Item 8(b)

18th November 2026

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Executive Director of Financial Services

Contact: Robert Emmott Ext: 73837

Annual Accounts 2025-26

Purpose of Report:

To update Members on the completion of the Annual Accounts 2025-26.

Recommendations:

The Finance and Audit Scrutiny Committee is asked to:

I. Note the audited Annual Accounts 2025-26,

II. Refer the audited annual accounts and the associated Annual Audit Report from Ernst & Young LLP to the City Administration Committee for approval and signature.

Ward No(s): Citywide: ☐

Local member(s) advised: Yes ☐ No ☐ Consulted: Yes ☐ No ☐

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1. Introduction

1.1 The unaudited annual accounts were submitted for audit to the council's external auditors, Ernst & Young LLP (EY) on 30 June 2026 and subsequently considered by the Finance and Audit Scrutiny Committee at its meeting on 19 August 2026.

1.2 The audit has now been completed and the attached Annual Accounts amended to reflect the findings of the audit.

2. Annual Accounts 2025-26

2.1 The Annual Accounts are prepared in line with proper accounting practice and statute.

2.2 Within the Annual Accounts the primary financial statements consist of:

• Comprehensive Income and Expenditure Statement	Shows the total income and expenditure incurred in the year in relation to the provision of services. In total this reflects the overall movement in council reserves but excludes statutory adjustments to the General Fund balance.
• Movement in Reserves Statement	Shows the movement in the different reserves held by the council.
• Balance Sheet	Represents the value of assets, liabilities and reserves as at 31 March.
• Group Accounts	Consolidates the financial statements for the council, its subsidiaries, associates. and joint ventures.

2.3 A number of other statements and detailed explanatory notes, which provide additional information are also included within the Annual Accounts.

3. Key Financial Outcomes

3.1 The key financial information included within the financial statements is outlined below.

3.2 <u>Movement in Reserves Statement</u>

3.2.1 The Movement in Reserves Statement records a contribution to the General Fund Reserve of £24.166 million in the year.

3.2.2 The balance on General Fund Reserve brought forward was £130.588 million, giving a total General Fund Reserve of £154.754 million as at 31 March 2026. Of this sum, a total of £113.347 million has been earmarked to meet expenditure in future years. This leaves an uncommitted General Fund Reserve balance of £41.407 million as at 31 March 2026.

3.3 Comprehensive Income and Expenditure Statement (CIES)

3.3.1 The CIES shows Total Comprehensive (Income) and Expenditure of (£109.725 million) which reflects the impact of the council's activities in relation to service provision in line with proper accounting practice. As noted above this statement does not reflect any of the statutory adjustments required to match the funding arrangements of the council with the requirements of proper accounting practice.

3.4 Balance Sheet

3.4.1 The council's Balance Sheet shows net assets of £2,505.725 million.

3.5 Group Accounts

3.5.1 The council's group accounts include the same primary financial statements as noted above in a consolidated basis across the council's material subsidiaries and associates. The key financial information is noted below:

- General Fund Reserve £154.754 million
- Total Comprehensive (Income) / Expenditure (£220.661) million
- Net Assets / (Liabilities) £3,544.919 million

3.5.2 In addition to the General Fund Reserve of the council the Group Balance Sheet includes Group Reserves of £1,039.194 million. This includes both useable and unusable reserves of the associates and subsidiaries of the council.

4. Annual Governance Statement

4.1 As part of the annual accounts the council is required to conduct a review of the effectiveness of its systems of internal control. The Annual Governance Statement (pages 119-133) outlines the findings of this review for 2025-26 and certifies that reasonable assurance can be placed on the adequacy and effectiveness of the systems of governance and internal control across the council family. The Internal Audit Annual Report for 2025-26 and unaudited governance statement was considered by the Finance and Audit Scrutiny Committee on 17 June 2026.

5. Audit Amendments

5.1 During the course of the audit a number of adjustments were identified and have been updated in the audited annual accounts. These have been discussed and agreed with EY and further details can be found within their Annual Audit Report.

6. Policy and Resource Implications

Resource Implications:

Financial:	The financial implications are as outlined in the report.
Legal:	None
Personnel:	None

Procurement:	None
Council Strategic Plan:	Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities Mission 2 – Run an open, well governed council in partnership with all our communities
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2021-25	Supports the overall implementation of the strategic plan.
What are the potential equality impacts as a result of this report?	No significant impact.
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	None
What are the potential climate impacts as a result of this proposal?	None
Will the proposal contribute to Glasgow's net zero carbon target?	None
Privacy and Data Protection impacts:	None

7. Recommendations

7.1 The Finance and Audit Scrutiny Committee is asked to:

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II. Refer the audited annual accounts and the associated Annual Audit Report from EY to the City Administration Committee for approval and signature.