £m	2025/26 Outturn £m	Outturn Over / (Under) spend v Revised Budget £m
Employees	14.93	17.45	16.82	(0.62)
Premises	0.25	0.25	0.20	(0.05)
Travel	0.05	0.05	0.14	0.09
Supplies and Services	118.86	117.70	50.44	(67.26)
Third Party Payments	28.41	28.13	54.49	26.35
Expenditure Total	**162.50**	**163.58**	**122.09**	**(41.49)**

Income Category	2025/26 Original Budget £m	2025/26 Revised Budget £m	2025/26 Outturn £m	Outturn Over / (Under) spend v Revised Budget £m
Grants	(114.79)	(114.79)	(109.61)	5.18
Contributions/Reimbursements	(22.63)	(22.63)	(11.09)	11.54
Other Income	(2.10)	(3.18)	(7.23)	(4.05)
Contribution to/(from) Reserves	(3.99)	(3.99)	23.37	27.36
Investment Income	(19.00)	(19.00)	(19.00)	0.00
Income Total	**(162.50)**	**(163.58)**	**(123.56)**	**40.03**
Net (Underspend)/Overspend	**0**	**0**	**(1.46)**	**(1.46)**

There was an underspend in 2025/26 of £1.5m against the revised budget, which mainly relates to a reduced spend in staffing. There has also been a forecast reduction in commissioning, consultancy and publicity costs. The significant change in contribution to reserves compared to budget is partly due to the addition of unspent transport balances that are being deployed to support public transport services budgets in 2026/27 and future years.

Following Board agreement on 20 July 2026, this underspend is to be transferred to the Organisational Development Reserve (£1m) and to the Development Reserve (£0.46m), which is used to fund one off projects and programmes that are about building the capacity and capability of the organisation and initiatives that enable a range of strategic, feasibility, and options appraisals in support of EMCCA's evolving scope and potential responsibilities

Capital Outturn 2025/26

In 2025/26, EMCCA's capital investment was £193.27m, which is £67m below the revised budget and funding available. This in turn results in the reprofiling of £65m of capital spend into 26/27 and future years. There is also £2m which represents an underspend against the expected spend on former LEP schemes against which no future year expenditure is required and the New Programmes Fund, which has no current commitments.

The breakdown is provided in the table below. It shows spend across key strategic initiatives including housing, transport, investment zones, and green infrastructure. Several legacy Local Enterprise Partnership (LEP) funded projects.

	Projects	2025/26 Original Budget £m	2025/26 Revised Budget incl 24/25 Carry Forwards £m	2025/26 Outturn £m	Outturn Over / (Under) spend v Revised Budget £m
REFCUS Projects	Brownfield Housing Fund incl 24/25 reprofile	13.51	16.83	0.28	(16.55)
	24/25 Investment Fund Projects	0.00	9.39	8.39	(1.00)
	25/26 Investment Fund incl 24/25 unallocated	19.00	26.61	0.08	(26.52)
	Highways Maintenance Block	75.74	75.74	75.73	(0.01)
	Intergrated Transport Block	12.86	12.86	12.86	0.00
	Bus Service Improvement Plan (BSIP)	21.06	21.06	21.06	0.00
	City Region Sustainable Transport Scheme	55.00	55.00	55.00	0.00
	25/26 Investment Zones	15.71	15.71	1.50	(14.21)
	UKSPF Main Grant and Transition	9.87	9.87	9.87	0.00
	Former LEP Capital Projects	2.00	3.84	1.11	(2.74)
	23/24 CF - Gigahubs	0.00	1.15	1.02	(0.13)
	23/24 CF - Homelessness	0.00	0.26	0.10	(0.16)
	Consolidated Active Travel Fund	0.00	4.01	0.00	(4.01)
	Active Travel 5 Funding	0.00	1.50	1.50	0.00
	Rural England Prosperity Fund (REPF)	0.00	1.25	1.25	0.00
	Mayoral Renewable Fund Project	0.00	0.29	0.29	0.00
REFCUS Sub-Total		**224.75**	**255.38**	**190.06**	**(65.33)**
Capital Projects/ Non-Treasury Management Investments	Early Stage Angel investment fund	0.00	0.92	0.92	0.00
	Midlands Mindforge	0.00	2.00	2.00	0.00
	Mid Term Office Accommodation	0.00	0.72	0.17	(0.55)
	IT Equipment	0.00	0.13	0.13	0.00
	New Programmes Fund (unallocated)	2.00	1.15	0.00	(1.15)
Capital Projects/Non-Treasury Management Investments Sub-Total		**2.00**	**4.92**	**3.21**	**(1.70)**
Grant Total		**226.75**	**260.30**	**193.27**	**(67.03)**

EMCCA’s capital programme is classified in two ways (for accounting purposes): Revenue Expenditure Funded from Capital Under Statute (REFCUS) and Capital Expenditure/Non-Treasury Management Investments.

REFCUS refers to capital funding applied to assets not owned by EMCCA, such as grants made to third parties (typically constituent councils or delivery partners) for projects that meet capital criteria. These projects are aligned with EMCCA’s collaborative delivery model, where investment is routed through local authorities or regional bodies. Consequently, the bulk of the 2025/26 spend is classified as REFCUS. Capital Expenditure, on the other hand, relates to assets directly owned or acquired by EMCCA, such as IT equipment or other physical infrastructure under EMCCA’s control.

The £193.27m capital expenditure incurred in 2025/26 was funded from a combination of government grants and internal capital reserves (reserves are made up of previous years capital grants and reserves transferred from the LEP). The funding sources applied are summarised below:

Housing Grants £m	Transport Grants £m	Investment Zones Grant £m	UK Shared Prosperity Fund and Rural England Prosperity Fund Grant £m	Mayoral Renewable Fund Grant £m	Investment Fund £m	Capital Reserves £m	Total 2025/26 Capital Outturn Funding £m
0.28	166.16	1.50	11.13	0.29	2.00	11.92	**193.27**

EMCCA can maintain a balanced and affordable budget and continue to operate for the foreseeable future. EMCCA has undertaken cash flow modelling which demonstrates the organisation does not have any liquidity concerns over the next 12 months. It is therefore appropriate to prepare the financial statements on a going concern basis.

I am pleased to present EMCCA’s financial statements for the year ended 31 March 2026.

Richard Williams

Executive Director of Resources (S73)

1. Accounting Policies

1.1. General principles and accounting concepts

The Statement of Accounts summarises the Authority's transactions and its position for the year end of 31 March 2026. EMCCA is required to prepare annual Statement of Accounts by the Accounts and Audit Regulations 2015, following the appropriate accounting standards as required by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), 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.

- **Going concern**

The concept is that the Authority will remain in operational existence for the foreseeable future, that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

- **Accruals of income and expenditure**

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are shown 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 based on 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 in financing and investment income and expenditure for the income that might not be collected.

- **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

1.5. Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.6. Employee benefits

1.6.1. Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees work for EMCCA. 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 that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2. Termination benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer’s employment before the normal retirement date or an officer’s decision to accept voluntary redundancy. This cost is charged to the appropriate service in the CIES at the earlier of when the Authority can no longer withdraw the offer of those benefits or when payment is made.

1.6.3. Post-employment benefits

Permanent employees of the EMCCA are members (unless they wish to opt out) of the Local Government Pensions Scheme (LGPS), administered by Nottinghamshire County Council. The scheme provided defined benefits to members (retirement lump sums and pensions), earned while working for EMCCA. The Scheme is accounted for as a defined benefits scheme.

The liabilities of the pension fund attributable to EMCCA are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
The assets of the pension fund attributable to the authority are included in the Balance Sheet at their fair value:
–Public Equities– current bid price
–Other bonds– professional estimate
–Gilts– current bid price
–Property – market value.

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

- Current service cost: the increase in liabilities because of years of service earned this year – allocated to the appropriate service in the CIES
- Past service cost: the increase in liabilities because of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES
- Net interest on the defined benefits liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Discretionary benefits

EMCCA also has restricted powers to make discretionary early retirement benefit payments. Any liabilities estimated to arise from this are accrued in the year of the decision. They are accounted for using the same policies as are applied to the LGPS

1.7. Events after the reporting period

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

- Those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such event.
- Those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but if this is material, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

1.8. Financial Instruments
1.8.1. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when EMCCA becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and then carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in CIES and 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 borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to loan agreement.

1.8.2. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:
• amortised cost
• fair value through profit or loss (FVPL), and
• fair value through other comprehensive income (FVOCI), where the authority holds or has designated such financial instruments.

Financial assets are classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

1.8.2.1. Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when EMCCA 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 CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

For most of the financial assets held, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the CIES is the amount receivable for the year in the loan agreement. Interest is credited to the financing and investment income and expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. For soft loans the interest receivable for the financial year is charged.

The reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund balance is managed by a transfer to or from the financial instrument adjustment account in the Movement in Reserves Statement.
Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the CIES.

1.8.2.2. Financial assets measured at Fair Value through the CIES (FVOCI)

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

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

Financial assets that are measured at FVPL are recognised on the Balance Sheet when EMCCA becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

1.8.2.4. Fair value measurements of financial assets

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

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

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

1.8.3. Expected credit loss model

The authority recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade debtors where appropriate.

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

1.9. Government grants and contributions

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

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

Amounts recognised as due to EMCCA are not credited to the CIES until conditions attached to the grant or contribution have been satisfied.
Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or a specified part of the grant must be repaid. Therefore, until conditions are met they are treated as a Receipt in advance and recognised in the CIES when the conditions are met.

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the Movement in Reserves Statement. and posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

1.10. Long-term contracts

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

1.11. Overheads and support services

The costs of overheads and support services are charged to service segments in accordance with arrangements for accountability and financial performance.

1.12. 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. Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged first in the year after acquisition. The capital expenditure *de minimis* level is £25,000. Expenditure below this level on a project is classified as Revenue.

1.13. IFRS 16 Leases

Since the first of April 2024 IFRS 16 required lessees to recognise right-of-use assets and a corresponding lease liability on the balance sheet for all leases except those which are exempt either due to the lease term being less than 12 months, or the underlying asset is of low value. The approved *de minimis* policy for this was set at £10,000.

1.14. Provisions, contingent liabilities and contingent assets

1.14.1. Provisions

Provisions are made where an event has likely taken place on or before the Balance Sheet date that creates a present obligation. (either legal or constructive) that probably requires settlement by a transfer of economic benefits or service potential, and where it can be reliably estimated taking into account relevant risks and uncertainties. Provisions are charged as an expense to the appropriate service line in the CIES. Estimated settlements are reviewed at the end of each financial year and adjusted in the CIES accordingly.

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

1.14.2. Contingent liabilities

A contingent liability arises where an event has taken place that gives EMCCA possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within their control. Contingent liabilities also arise in circumstances where a provision would otherwise be made but there is less certainty on either or both quantum or likelihood. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts

1.14.3. Contingent assets

Contingent assets are similar to contingent liabilities except the benefit would flow to EMCCA.

1.15. Reserves

EMCCA sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in the CIES and adjustments made in the Movement in Reserves. These are useable reserves.

Unusable reserves manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources.

1.16. Revenue expenditure funded from capital under statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset is charged as expenditure to the relevant service in the CIES. Where EMCCA determines to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund is made to the capital adjustment account which reverses out the amounts charged.

1.17.VAT

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

2. Accounting Standards issued but not yet adopted

Paragraph 3.3.4.3 of the code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the current code.

The only item in that category this year relate to

A. Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
   This is not applicable EMCCA does not have any Heritage assets
B. Amendments to the Classification and Measurement of Financial Instruments
   These are minor disclosure changes
C. Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
   These will be minor presentational issues.
D. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.
   This is not applicable EMCCA

3. Critical Judgement in applying Accounting Policies

In applying the accounting policies set out above, certain judgements about complex transactions or those involving uncertainty about future events have been made. The critical judgements made in the Statement of Accounts are:

- Several Capital grants have been received. A judgement has been required for each one, and although some of the grants have been ring fenced for specific purposes, not all of these have conditions in place that satisfy the requirements of the Code to treat the unspent elements of the grants as Capital Grant Receipts in Advance. Unspent capital grant funding in relation to these grants has been accounted for in the CIES and transferred to the Capital Grants Unapplied Reserve.
- EMCCA is a member of the Local Government Pension Scheme administered by Nottinghamshire County Council. As of 31st March 2025, the scheme was in a net asset position. Accounting regulations restrict the value of the asset that can be shown on the balance sheet to the maximum economic benefit that is

available from refunds, reductions in future contributions or a combination of both. This is called an Asset Ceiling calculation. As EMCCA is not entitled to refunds from the scheme, the Actuary has been asked to provide an Asset Ceiling Calculation as a reduction in future contributions based on the present value of future service costs less the present value of future service contributions. The Asset Ceiling was higher than the net pensions asset, so the full amount has been recognised as an asset within Long Term Investments in the Balance Sheet.

In February 2026 public transport services were transferred to EMCCA from constituent authorities, this included the TUPE transfer of employees. At the time of the preparation of the accounts, the actuarial valuation has not been received due to fund transfer queries. Therefore, these accounts are still including the reserve adjustments from 31st March 2025 and no IFRS adjustments have yet been made for 31st March 2026. This will be adjusted for in the final version of these accounts.

- EMCCA has undertaken cash flow modelling which, taking account of the cash and cash equivalent balances of £172.11m (including short-term investments) as at 31 March 2026 and the forecast of cash and cash equivalent balances up to 31 March 2027 demonstrates there are no liquidity concerns over the next 12 months from date of authorisation. It is therefore appropriate to prepare the financial statements on a going concern basis.

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

Pension Asset – Estimation of the net liability to pay pensions depends on many complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, the growing number of permanent employees and expected returns on pension fund assets. At the time of the preparation of the accounts the actuarial valuation has not been received and fund transfer queries are still to be resolved. As noted under section 3 Critical Judgement in applying Accounting Policies. This will be included in the final version of these statements.

As at 31st March 2025, EMCCA held a long-term loan transferred from the Local Enterprise Partnership (LEP). In 2025/26 a payment holiday had been requested and future repayments remain uncertain. It was considered prudent to reduce the fair value of this debt to zero as a worst-case scenario. This has been further noted in note 15.

5. Events after the Reporting Period

There have been no events after the 31 March 2026.

1. Comprehensive Income and Expenditure Statement (CIES)

The Comprehensive Income and Expenditure Statement shows the cost of providing services. The reconciliation from the accounting cost to the funding position is shown in both the Expenditure and Funding Analysis (note 12) and the Movement in Reserves Statement.

Other operating income comprises of £41m relating to the transfer of assets and funds from constituent authorities in connection with the transfer of public transport services. It also includes £13.11m from the transfer of the Local Enterprise Partnership (LEP). This includes reserve balances, a loan, and non-treasury management investments.

2024/25			Comprehensive Income and Expenditure Statement	Note	2025/26		
Gross Expenditure £m	Gross Income £m	Net Expenditure £m			Gross Expenditure £m	Gross Income £m	Net Expenditure £m
1.45	0.00	1.45	Chief Executive		0.58	(0.01)	0.56
4.31	(0.10)	4.21	Legal and Governance		1.38	(0.04)	1.34
0.39	(1.00)	(0.61)	Mayor's Office		0.57	(1.50)	(0.94)
63.89	(52.76)	11.13	Place		206.96	(253.69)	(46.74)
1.04	(0.10)	0.94	Portfolio and Corporate		1.45	(0.03)	1.42
3.39	(0.02)	3.37	Resources		6.05	(1.57)	4.48
6.82	(7.18)	(0.36)	Strategy & Inclusive Growth		95.80	(107.25)	(11.45)
81.29	**(61.16)**	**20.13**	**Net Cost of Services**		**312.78**	**(364.10)**	**(51.32)**
		(1.76)	Other Operating Income				(54.11)
		(3.49)	Interest	8			(5.63)
		(38.00)	Non Specific Grants	6			(38.00)
		(23.12)	**(Surplus) / Deficit on Provision of Services**				**(149.06)**
		(0.00)	Remeasurement of Net Pension Liability/ (Asset)	5			0.00
		0.00	Loss on Financial Assets				0.00
		(23.12)	**Total Comprehensive Expenditure/ Income**				**(149.06)**

2. Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the beginning to the end of the financial year on the reserves held by EMCCA. These are analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves' (i.e. those that cannot be used to fund expenditure). This statement shows how the movements in year are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments to return to the amounts to be funded from resources.

Movement in Reserve Statement	Note	General Reserve £m	Earmarked Reserves £m	Unapplied Capital Grants £m	Total Useable Reserves £m	Unusable Reserves £m	Total Reserves £m
2025/26							
Balance at 31 March 2025		(4.29)	(18.38)	(29.75)	(52.42)	(0.45)	(52.87)
Movement in reserves during 2025/26							
Total CIES		(149.06)	0.00	0.00	(149.06)	0.00	(149.06)
Adjustments between accounting basis and funding basis under regulations	11	110.61	0.00	(68.69)	41.92	(41.92)	0.00
Net Increase before Transfer to Earmarked Reserves		(38.45)	0.00	(68.69)	(107.14)	(41.92)	(149.06)
Net Transfer to Reserves		25.14	(25.14)	0.00	0.00	0.00	0.00
(Increase)/Decrease in 2025/26		(13.31)	(25.14)	(68.69)	(107.14)	(41.92)	(149.06)
Balance at 31 March 2026		**(17.59)**	**(43.52)**	**(98.44)**	**(159.56)**	**(42.37)**	**(201.93)**
2024/25							
Balance at 31 March 2024		(10.49)	0.00	(19.25)	(29.74)	0.00	(29.74)
Movement in reserves during 2024/25		0.00	0.00	0.00	0.00	0.00	0.00
Total CIES		(23.12)	0.00	0.00	(25.12)	(0.00)	(25.12)
Adjustments between accounting basis and funding basis under regulations	11	10.95	0.00	(10.50)	0.45	(0.45)	0.00
Net Increase before Transfer to Earmarked Reserves		(12.17)	0.00	(10.50)	(22.67)	(0.45)	(23.12)
Net Transfer to Reserves		18.38	(18.38)	0.00	0.00	0.00	0.00
(Increase)/Decrease in 2024/25		6.21	(18.38)	(10.50)	(22.67)	(0.45)	(23.12)
Balance at 31 March 2025		**(4.29)**	**(18.38)**	**(29.75)**	**(52.42)**	**(0.45)**	**(52.87)**

3. Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities held by EMCCA. The net assets (assets less liabilities) are matched by the reserves held by the EMCCA. As noted above, reserves are either deemed 'usable' or 'unusable'.

31 March 2025 £m	Balance Sheet	Note	31 March 2026 £m
0.43	Property Plant & Equipment	14	41.05
0.00	Accumulated Depreciation		(0.11)
0.43	**Net Property Plant & Equipment**		**40.94**
0.00	Non-Current Investments	15	3.17
1.22	Non-Current Debtors	15	0.00
0.10	Non-Current Net Pension Asset	5	0.10
1.75	**Total Non-Current Assets**		**44.20**
1.61	Current Debtors	16	25.84
79.48	Cash and Cash Equivalents	17	172.11
81.09	**Total Current Assets**		**197.96**
(29.98)	Current Creditors	18	(40.24)
(29.98)	**Total Current Liabilities**		**(40.24)**
52.87	**Net Assets**		**201.93**
(52.42)	Usable Reserves	13	(159.56)
(0.45)	Unusable Reserves	13	(42.37)
(52.87)	**Total Reserves**		**(201.93)**

4. Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. The statement shows how EMCCA 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 the key indicator of the extent to which the operations of EMCCA are funded by way of grant income or from the recipients of services provided by EMCCA.

2024/25 £m	Cash Flow Statement	Note	2025/26 £m
23.12	Net (Surplus) or Deficit on the Provision of Services	CIES	149.06
56.79	Adjustments for non-cash movements	*	(15.91)
79.91	**Net cashflow from Operating Activities**		**133.15**
(0.43)	Adjustments for investing activities	**	(40.51)
79.48	**Net (Increase) / Decrease in Cash & Cash Equivalents**		**92.64**
0.00	Cash & Cash Equivalents at the start of the year		79.48
0.00	Increase / (Decrease) in Cash & Cash Equivalents		92.64
79.48	**Cash & Cash Equivalents at the end of the year**	17	**172.11**

2024/25 £m	* Adjustments for non-cash movements		2025/26 £m
29.22	Decrease / (increase) in Short Term Debtors		(24.23)
(1.22)	Decrease / (increase) in Long Term Debtors		(1.94)
28.88	Increase / (decrease) in Short Term Creditors		10.26
(0.10)	Pensions Adjustment		(0.00)
56.78	**Non cash adjustment**		**(15.91)**

2024/25 £m	** Adjustments for investing activities		2025/26 £m
(0.43)	Purchase of Property, Plant and Equipment		(40.62)
0.00	Depreciation		0.11
(0.43)	**Investing adjustment**		**(40.51)**

1. Mayor's and Members' Allowances

The Mayor and Regulatory Committee Members receive an allowance from EMCCA. The position of Deputy mayor is also remunerated if the position is held by an elected member that is not the Leader of a Constituent Council. Regulatory Committee Members include the Independent Chair of Audit & Governance Committee and the Committee membership and the Chair of Overview & Scrutiny Committee and the Committee membership. Leaders and Constituent Members are required to be remunerated by their own authorities.

2024/25 £m	Mayor's and Members' Allowances	2025/26 £m
0.11	Allowances	0.15
0.01	Expenses	0.02
0.12	**Total**	**0.17**

2. Officers' Remuneration

The Account and Audit Regulations 2015 require the disclosure of certain details relating to employees whose remuneration was £50,000 or more. Additional disclosures are required relating to the organisation's Senior Officers. It should be noted that the disclosure thresholds were set in 2015 and have remain unchanged.

Senior Officers

Senior Officers earning less than £150,000 but whose full year salary is above £100,000 are disclosed individually by job title. Those whose remuneration is £150,000 or more are identified by name. This applies to both permanent and interim postholders.

We are defining Senior Officer roles as staff who are members of our Corporate Leadership Team (CLT) comprising 6 posts including the Chief Executive, and staff who are part of our Extended Leadership Team (ELT). ELT is a further 10 service director posts each of whom report into a CLT member.

It is important to note that interim staff are not entitled to benefits available to permanent employees, such as pension contributions, paid annual leave, or sick pay. The reported costs for interim staff exclude agency fees, which are accounted for separately and based on the agency rate advised under the Local Government Resourcing Partnership framework. The figures shown are payments for gross salaries and expenses before any other deductions.

EMCCA continued to recruit permanent senior staff during the 2025/26, and this is reflected in the table below. This shows the replacement of interim directors by permanent directors was achieved across the corporate and extended leadership team over the course of the 2025/26 financial year. For ease we have shown the departing interim staff alongside their permanent replacements in the disclosure table.

In some instances, interim staff were retained for a short period after permanent staff had commenced, to support handover and transition programme activities, including public transport transition

Senior Officer Remuneration

2024/25			2025/26			
Total Remuneration £'000	Roles	Names	Salary, Taxable Expenses, Fees & Allowances £'000	Pension Contributions £'000	Total Remuneration £'000	Dates of Employment
38	Chief Executive	Amy Harhoff	177	29	206	From 27/01/2025 through the year
0	Executive Director of Resources		147	24	171	From 07/04/25 through the year
0	Executive Director of Strategy & Inclusive Growth		148	24	172	From 01/04/25 through the year
0	Executive Director of Place		123	20	143	From 27/05/2025 through the year
238	Interim Executive Director of Place		66	0	66	01/07/2024- 30/05/2025
0	Director of Portfolio and Corporate Affairs		32	5	38	From 05/01/2026 through the year
0	Director of Legal, Governance and Compliance & Monitoring Officer		76	12	88	From 04/08/2025 through the year
307	Interim Director of Law & Governance		136	0	136	01/07/2024-08/08/2025
0	Director of Transport		33	5	39	From 08/12/2025 through the year
197	Interim Transport Director and Transport Programme Director	Peter Mann	193	0	193	01/07/2024 - 31/03/2026
0	HR Director		37	7	44	From 24/11/2025 through the year
71	Interim HR Director and People Lead Transport	Julie Harris	219	0	219	18/11/2024 - 31/03/2026
0	Director of Strategy and Performance		51	8	59	From 29/09/2025 through the year
0	Director of Finance		45	7	52	From 01/11/2025 through the year
129	Interim Director of Finance*		129	0	129	24/07/2024 - 20/10/2025
0	Spatial Development Director		14	2	17	From 16/2/2026 through the year
76	Interim Spatial Development Director		138	0	138	01/10/2024-15/02/2026
34	Interim Director of Skills		110	0	110	06/01/2025 - 31/10/2025
0	Director of Skills and Employment		56	9	65	From 29/09/2025 through the year
11	Director Climate Resilience & Green Growth		103	17	120	From 20/02/2025 through the year
0	Director of Economic Growth and Innovation		49	9	58	From 02/10/2025 through the year
7	Interim Director Economy		77	0	77	28/04/2025 - 28/10/2025
0	Director of IT & Digital		42	6	48	From 17/11/2025 through the year
0	Interim Director of IT & Digital		63	0	63	02/07/2025 - 28/11/2025
0	Director of Culture, Arts, Tourism and Sport		33	5	39	From 16/06/2025 through the year

* To note the Interim Director of Finance included two postholders during this time

The Authority's other employees receiving more than £50,000 remuneration (excluding pension contributions) were paid the following amounts. The tables do not include the management roles shown in the senior officer renumeration table above.

Permanent Employees		
2024/25	**Salary band**	**2025/26**
2	£50,000 - £54,999	6
0	£55,000 - £59,999	2
1	£60,000 - £64,999	5
0	£65,000 - £69,999	2
1	£70,000 - £74,999	0
0	£75,000 - £79,999	2
0	£80,000 - £84,999	1
0	£85,000 - £89,999	0
0	£90,000 - £94,999	1
0	£95,000 - £99,999	0
0	£100,000 - £104,999	0
0	£105,000 - £109,999	0
0	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 -£ 124,999	0
0	£125,000 - £129,999	0
0	£130,000 - £134,999	0
0	Over £135,000	0

Interim Employees		
2024/25	**Salary band**	**2025/26**
0	£50,000 - £54,999	2
0	£55,000 - £59,999	5
2	£60,000 - £64,999	6
2	£65,000 - £69,999	4
2	£70,000 - £74,999	2
1	£75,000 - £79,999	6
0	£80,000 - £84,999	3
3	£85,000 - £89,999	4
0	£90,000 - £94,999	2
1	£95,000 - £99,999	4
0	£100,000 - £104,999	1
0	£105,000 - £109,999	2
0	£110,000 - £114,999	1
2	£115,000 - £119,999	4
2	£120,000 -£ 124,999	1
0	£125,000 - £129,999	1
0	£130,000 - £134,999	0
2	Over £135,000	9

3. Accumulated Absences

The CIES is charged with the value of annual leave entitlement outstanding at the year end. This is shown as a creditor on the Balance sheet. The Accumulated Absences Account (unusable reserve) absorbs this value to avoid impact on the General Fund.

2024/25 £m	Accumulated Absences	2025/26 £m
0.00	**Balance at 1st April 24**	**0.03**
0.00	Settlement of accrual b/f	**(0.03)**
0.03	Amount accrued at the end of the current year	**(0.03)**
0.03	**Balance at 31 March 25**	**(0.03)**

4. Exit Packages

The number of exit packages, with total cost per band, are set out in the table below. Exit packages include any pension contributions to the pension fund. There were none in 2025/26.

2024/25				
Total exit package cost £m	Total number of exit packages	Exit Packages	Total number of exit packages	Total exit package cost £m
0.08	1	£50 - £80k	0	0.00
0.08	**1**	**Total**	**0**	**0.00**

5. Post Employment Benefits (Pensions)

Permanent employees are members of the Local Government Pension Scheme, administered by Nottinghamshire County Council.

The scheme provided defined benefits to members (retirement lump sums and pensions), earned as employees working for EMCCA. Valuations attributable to pensions funds are complex and Nottinghamshire County Council appoint Barnett Waddingham as professional actuaries to provide these figures.

The actual pension contributions made during the year will be removed from the CIES and replaced with the actuarial values. The difference between these figures form the Pensions reserve a non-useable reserve which avoids impact on the General fund.

The below table shows the valuation as at 31st March 2025. At the time of the preparation of the accounts, the actuarial valuation has not been received, due to fund transfer queries. The valuation will be included in the final version of the accounts.

2024/25 £m	Pensions Reserve	2025/26 £m
0.00	**Balance at 1st April 25**	**0.10**
(0.00)	Remeasurement of the net defined benefit liability / (asset)	0.00
0.36	Reversal of items relating to retirement benefits debited or credited to the surplus and deficit on the provision of services in the CIES	0.00
(0.26)	Employer's pensions contribution and direct payments to pensioners payable in the year	0.00
0.10	**Balance at 31 March 26**	**0.10**

6. Government and other grant income

The main source of funding for EMCCA is from government grants. The following grants and contributions were credited to the CIES. Some grants are given for revenue purposes while others are for capital. They maybe for specific purposes only.

Non-specific grant Income

Investment Fund grant is not hypothecated for specific projects or purposes but is split between capital and revenue funding.

2024/25 £m	Non Specific Grant income	2025/26 £m
(19.00)	East Midlands Investment Fund - Revenue	(19.00)
(19.00)	East Midlands Investment Fund - Capital	(19.00)
(38.00)	**Total**	**(38.00)**

Specific grant Income

These grants are intended for specific projects or purposes as set out in the table. They are credited to the CIES unless received in advance. They are a combination of capital and revenue grants. See table below:

2024/25 £m	Specific Grant Income	2025/26 £m
	Revenue	
(2.59)	East Midlands Investment Zone Revenue	(6.49)
(2.56)	Bootcamps	(3.32)
(1.00)	Mayoral Capacity Funding	(3.50)
(0.50)	East Midlands Transport Plan	0.00
(0.46)	Brownfield Housing Fund	0.00
(0.45)	Careers and Enterprise	(0.49)
(0.38)	Growth Hub	(0.43)
(0.23)	Local Enterprise Partnership Funding	0.00
(0.22)	Adult Education Budget	(35.75)
(0.10)	Homes England	(0.27)
(0.10)	Connect to Work Programme	(2.54)
(0.10)	Election Awareness Campaign	0.00
(0.07)	Transport Contribution	0.00
(0.05)	Key Account Management	(0.04)
(0.04)	Smart Management Data Hub	0.01
(0.01)	Youth Futures	(0.24)
(0.00)	Youth Guarantee	(4.93)
0.00	Arts Council	(0.03)
0.00	Biodiversity Net Gain Grant	(0.03)
0.00	Digital Inclusion Grant	(0.05)
0.00	Employer National Insurance Grant	(0.20)
0.00	Get Britain Working	(0.10)
0.00	Homelessness and Rough Sleeping	(0.10)
0.00	Local Remediation Plan	(0.35)
0.00	Loughborough University - Research and Development	(0.05)
0.00	Redmond Review	(0.02)
0.00	Research Defence Clusters	(0.04)
0.00	Spatial Development	(1.55)
0.00	Teacher Exchange	(0.17)
0.00	Transport Schemes	(33.14)
0.00	UK Shared Prosperity Fund	(17.30)
(8.86)	**Total**	**(111.11)**
	Capital	
0.00	Housing Schemes	(36.56)
0.00	Transport Schemes	(81.57)
(35.89)	Integrated Transport & Highways Maintenance	(88.60)
(9.65)	Pothole Fund	0.00
(6.09)	Local Transport Capital Block - reallocated HS2 funding	0.00
(0.55)	East Midlands Investment Zone Capital	(15.71)
0.00	Team Derby	(10.00)
0.00	UK Shared Prosperity Fund	(7.87)
0.00	Rural England Prosperity Fund	(1.25)
0.00	Mayoral Renewables	(0.29)
(52.18)	**Total**	**(241.86)**

Grants Received in Advance

2024/25 £m	Grants Received in Advance	2025/26 £m
	Revenue	
(11.00)	CRSTS Revenue Grant	(14.51)
(1.56)	Consolidated Active Travel Fund - Revenue Grant	0.00
(0.50)	MHCLG Capacity Funding	0.00
(0.19)	Active Travel Fund 5 Revenue Grant	0.00
0.00	Intergrated Rural Transport Grant	(6.00)
(13.26)	**Total**	**(20.51)**
	Capital	
(8.41)	Brownfield Housing Grant	0.00
(1.50)	Transport	(0.99)
0.00	Construction Skills	(2.80)
(9.92)	**Total**	**(3.79)**

7. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance the expenditure.

2024/25 £m	Capital Expenditure and Capital Financing	2025/26 £m
0.00	**Opening Capital Financing requirement**	**0.00**
60.25	Revenue expenditure funded from capital under statute	190.06
0.43	Property Plant and Equipment	0.13
0.00	Non Treasury Management Investments	2.92
0.00	Transport assets transferred	40.33
0.00	Assets under Construction	0.17
60.68	**Financed in year**	**233.60**
	Sources of finance	
0.00	Reserves	(1.11)
0.00	Revenue Financing	(40.33)
(60.68)	Capital grants	(192.17)
(60.68)	**Financed by**	**(233.60)**
0.00	**Closing Capital Financing Requirement**	**0.00**

Revenue expenditure funded from capital under statute (REFCUS) refers to capital funding applied to assets not owned by EMCCA, such as grants made to third parties (typically constituent councils or delivery partners) for projects that meet capital criteria.

The Revenue Financing amount of £40.3m relates to the novated assets as part of the transfer of public transport services from Constituent Authorities to EMCCA. The assets were transferred at nil consideration, and the amount of £40.3m represents the net book value as at the time of transfer. This is a non-cash transaction.

8. Financing and Investment Income and Expenditure

This includes corporate items of income and expenditure arising from EMCCA's involvement in financial instruments and similar. It includes items such as interest.

2024/25 £m	Financing and Investment Income and Expenditure	2025/26 £m
0.05	(Gain)/Loss on fair value of financial asset	1.56
(0.01)	Net interest on the net defined benefit liability (asset)	0.00
(3.53)	Interest receivable and similar income	(7.19)
(3.49)	**Total**	**(5.63)**

The loss on fair value of financial asset of £1.56m, relates to the DSF loan £1.36m novated from the LEP in 2024/25 (further explained in note 15) and an investment relating to the Angel Investment Fund £0.2m, which was transferred from the LEP in 2025/26. The investment relates to a business which has gone into administration, and at the time of preparing the accounts it is uncertain whether the investment amount will be recovered.

9. External Audit Cost

The following has been spent on audit fees provided by the external auditors, Mazars LLP. The 2025/26 amount shown on the below table is an estimate and will be updated in the final published accounts.

In 2024/25 the amount of £0.15m was accrued for external audit fees. The 2024/25 final published accounts included an updated amount of £0.24m, with the balance to be accounted for in 2025/26. The final 2024/25 audit fee has now been confirmed as £0.26m, the difference compared to the 2024/25 published amount has been shown under 2025/26.

2024/25 £m	External Audit Cost	2025/26 £m
0.24	Fees payable with regards to external audit services	0.19
0.00	Additional Fee relating to 24/25	0.02
0.00	Fees payable in respect to other services	0.00
0.24	**Total**	**0.20**

10. Expenditure and Income Analysis by Nature

The CIES shows income and expenditure for the year with analysis by the purpose of the transaction. This table shows what the money has been spent on or received from.

2024/25 £m	Expenditure and Income Analysis by Nature	2025/26 £m
	Expenditure	
7.71	Employee expenses	17.06
0.10	Premises	0.21
0.03	Transport	0.16
13.19	Supplies and services	105.18
60.25	REFCUS Expenditure	190.06
0.00	Depreciation	0.11
81.28	**Total Expenditure**	**312.78**
	Income	
(1.77)	Other Operating Income	(54.11)
(0.12)	Fees, charges and other service income	(11.13)
(3.48)	Interest and investment income	(5.63)
(99.03)	Government grants and contributions	(390.97)
(104.40)	**Total Income**	**(461.84)**
(23.12)	**(Surplus) or Deficit on the provision of Services**	**(149.06)**

11. Adjustment between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the CIES in accordance with proper accounting practice that are specified by statutory provisions.

2025/26	Note	General Reserve £m	Capital Grants Unapplied £m	Mvt unusable Reserves £m
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account - CAA):		70.69	(260.86)	190.17
Holiday pay (transferred to the accumulated absences reserve)	13	0.06	0.00	(0.06)
Pensions costs (transferred to (or from) the Pensions Reserve)	13	0.00	0.00	0.00
Financial instruments (transferred to the financial instruments adjustments account)	13	(1.56)	0.00	1.56
Adjustment to Revenue Resources		**69.18**	**(260.86)**	**191.68**
Capital expenditure financed from revenue balances (transfer to the CAA)		41.43	0.00	(41.43)
Adjustments between Revenue and Capital Resources		**41.43**	**0.00**	**(41.43)**
Application of capital grants to finance capital expenditure		0.00	192.17	(192.17)
Adjustments to Capital Resources		**0.00**	**192.17**	**(192.17)**
Total adjustments		**110.61**	**(68.69)**	**(41.92)**

2024/25	Note	General Reserve £m	Capital Grants Unapplied £m	Mvt unusable Reserves £m
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account - CAA):		10.93	(19.27)	8.34
Holiday pay (transferred to the accumulated absences reserve)	13	(0.03)	0.00	0.03
Pensions costs (transferred to (or from) the Pensions Reserve)	13	0.10	0.00	(0.10)
Financial instruments (transferred to the financial instruments adjustments account)	13	(0.05)	0.00	0.05
Adjustment to Revenue Resources		**10.95**	**(19.27)**	**8.32**
Capital expenditure financed from revenue balances (transfer to the CAA)		**0.00**	**0.00**	**0.00**
Adjustments between Revenue and Capital Resources		**0.00**	**0.00**	**0.00**
Application of capital grants to finance capital expenditure		0.00	8.77	(8.77)
Adjustments to Capital Resources		**0.00**	**8.77**	**(8.77)**
Total adjustments		**10.95**	**(10.50)**	**(0.45)**

12. Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) shows the difference between net income and expenditure, and the position compared to presenting that information in accordance with the Code in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated between services.

2024/25				2025/26		
Expenditure / Income chargeable to General Reserve Balance £m	Adjustments between funding and Accounting Basis £m	Net Expenditure in the CIES £m	Expenditure and Funding Analysis	Expenditure / Income chargeable to General Reserve Balance £m	Adjustments between funding and Accounting Basis £m	Net Expenditure in the CIES £m
1.46	(0.00)	1.45	Chief Executive	0.59	(0.02)	0.56
4.21	0.42	4.21	Legal & Governance	1.34	0.00	1.34
(0.56)	(0.05)	(0.61)	Mayor's Office	(0.94)	0.00	(0.94)
2.65	8.48	11.13	Place	(28.69)	(18.05)	(46.74)
0.94	(0.93)	0.94	Portfolio & corporate	1.42	0.00	1.42
3.81	(0.44)	3.37	Resources	4.39	0.09	4.48
(0.37)	0.01	(0.36)	Strategy and Inclusive Growth	23.42	(34.86)	(11.45)
12.13	**8.00**	**20.13**	**Net Cost of Services**	**1.53**	**(52.85)**	**(51.32)**
(24.30)	(18.95)	(43.25)	Other Income and Expenditure	(39.98)	(57.76)	(97.74)
(12.17)	**(10.95)**	**(23.12)**	Surplus/(Deficit) on General Reserve	**(38.45)**	**(110.61)**	**(149.06)**
(10.49)			**Opening General and Earmarked Reserves**	**(22.66)**		
22.67			**Closing General and Earmarked Reserves**	**(61.12)**		

12.1 Analysis of Statutory Adjustments included in the EFA

2025/26

Expenditure and Funding Adjustment Analysis	Net capital £m	Net Pension £m	Other £m	Total £m
Chief Executive	0.00	0.00	(0.02)	(0.02)
Legal & Governance	0.00	0.00	0.00	0.00
Mayor's Office	0.00	0.00	0.00	0.00
Place	(18.06)	0.00	0.01	(18.05)
Portfolio & corporate	0.00	0.00	0.00	0.00
Resources	0.11	0.00	(0.03)	0.09
Strategy and Inclusive Growth	(34.84)	0.00	(0.02)	(34.86)
Net cost of Services	**(52.79)**	**0.00**	**(0.06)**	**(52.85)**
Other Income and Expenditure	(59.33)	0.00	1.56	(57.76)
Deficit/(Surplus) on Provision of Services	**(112.12)**	**0.00**	**1.51**	**(110.61)**

2024/25

Expenditure and Funding Adjustment Analysis	**Net capital £m**	**Net Pension £m**	**Other £m**	**Total £m**
Chief Executive	0.00	(0.01)	0.00	(0.00)
Legal & Governance	0.00	0.00	0.00	0.00
Mayor's Office	0.00	(0.05)	0.00	(0.05)
Place	8.50	(0.02)	0.00	8.48
Portfolio & corporate	0.00	0.00	0.00	0.00
Resources	(0.43)	(0.02)	0.01	(0.44)
Strategy and Inclusive Growth	0.00	(0.00)	0.02	0.01
Net cost of Services	**8.07**	**(0.10)**	**0.03**	**8.00**
Other Income and Expenditure	(19.00)	0.00	0.05	(18.95)
Deficit/(Surplus) on Provision of Services	**(10.93)**	**(0.10)**	**0.08**	**(10.95)**

Other Adjustments comprise Accumulated absences and the fair value adjustment of non-treasury investments.

13. Reserves

13.1 Useable Revenue reserves (General Fund and Earmarked)

2024/25 £m	Useable Revenue Reserves	Transfer In £m	Transfer Out £m	2025/26 £m	Purpose of Reserve
4.29	General Fund	14.15	(0.85)	17.59	A statutory fund available for meeting unforseen events and risks
6.00	Transport including Bus Service Improvement Plan	13.15	0.00	19.15	This is to fund pressures and improvements to local bus services.
4.46	New Programme Fund	2.50	(2.44)	4.51	To support new project or programmes during the course of the year.
4.00	Elections Reserve	0.00	0.00	4.00	Covering potential costs of the next Mayoral election.
1.76	Housing and Regeneration Capacity	0.00	(1.26)	0.49	Reserve was called 'EMCCA Transition' to fund one off roles / activities. The remaining amount relates to Housing & Regeneration (Land & Housing) to support one off capacity funding in this area.
0.79	Transport Transition	0.00	(0.79)	0.00	Resource costs to support the transport transition.
0.34	Investment Zones	2.23	0.00	2.57	To provide support to grant recipients towards expenditure incurred or to be incurred by them in delivering the Investment Zone.
0.31	Bootcamps Wave 5	0.00	(0.31)	0.00	To arrange for the delivery of and management of Skills Bootcamps in agreement with relevant local authorities. To be aligned to employer needs and directly linked to employment opportunity.
0.30	Economic Dev & Visitor Economy	0.00	(0.10)	0.20	To fund committed expenditure to support the review of invest, visit and business support functions for economic development.
0.27	Local Area Energy Planning	0.00	(0.24)	0.03	To fund committed expenditure for the roll out of the Local Area Energy Planning across the region through Midlands Net Zero Hub.
0.10	Careers and Enterprise	0.03	(0.13)	0.00	For EMCCA careers hub to support schools, colleges and employers in its geographical area to provide high quality, broad, structured, inclusive careers education that reaches every young person.
0.06	Connect to Work	0.00	(0.06)	0.00	To help individuals, particularly those with disabilities, health conditions, or barriers to employment, find and sustain work.
0.00	LEP Projects Reserve	4.80	(1.11)	3.69	Funds transferred from the LEP for live capital projects
0.00	Spatial Development	1.72	0.00	1.72	To support the preparation of a Spatial Development Strategy (SDS). This includes developing a clear project plan and timetable, undertaking the technical work to produce the strategy, and establishing effective working arrangements with partner authorities and infrastructure providers.
0.00	Supercluster	1.35	0.00	1.35	To establish the foundations of the Trent Supercluster programme, including developing a clear strategy, delivery roadmap, and implementation plan for 2026–2029.
0.00	City Region Sustainable Transport Settlements	1.11	0.00	1.11	To fund local transport infrastructure.
0.00	Organisational Development & Capacity	1.00	0.00	1.00	To fund one off projects and programmes that are about building the capacity and capability of the organisation.
0.00	Investment Feasibility	1.00	0.00	1.00	To fund early stage feasibility, planning, technical due diligence and business case development to bring forward more deliverable capital projects across the region.
0.00	Mayoral Initiatives	0.94	0.00	0.94	To fund Mayor's office and Mayoral Projects and Programmes.
0.00	Adult Skills Fund including Free Courses for Jobs	0.50	0.00	0.50	To support the delivery of education and training for adults, to gain skills for sustainable employment.
0.00	Development Reserve	0.46	0.00	0.46	To fund programmes and initiatives that enable a range of strategic, feasibility, and options appraisals in support of EMCCA’s evolving scope and potential responsibilities.
0.00	Active Travel Fund	0.20	0.00	0.20	To support programmes and initiatives that encourage people to walk, cycle, and use sustainable travel.
0.00	Local Remediation Plan	0.17	0.00	0.17	The support the development and implementation of the Local Remediation Acceleration Plan.
0.00	Teacher Exchange	0.17	0.00	0.17	To facilitate the exchange of teaching staff between institutions to share best practice, enhance professional development, and improve educational outcomes.
0.00	Rough Sleeping Prevention and Recovery	0.10	0.00	0.10	To deliver a comprehensive, region-wide review and transformation plan for homelessness and rough sleeping.
0.00	Youth Futures	0.06	(0.03)	0.03	This is a programme that helps disadvantaged young people to gain skills for sustainable employment.
0.00	Get Britain Working	0.05	0.00	0.05	To support a programme of employment, skills and health interventions aimed at reducing economic inactivity and enabling more individuals to move into and sustain employment.
0.00	Research Defence Cluster	0.04	0.00	0.04	To raise awareness of defence opportunities, support regional businesses to engage with defence supply chains and innovation, and strengthen links between industry, academia, and government to drive growth, high-value jobs, and UK sovereign capability.
0.00	Biodiversity Net Gain	0.03	0.00	0.03	To fund measures that achieve an overall net gain in biodiversity.
0.00	Smart Manufacturing Data Hub	0.00	0.00	0.00	This is a programme that helps manufacturers use data and digital technology to improve productivity, efficiency, and innovation.
22.66	**Total**	**45.77**	**(7.32)**	**61.11**	

13.2 Useable Capital Grants Unapplied Reserve

This table details Capital Grants received, but where the expenditure has yet to be incurred.

2024/25 £m	Capital Grants Unapplied Reserve	Transfer In £m	Transfer Out £m	2025/26 £m
28.07	Capital Investment Fund	19.00	(13.69)	33.38
0.27	Investment Zones	15.71	(1.50)	14.48
1.15	Gigahubs	0.00	(1.02)	0.13
0.26	Homelessness	0.00	(0.10)	0.16
0.00	Brownfield Housing	36.56	(0.28)	36.27
0.00	Transport Grants	170.17	(166.16)	4.02
0.00	UK Shared Prosperity Fund	7.87	(7.87)	0.00
0.00	Rural England Prosperity Fund	1.25	(1.25)	0.00
0.00	Mayoral Renewables Fund	0.29	(0.29)	0.00
0.00	Team Derby	10.00	0.00	10.00
29.75	**Total Capital Grants Unapplied Reserves**	**260.86**	**(192.17)**	**98.44**

The table shows a capital grants unapplied balance of £98.44m This includes a pipeline of initiatives which are progressing through EMCCA's Single Assurance Framework (SAF). The SAF is a formal governance and appraisal process used to develop, assess and approve projects, ensuring value for money and alignment of strategic priorities. As projects move through these stages into approval and delivery expenditure is expected to increase.

EMCCA continues to work with constituent councils, other local authorities and regional partners to gain an understanding of and co-develop priorities for longer-term investment on the basis of thematic portfolios.

13.3. Unusable reserves

These are retained for IFRS accounting purposes

2024/25 £m	Unusable Reserves	2025/26 £m
(0.43)	Capital Adjustment Account	(43.85)
0.05	Financial Instruments Adjustment Account	1.62
(0.10)	Pensions Reserve	(0.10)
0.03	Accumulated Absences Account	(0.03)
(0.45)	**Balance at 31 March 26**	**(42.37)**

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the CIES. The account is credited with capital grants and contributions.

2024/25 £m	Capital Adjustment Account	2025/26 £m
0.00	**Balance as at 1st April 25**	(0.43)
	Capital Accounting	
60.25	Revenue Expenditure Funded from Capital under Statute (REFCUS)	190.06
0.00	Depreciation	0.11
0.00	Novated Transport Assets	(40.33)
	Capital financing	
(60.68)	Capital grants	(192.17)
0.00	Earmarked Reserves	(1.11)
(0.43)	**Balance as at 31 March 26**	**(43.85)**

14. Property Plant and Equipment

The assets on the Balance Sheet relate to the following assets

2024 /25 Vehicle, Plant, Furniture & Equipment £m	Property Plant and Equipment	2025 /26 Vehicle, Plant, Furniture & Equipment £m	2025 /26 Assets under Construction £m	Total Property, Plant, Furniture & Equipment £m
	Cost or valuation			
0.43	**at 31st March 25**	0.43	0.00	0.43
0.00	Additions	0.13	0.17	0.30
0.00	Novated Assets	40.33	0.00	40.33
0.43	**at 31st March 26**	**40.88**	**0.17**	**41.05**
	Accumulated Depreciation & Impairment			
0.00	**at 31st March 25**	0.00	0.00	0.00
0.00	Depreciation charge	(0.11)	0.00	(0.11)
0.00	**at 31st March 26**	**(0.11)**	**0.00**	**(0.11)**
	Net Book Value			
0.00	**at 31st March 25**	0.43	0.00	0.43
0.43	**at 31st March 26**	**40.77**	**0.17**	**40.94**

The novated assets of £40.3m relate to the transfer of public transport services from Constituent Authorities to EMCCA.

The lease for Northern Gateway Enterprise Centre (NGEC) premises was calculated to be *de minimus* because of the exit from the premises in June 2026. Therefore, there are no Right of Use assets on the balance sheet.

15. Long-term Debtors / Non-Treasury Management Investments

Long term debtors represent those organisations that EMCCA has lent to and where repayment is expected to take longer than 12 months. They have all been undertaken to improve economic development in the area. All except for Mind Forge relate to the transfer of services from the LEP.

Long term Face value	Long Term Fair value	inc short term debtors	Non Treasury Management Investments	Long term Face value	Long Term Fair value	inc short term debtors
31 March 2025				31 March 2026		
£m	£m	£m		£m	£m	£m
1.28	1.22	0.28	DSF	1.42	0.00	0.00
0.00	0.00	0.00	Mind Forge	2.00	2.00	0.00
0.00	0.00	0.00	Derby City Council	0.00	0.00	0.37
0.00	0.00	0.00	Angel Investment Fund	1.37	1.17	0.00
1.28	1.22	0.28		**4.78**	**3.17**	**0.37**

DSF – As part of the novation of services from the LEP, there was the continuation of a loan, made to DSF in 2024/25. Repayments of £0.140m was received against this debt in 2025/26, leaving £1.415m outstanding as at 31st March 2026. At the time of preparation of the accounts there was insufficient information available as to the likelihood of further payments being received. This situation meant that there was no market for selling the debt and the fair value was set at zero. This position will be kept under review, and a further assessment will be undertaken prior to the finalisation of the accounts. There are sufficient funds to cover losses within the General Reserve Fund and no specific provision was deemed necessary due to lack of clarity at this point.

Mind Forge - This is a new investment in 2025/26 and there are no concerns around reductions for fair value as at 31st March 2026.

Derby City Council – This relates to a grant agreement transferred from the LEP, which included a repayable amount of £2.2m. This agreement related to the development of a research and development facility, which would be leased to the University of Sheffield for the benefit of Nuclear Advanced Manufacturing Research Centre (NAMRC). The repayable amount was transferred to EMCCA for the outstanding value of £1.29m, Repayments during the year reduced the outstanding balance to £0.37m as at 31st March 2026. The remaining balance is due to be fully repaid within 2026/27, the remaining amount has therefore been classified as a short-term debtor at the year end.

Angel Investment Fund - EMCCA is working with Haatch to deliver the Angel Investment Fund. Haatch is an experienced early-stage investor. This Fund was transferred from the LEP, and is to provide access to early-stage finance for startups. As mentioned in note 8, one of the investments transferred from the LEP has gone into administration and the fair value for the £0.2m investment is now zero.

16. Short-term Debtors

As the balance sheet represents the position at the end of the financial year, there are monies owed to EMCCA at that date which are yet to be received as cash. The following analysis gives more analysis of this.

2024/25 £m	Short Term Debtors	2025/26 £m
0.77	Central Government bodies	12.89
0.10	Other local authorities	11.62
0.00	Health bodies	0.00
0.67	Other entities and individuals	0.77
0.07	Prepayments	0.56
1.61	**Total Short Term Debtors**	**25.84**

17. Cash and Cash Equivalents and Short-Term Investments

2024/25 £m	Cash and Cash Equivalent	2025/26 £m
1.21	Bank Account Balance	1.15
23.27	Bank Instant-Access Deposit Accounts	59.65
55.00	Short-Term Deposits less than 90 days	30.16
79.48	**Sub-Total**	**90.95**
	Short-Term deposits	
0	Between 91 and 365 days at inception	81.16
79.48	**Total Cash and Cash Equivalents**	**172.11**

The cash and cash equivalents are accounts with high liquidity.

For other short-term investments, they were all over 90 days but less than 365 days at the time the investment was made.

18. Short-term Creditors

Organisations that EMCCA owes money to, with repayment falling due within one year.

2024/25 £m	Creditors	2025/26 £m
(0.06)	Central Government bodies	0.00
(2.12)	Other local authorities	(4.08)
0.00	Health bodies	(0.01)
(4.62)	Other entities and individuals	(11.85)
(23.18)	Receipt in Advance	(24.30)
(29.98)	**Total Short Term Creditors**	**(40.24)**

The Receipt in Advance amount of £24.3m relates to government grants outlined in note 6.

19. Financial Instruments

The financial assets and financial liabilities disclosed in the Balance Sheet are included in the table below.

2024/25 Long-term £m	Current £m	Financial Instruments	2025/26 Long-term £m	Current £m
1.22	0.70	Included within debtors	3.17	0.17
0.00	79.48	Cash and cash equivalents	0.00	172.11
1.22	**80.18**	**Financial Assets**	**3.17**	**172.28**
0.00	0.00	Lease Liabilities	0.00	0.00
0.00	(6.77)	Included within Creditors	0.00	(16.40)
0.00	**(6.77)**	**Financial Liabilities**	**0.00**	**(16.40)**

The long-term financial assets have been detailed in note 15 and are shown at fair value.

Other current debtors and creditors are carried at full value. No provision for loss was appropriate after assessing the debts. The amounts included as financial instruments within debtors and creditors are trade counterparties only.

The Cash and Cash Equivalents figure, as at 31 March 2026 of £172.11m includes £81.16m placed in short term deposits with local authorities for periods of 91 to 365 days. A further £90.95m comprises £60.8m held with Money Market Funds and UK banks and £30.16m in short-term deposits with local authorities for periods of less than 90 days. These are carried at full value because the interest rate risk and credit risk have been assessed as not material by MUFG Corporate Markets our Treasury Management advisor.

20. Financial Risk

Credit risk is managed throughout the year by ensuring that treasury investments are only placed with organisations of high credit quality and for limited time periods, as set out in the Treasury Management Strategy.

EMCCA has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. There is no significant risk that it will be unable to raise finance to meet its commitments.

The Finance Team assesses the risk from interest rate exposure, with professional advice from its Treasury Management Advisors, which feeds into the setting of the annual budget and is used to update the forecasts during the period. This allows any adverse changes to be accommodated.

There are no foreign exchange risks.

21. Related Parties

EMCCA is required to disclose material transactions with related parties, bodies or individuals that have potential to control or influence EMCCA or vice versa. Disclosure of these transactions allows readers to assess the extent to which the EMCCA 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 in return.

Central Government

Central Government has significant influence over EMCCA's general operations. It is responsible for providing the statutory framework within which the EMCCA operates and provides funding in the form of grants. Grants received from Government Departments together with receipts not yet recognised due to conditions attached to them on 31 March 2026 are set out in note 6. Transactions with Central Government bodies including those treated as receipts in advance are shown in the table below.

2024/25 £m	Government Department	2025/26 £m
66.39	Department for Transport	217.54
51.84	Ministry of Housing, Communities and Local Government	118.65
2.78	Department for Education	42.04
0.43	Department for Business and Trade	0.47
0.10	Department for Work & Pensions	7.56
0.00	Department for Environment, Food and Rural Affairs	1.28
0.00	Department for Energy Security and Net Zero	0.29
0.00	Department for Science, Innovation and Technology	0.05
0.00	Defence Science and Technology Laboratory	0.04
121.54	**Total**	**387.93**

Members

EMCCA members have direct control over the financial and operating policies. The total of members allowances paid in 2025/26 is shown in note 1. All members have at least two roles under the Local Government Act 1985 in that they are members of one of the four Constituent County and City Councils and are also appointed to EMCCA or co-opted to one of its committees.

There was no conflict of interests declared in 2024/25. The following conflict of interests were declared in 2025/26.

The transactions shown in the table below are net expenditure amounts.

Members - Related Parties	2025/26			
	Place incl Transport £m	Strategy and Inclusive Growth £m	Resources, Portfolio and Corporate Affairs, Legal and Governance, CEX, Mayors Office £m	Total £m
Academy Transformation Trust (ATTFE)	0.00	1.83	0.00	1.83
AtkinsRealis UK Limited	0.04	0.00	0.00	0.04
Community Training Portal Ltd	0.00	0.09	0.00	0.09
East Midlands Chamber	0.00	0.19	0.00	0.19
East Midlands Councils	0.10	0.00	0.00	0.10
Holland Alexander UK Ltd	0.00	0.02	0.00	0.02
Total	**0.13**	**2.13**	**0.00**	**2.26**

Other Public Bodies

The transactions shown in the table below reflect the net expenditure between EMCCA and its four constituent authorities.

2024/25				Other Public Bodies	2025/26			
Place incl Transport £m	Strategy and Inclusive Growth £m	Resources, Portfolio and Corporate Affairs, Legal and Governane, CEX, Mayors Office £m	Total £m		Place incl Transport £m	Strategy and Inclusive Growth £m	Resources, Portfolio and Corporate Affairs, Legal and Governane, CEX, Mayors Office £m	Total £m
				Constituent Authorities				
3.91	0.00	0.26	4.17	Derby City Council	18.52	11.40	0.26	30.18
23.65	0.44	0.19	24.28	Derbyshire County Council	72.33	5.97	0.09	78.39
13.16	0.01	1.35	14.52	Nottingham City Council	20.79	5.47	0.06	26.33
19.82	0.71	2.51	23.04	Nottinghamshire County Council	63.80	3.87	4.76	72.42
60.54	**1.17**	**4.30**	**66.01**	**Total**	**175.44**	**26.71**	**5.16**	**207.31**

Senior Officers

There was no conflict of interest declared by senior officers during the year.

22. Agency Arrangement

Following the transition of public transport services from constituent authorities to EMCCA. EMCCA acts as an agency in relation to income collected from bus service operations. Under this arrangement, EMCCA receives income which is passed directly to bus operators (together with any interest earned).

The closing balances on these accounts as at 31st March 26 was £3.87m. These amounts have not been recognised in EMCCA's accounts. An element of the balance may be retained by EMCCA in accordance with contractual arrangements with bus operators. However, as these amounts can only be utilised at the direction of the bus operators and remain subject to those contractual terms, they do not represent EMCCA income and have therefore not been recognised in EMCCA's accounts.

GLOSSARY OF TERMS

Accounting Standards
International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) are the accounting standards that EMCCA are required to follow when producing the financial statements.

Accruals
An accounting principle that recognises income and expenditure as they are earned or incurred, not as money is received or paid.

Actuarial Assumptions
Predictions made for factors that will affect the financial position of the pension scheme.

Actuarial Gains and Losses
Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Budget
A budget is a plan of approved spending during a financial year.

Capital Programme
The plan of approved spending on non-current assets.

CIES
The Comprehensive Income and Expenditure Statement

CIPFA
The Chartered Institute of Public Finance and Accountancy, the institute that governs accounting in the public sector.

Credit loss
Cash shortfalls measured by the difference between the net present value of all the contractual cash flows that are due to EMCCA in accordance with the contract for the instrument and the net present value of all the cash flows that are expected to be received.

Deficit
This occurs when spending exceeds income.

Depreciation
The measure of wear and tear, consumption or other reduction in the useful economic life of a non-current asset.

EMCCA
East Midlands Combined County Authority

Fair Value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Year
The financial year runs between 1 April and the following 31 March.

IAS
International Accounting Standards

Impairment of Asset
An asset has been impaired when it is judged to have lost value other than through normal use.

Intangible Assets
An item which does not have physical substance (for example software) but can be identified and used over a number of years.

Lease
A finance lease is an agreement to pay for an asset in regular instalments where the person paying the lease (the lessee) is deemed to own the asset. In contrast, an operating lease occurs when the lessee is not considered to own the asset.

LEP
Local Enterprise Partnerships

LGRP
Local Government Resourcing Partnership

Materiality
An item is material if its inclusion in the financial statements would influence or change the judgement of a reasonable person. If the information would have no impact on the decision maker, it is deemed not material.

Public Works Loan Board (PWLB)
A government agency that lends money to local authorities. Local authorities are able to borrow some or all of their requirements to finance capital expenditure from this source.

Revenue Expenditure Funded from Capital under Statute (REFCUS)
Spending on assets that have a lasting value but are not owned by EMCCA.