Item 7

19th August 2026

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Executive Director of Financial Services

Contact: Robert Emmott Ext: 73837

Unaudited Annual Accounts 2025-26

Purpose of Report:

In line with the Local Authority Accounts (Scotland) Regulations 2014 the local authority, or committee charged with governance and audit must consider the unaudited Annual Accounts no later than the 2 months after the publication of the unaudited accounts.

This report outlines the key aspects of the unaudited Annual Accounts 2025-26 with a full copy of the accounts attached as an appendix to this report for information.

Recommendations:

The Finance and Audit Scrutiny Committee is asked to:

I. Consider the unaudited Annual Accounts 2025-26,

II. Note that the Executive Director of Financial Services has submitted the unaudited Annual Accounts to the council's external auditor Ernst and Young (EY).

III. Note that EY are aiming to complete their audit and report their findings to the Finance and Audit Scrutiny Committee prior to the end of November 2026.

Ward No(s): Citywide: ☐

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

1. Introduction

1.1 The Local Authority Accounts (Scotland) Regulations 2014 require a local authority, or committee charged with governance to consider the unaudited Annual Accounts within two months of publication.

1.2 This report outlines the key aspects of the unaudited Annual Accounts 2025-26 with a full copy of the accounts attached for information.

2. Unaudited Annual Accounts 2025-26

2.1 The unaudited Annual Accounts are prepared in line with proper accounting practice and were submitted to the council's appointed external auditor, Ernst and Young (EY), on 30 June 2026. These accounts were subsequently published and made available for public inspection on the 1 July 2026.

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 and associates.

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>Comprehensive Income and Expenditure Statement (CIES)</u>

3.2.1 The CIES shows Total Comprehensive (Income) and Expenditure of (£265.640) 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.

3.3 Movement in Reserves Statement

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

3.3.2 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.

3.3.3 For information the Outturn report for 2025-26 noted at paragraph 14.5 a projected uncommitted General Fund balance of £42.0 million (1.9% of net expenditure). The actual uncommitted General Fund balance is £41.407 million (1.9% of net expenditure) as noted in paragraph 3.3.2 due to a reduction in the expected return from City Building.

3.4 Balance Sheet

3.4.1 The council's Balance Sheet shows net assets of £2,661.640 million.

3.5 Group Accounts

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

• General Fund Reserve	£154.754 million
• Total Comprehensive (Income) and Expenditure	(£379.708) million
• Net Assets (Liabilities)	£3,703.966 million

In addition to the General Fund Reserve of the council the Group Balance Sheet includes Group Reserves of £1,042.326 million. This includes both usable and unusable reserves of the associates and subsidiaries of the council.

4. Next Steps

4.1 As noted above, EY are aiming to complete their audit and report their findings to the Finance and Audit Scrutiny Committee prior to the end of November 2026.

5. 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 2025-29	Supports the overall implementation of the strategic plan.
What are the potential equality impacts as a result of this report?	No significant impact.
Please highlight if the policy/proposal will help address socio-economic disadvantage.	No significant impact.
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	None
What are the potential climate	None

impacts as a result of this proposal?	
Will the proposal contribute to Glasgow’s net zero carbon target?	None
Privacy and Data Protection impacts:	
Are there any potential data protection impacts as a result of this report ~~Y~~/N	
If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out	

6. Recommendations

6.1 The Finance and Audit Scrutiny Committee is asked to note the content of the report.