

FINANCIAL AND OPERATIONAL OVERVIEW

Summary: To provide the Executive Committee with a high-level summary of the year-end financial position and next steps.

Recommendation: That the Executive Committee notes the report.

Report by: Magda Glanowska – Director of Finance and Corporate Services

1. FY25/26 FINANCIAL REPORT (DRAFT RESULTS)

Income and Expenditure

- We are currently finalising year-end results and therefore the presented results are only indicative. These will be presented and discussed by the Finance and Governance Committee during their next meeting on 21st May 2026, before being presented to the Board for their full approval in June along with the AGAR and Statement of Accounts.
- The total **revenue for the year is nearly £3.7 million**, £0.1m behind the forecast (£4.2m FY24/25). This is due to having to return a deferred Capex spend to DEFRA allocated to the 10-year lease for Marsden. This is a strong result and securing future lease payments for the Marsden office will help to release pressure on the core. Please note the FiPL underspend of £0.2m will have to be returned to DEFRA in FY26/27 against our first grant claim in FY26/27.
- Total **grants paid for the year is £1.5m** against forecasted £1.9m, £0.4m underspend relates to:
 - £0.2m Cotswolds Champions due to discussions being halted over the winter due to facilitator of the Cluster being out of action for several months. This resulted in moving the project into the next financial year following previous unsuccessful negotiations with a large landowner, and
 - £0.2m FiPL due to combination of reasons including late confirmation that FiPL was to be extended for a further year, FiPL team being short-staffed and several projects ending with significant underspend that was not declared until the claims were submitted in March.
- **Total overheads were £1.47 million** against forecasted £1.6m, small savings relate to capitalisation of portion of staff costs relating to Climate Action projects and GCG and less spent on contractors and professional fees in the year.
- The balance sheet is in healthy position with no concerns. Total capital assets and reserves stood at £1.69 million compared to £1.33 million at the start of the year. This is in line with the Board's Reserves Policy.

Reserves

- FY25/26 draft year-end position is showing **total reserves of £1.69 million** (vs £1.06 million forecast and £1.33 million prior year)
- Made up of:
 - **General Fund £70k** (forecast £76k, prior year £92k)
 - **Designated Funds £309k** (forecast £250k, prior year £278k)
 - **Restricted reserves £1.311k** (budget £739k, prior year £960k)
- The above is in line with the Board's Reserves Policy adopted in February 2026.
- Capital Uplift from DEFRA (£571k) – we have spent the total of £329k this financial year with £242k returned to DEFRA for the agreed deferred 10-year Marsden lease.

2. NEXT STEPS

- Next Finance and Governance Committee meeting is taking place on 21st May 2026, when the Year-End Financial Results will be reviewed and approved.
- Internal Audit for FY25/26 is taking place on Wednesday 13th May 2026.
- Statement of Accounts and AGAR (Annual Governance and Accountability Return) will be approved by the Board at their next AGM meeting on 23rd June 2026 before being submitted to PKF, our external auditor, prior to the deadline of 1st July 2026.

MAY 2026