



DORSET
POLICE & CRIME
COMMISSIONER
DAVID SIDWICK

Police and Crime Commissioner for Dorset

Statement of Accounts

for the year ended 31 March 2025

Audited

Police and Crime Commissioner for Dorset

Officers of the Police and Crime Commissioner Group

The statutory officers of the Office of the Police and Crime Commissioner and contact details are as follows:



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David Sidwick



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Simon Bullock



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Statement of Accounts 2024/25

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Accompanying Reports

Police and Crime Commissioner for Dorset

Narrative Report by Julie Strange, Chief Financial Officer

1.0 INTRODUCTION

- 1.1 This narrative report aims to provide the context for the Police and Crime Commissioner (PCC) and Group financial statements and to demonstrate how the Police and Crime Commissioner has allocated its resources in line with intended outcomes for the 2024/25 financial year.
- 1.2 The financial statements provide information on the Police and Crime Commissioner's and the Group's (incorporating the Chief Constable) financial activities for the year ending 31 March 2025. They are prepared in accordance with proper accounting practices (as defined in the Code of Practice on Local Authority Accounting in the United Kingdom) and are published in accordance with the Accounts and Audit Regulations 2015.
- 1.3 The Chief Constable has prepared a separate Statement of Accounts reflecting how the resources provided by the Police and Crime Commissioner have been used to deliver operational policing services. These are published separately.

2.0 EXPLANATION OF THE POLICE AND CRIME COMMISSIONER AND GROUP

- 2.1 The Police and Crime Commissioner and the Chief Constable are separate legal entities. The Police and Crime Commissioner is elected by the public every four years with a responsibility to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services in Dorset.
- 2.2 The Chief Constable is accountable to the Police and Crime Commissioner for the delivery of efficient and effective policing, the delivery of the Police and Crime Commissioner priorities and the management of resources and expenditure by the Force.
- 2.3 The Police and Crime Commissioner for Dorset during 2024/25 was David Sidwick who took office on 13 May 2021. He was re-elected for a second term on 2 May 2024. His Police and Crime Plan was launched on 29 October 2021 covering the period 2021 to 2029 and was reviewed and updated on 10 October 2024.
- 2.4 The Police and Crime Plan is a statement of strategic intent for policing in Dorset, set around six key themes:
 - Cut Crime and Anti-social behaviour
 - Make Policing more visible and connected
 - Fight violent crime and high harm
 - Fight rural crime
 - Put victims and communities first
 - Make every penny count.
- 2.5 The Police and Crime Commissioner is scrutinised by the Police and Crime Panel. The Panel's primary focus is on important strategic actions and decisions made by the Police and Crime Commissioner. These include whether they have:
 - achieved the aims set out in the Police and Crime Plan and the Annual Report
 - considered the priorities of community safety partners
 - consulted appropriately with the public and victims of crime.
- 2.6 The Police and Crime Commissioner provides an Annual Report to the Police and Crime Panel in the Summer each year which provides more detailed performance information in relation to the financial year just ended.

Narrative Report by Julie Strange, Chief Financial Officer Continued

3.0 RESOURCES AVAILABLE IN 2024/25

3.1 The Spending Review announced in Autumn 2021 was for a three year period from 2022/23 to 2024/25. Key announcements for Policing included:

- £550mn increase in police funding in 2022/23 to deliver the final year of the Police Uplift Programme
- Police funding to increase by a further £100mn in 2023/24 and another £150mn in 2024/25, taking increases to £650mn and £800mn respectively when compared with 2021/22; and
- £10 council tax referendum limit for Police and Crime Commissioners for each year of review.

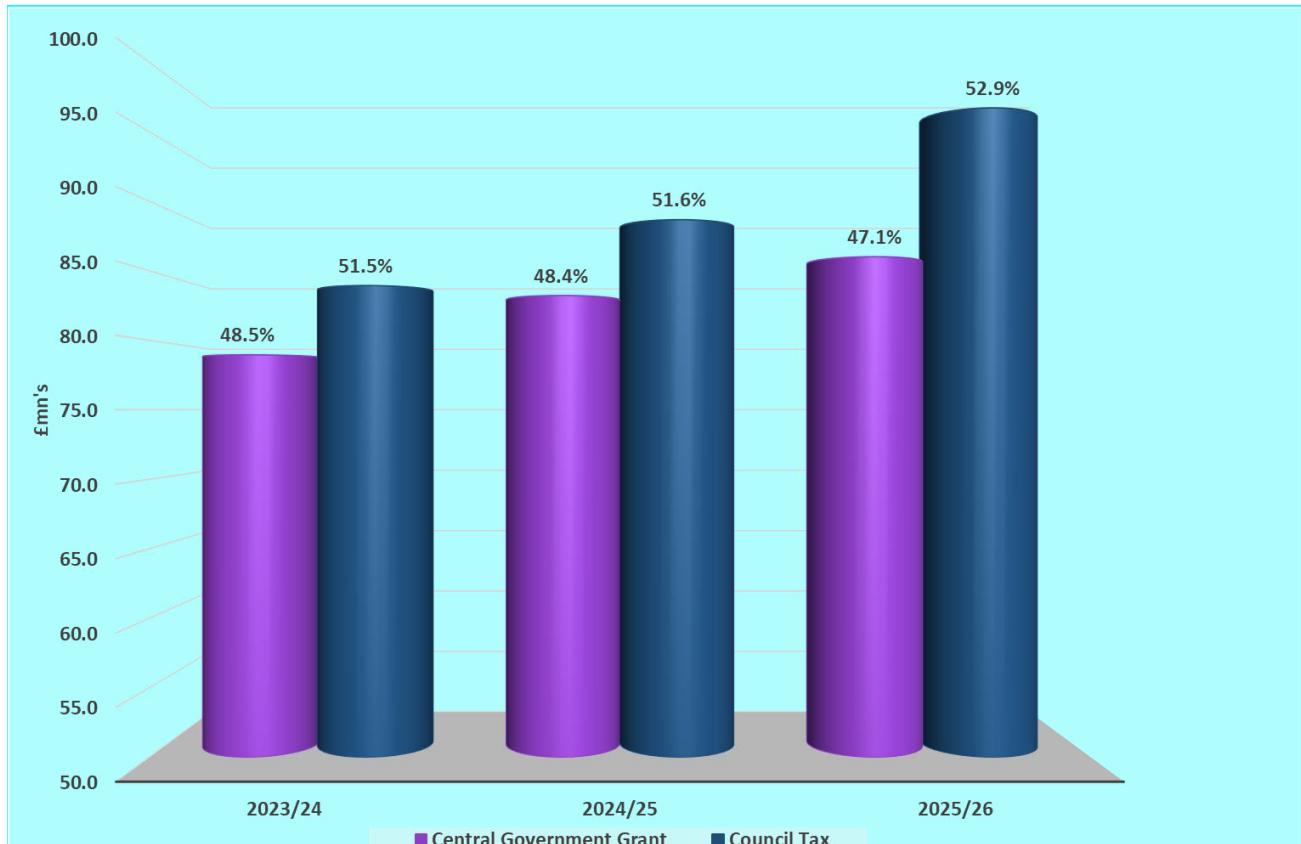
3.2 The Autumn Statement released in November 2023 confirmed the Government's commitment to year 3 of the Spending Review (2024/25) and the Provisional Settlement issued in December 2023 set the Council Tax Referendum Limit to £13 for 2024/25.

3.3 The Police and Crime Commissioner, after public consultation, and ratified by the Police and Crime Panel, increased the council tax element for policing by £13 (4.63%), making full use of the council tax flexibilities, which included provision for unavoidable cost increases such as inflation, but also included savings totalling £4.5mn.

3.4 Council tax was set at £293.58 for a band D property. The overall impact of this Home Office grant position and Council Tax increase was that funding in 2024/25 was £9.0mn more than it was in 2023/24.

3.5 The revenue budget income graph below shows main funding sources in 2024/25 as well as the funding in the previous and following year for comparative purposes. In 2023/24 central government grant was 48.5% of revenue funding, in 2024/25 it reduced to 48.4% and in 2025/26 we are anticipating it to be 47.1%.

Revenue Budget funding 2023/24 – 2025/26



Narrative Report by Julie Strange, Chief Financial Officer Continued

3.6 The £800mn increase to the Police Grant was primarily in relation to the national Police Officer Uplift Programme but also included allowances for pay and inflation however these were not quantified separately. As in previous years, a proportion of the Uplift funding was allocated to Police and Crime Commissioners through a ring-fenced grant with the remaining funding allocated through the core grant. The ring-fenced grant was paid on achievement of uplift recruitment numbers.

4.0 SETTING THE FINANCIAL STRATEGY FOR 2024/25 AND BEYOND

4.1 The Police and Crime Commissioner takes a multi-year approach to financial planning, considering the budget year and the subsequent three years.

4.2 The ongoing need to deliver savings, alongside the significant benefits but also restrictions of the Police Officer Uplift Programme, was a particularly prominent issue in 2024/25. Significant unavoidable cost pressures including inflation, pay awards and capital investment requirements required the delivery of planned and unplanned savings during the year to ensure that a balanced outturn position was achieved. This achievement of a balanced year end position was also considerably helped by the Police and Crime Commissioner's decision to increase the Council Tax by £13 (4.63%).

4.3 While investment opportunities were limited against this background, the Force did continue to develop and improve the way that key services were delivered, focussing on achieving ever greater value from existing resources. Some key developments were:

- The design and implementation of Enhanced Video Response within the Force, providing a modern approach to reporting crime, giving victims the option of speaking to a police officer at a time that is convenient and in a location they have chosen. In circumstances where it has been appropriate to use this technology it has allowed faster contact with victims, improved investigative standards, and increased victim satisfaction. Dorset Police is working with the College of Policing to introduce the same operational ability in other forces nationally.
- The Force has conducted a full review of its operating model, which has enabled a reduction in senior police officer ranks and has directly enabled the release of more officers to frontline operational roles.
- Maximising the use of Home Office funding to enhance neighbourhood policing with targeted patrols in hot spot areas, in most cases leading to a reduction in crime and serious violence.
- The delivery of Right Care, Right Person as a whole-system partnership approach, resulting in members of the community receiving support from the most appropriate agency and has ensured Dorset Police Officers and staff are able to keep people safe, bring offenders to justice and support victims of crime.
- In April 2024 the new Headquarters building at Winfrith was opened, providing a considerable improvement in working environment and value for money. Its award-winning design for sustainability has realised positive benefits in reduced energy use.

The 2024/25 year also saw the need for a considerable policing requirement for protest activity linked to national and international events, as well as the continued need to deal with activity relating to the asylum barge at Portland.

4.4 Alongside these service improvements, the Force needed to achieve a total of £4.5mn in savings and efficiencies in order to balance the budget. This savings requirement increased during the year as additional pressures became clear. The savings programme included: -

- Significant reduction of staffing costs through a mutually agreed resignation scheme (MARS).
- Implementing strict limits on the use of overtime, while allowing sufficient flexibility to ensure that critical services were maintained.
- Use of technology to improve efficiency and realise productivity gains, including further automation and online training.
- Using officer time released under the Force operating model review to change the workforce mix in areas where this will deliver value and operational benefits.

Narrative Report by Julie Strange, Chief Financial Officer Continued

- Rationalise the use of estate to derive maximum value from our buildings and ensure that premises are used to best support policing in Dorset.
- Changes to the way the Force engages with the public.
- Exploiting opportunities to generate further income through the provision of training, including to other forces and overseas.
- Reviews of our supernumerary posts, management structures, collaborative arrangements, and long-term vacancies

4.5 The 2024/25 MTFP projected budget gaps in future years primarily due to increased pay award assumptions and lower than previously forecast government grant.

	2024/25 £'mn	2025/26 £'mn	2026/27 £'mn	2027/28 £'mn
Projected Budget Requirement	171.9	178.1	183.3	188.5
Projected Funding	171.9	176.1	180.1	184.2
Projected Shortfall	0.0	2.0	3.2	4.3

4.6 To address the saving challenges for 2025/26 onwards the Efficiency and Productivity Board of the Force has focused its work to address the budget gaps for 2024/25 to 2027/28. Delivery will then be scrutinised through the Resource Control Board as part of the overall monthly group budget monitoring report. This will include measures such as service reviews, vacancy scrutiny panels, increased use of Robotic process automation and continued cost-challenge process to identify savings which do not impact on service delivery.

5.0 ACTUAL EXPENDITURE IN 2024/25

5.1 The Police and Crime Commissioner Group spent £171.042mn against a budget allocation of £171.875mn resulting in an underspend of £833,000 in 2024/25. This will be transferred to the Budget Management Fund (£613,000) to cover carry forward requests and planned use of underspend in 2025/26, with the balance of £220,000 to General Balances.

5.2 2024/25 was a challenging year with pressure to maintain the Uplift requirement to avoid significant financial penalties and a higher than budgeted pay award. It was anticipated that a pay award would be granted in 2024, and the Force assumed a 2.5% increase. The actual pay award was 4.75% from September 2024 for all officers and staff. Additional grant of £1.358mn was received in support of the increased pay award, however this was £462,000 short of the actual cost, further adding to the in-year budgetary pressures.

5.3 The Force was 1 officer below its headcount target of 1,450, which resulted in a loss of £40,000 of maintenance grant. The Force was also unable to achieve the over-recruitment allocation of 8 headcount. In terms of full time equivalent (FTE) officer numbers, the Force ended the year 15.2 FTE under budgeted establishment.

5.4 Police officer pay ended the year with a small overspend position of £155,000. This was mainly due to starting the financial year above the budgeted target, with mitigating actions from a lower number of recruits than originally expected, timing of recruitment, and lower national insurance costs due to savings achieved on overtime spend bringing the position closer to budget.

5.5 Police staff pay underspent due to a range of factors, including higher than budgeted levels of turnover however the underspend was offset by spend on Agency staff and overtime. Much of the turnover can be attributed to the effect of a voluntary resignation scheme (MARS) which saw 80 police staff leave the Force by the end of January 2025.

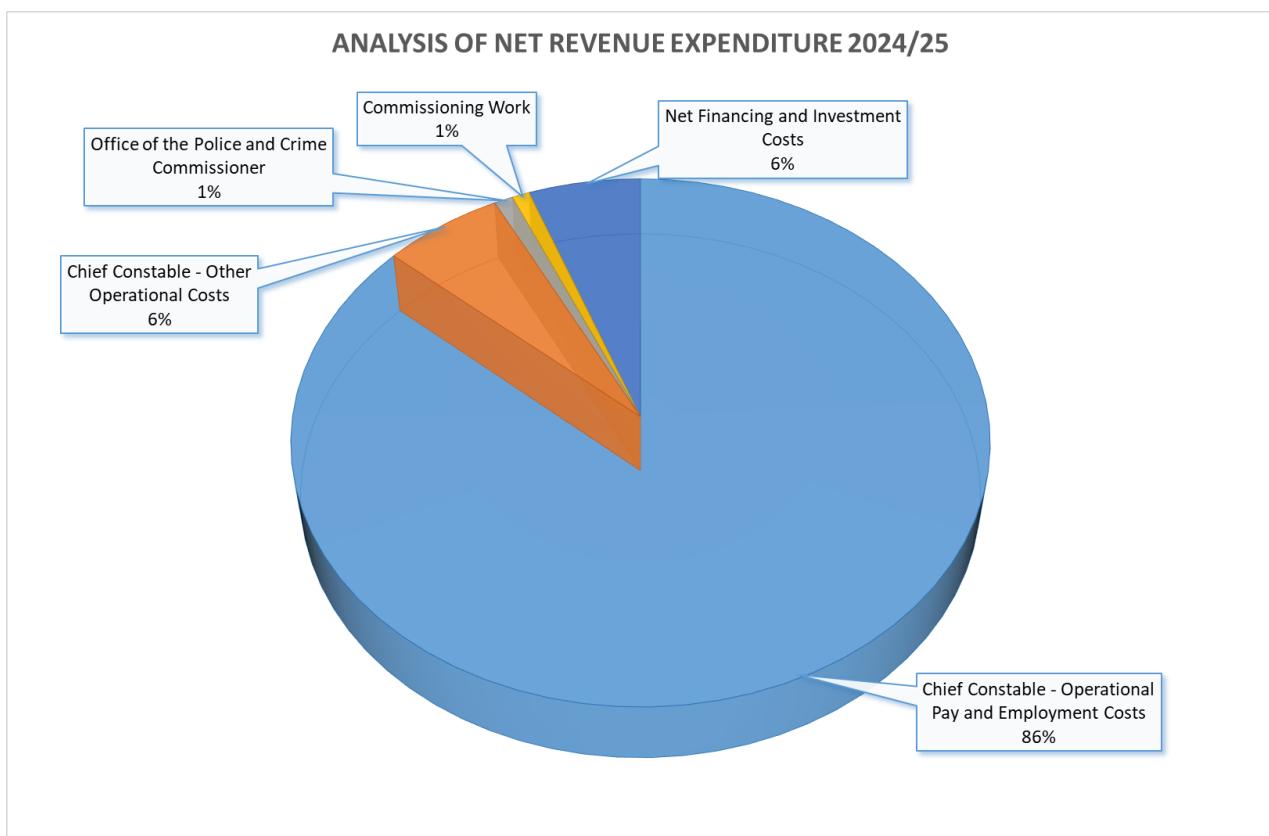
Narrative Report by Julie Strange, Chief Financial Officer Continued

5.6 Overheads underspent in total, primarily due to Estates. The department ended the year with an underspend of £1.45mn. This was due to several factors including the receipt of rate rebates for a number of buildings (£463,000); lower than expected utility costs as a result of reduced prices and lower consumption in particular for the new Winfrith HQ (£470,000); reduced maintenance costs (£187,000) and a reduced Private Finance Initiative unitary charge due to a lower than budgeted Retail Price Index increase (£215,000).

5.7 Income exceeded budget due to additional grants from the Home Office which offset additional costs to support the pay award, policing requirements arising from the Bibby Stockholm Barge, policing the national public disorder over the summer and other one-off grants as well as increased investment income due to higher than anticipated cash balances and interest rates.

5.8 The Office of the Police and Crime Commissioner (OPCC) outturn for the year was on budget (£1.628mn) after allowing for reserve transfers. A total of £17,000 has been transferred to the OPCC Legal reserve and a transfer of £24,000 from the OPCC reserve to cover the core budget overspend. A transfer of £412,000 has been made to the OPCC Police and Crime Plan reserve to fund future community-based projects.

5.9 The chart below shows a breakdown of actual net revenue expenditure for 2024/25 by category of spend.



6.0 RESERVES

6.1 The Police and Crime Commissioner maintains reserves for 3 main purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the general fund balance.
- As a contingency to cushion the impact of unexpected events or emergencies: also, part of the general fund balance; and
- As a means of building up funds to meet known or predicted requirements, earmarked reserves.

Narrative Report by Julie Strange, Chief Financial Officer Continued

6.2 The Police and Crime Commissioner's Policy for the maintenance of reserves includes the following key principles:

General Balances - The Police and Crime Commissioner will seek to maintain a general reserve at between 3% and 5% of Net Revenue Expenditure. This will be supported by an annual budget risk assessment which will also identify the need for any specific earmarked reserves.

Earmarked Reserves - The need for earmarked reserves will be assessed annually through the budget setting process, to confirm the continuing relevance and adequacy of each earmarked reserve in addition to identifying any new reserves that may be required.

6.3 Total usable revenue reserves as at 31 March 2025 amounted to £11.396mn comprising; General Fund Balance £6.096mn and Earmarked Reserves £5.300mn. These balances are in line with the Reserves Strategy.

7.0 CAPITAL PROGRAMME

7.1 The table below shows the Police and Crime Commissioner's Group capital expenditure, and funding, during 2024/25. This consists of an ongoing programme of rationalisation, replacement and enhancement of property and other assets, all with an expected life of more than one year, and with an individual or programme value in excess of £10,000.

7.2 The purchase of new vehicles improved from the challenges of the past couple of years with delivery timescale broadly as expected, however prices continued to be higher than budgeted.

7.3 The build of the replacement Headquarters at Winfrith commenced in 2022/23 with works completed in April 2024. Projects to replace the firing range, Winfrith SEC, Bournemouth and Ferndown refurbishments have experienced delays therefore funding has slipped to 2025/26.

7.4 ICT and Equipment spend included network resilience, PC replacement, telephony replacement, improved mobile policing capability and other smaller items of equipment.

	£'mn
Capital Programme	
Land and Buildings	5.172
Vehicles and Other Transport	0.935
Equipment and ICT	2.319
PRISM	0.176
Revenue Expenditure Funded from Capital under Statute	0.229
Flexible use of Capital Receipts	0.947
Total Expenditure	9.778
Funded by	
Grants	1.235
Capital Receipts Reserve	1.132
Revenue Funding	3.238
Borrowing	4.173
Total Funding	9.778

Narrative Report by Julie Strange, Chief Financial Officer Continued

8.0 WORKFORCE RESOURCES

8.1 Workforce costs make up 86% of the annual expenditure of the Group. The full time equivalents (FTE) of officers and staff employed by Dorset Police at the beginning and end of the period were:

31/03/24 (FTE)		31/03/25 (FTE)
1,436	Police Officers	1,407
1,168	Police Staff (Force)	1,143
76	PCSO's	71
21	Office of the Police and Crime Commissioner	26
2,701	Total	2,647

8.2 The budget included provision for the additional 183 officers that are funded by the Police Uplift Programme targets, bringing total budgeted establishment up to 1,422 FTE officers (1,450 headcount). However, the actual number of officers at year end was lower than this as the conditions of the Uplift grant were based on headcount of officers as opposed to FTE. The Force also participated in additional recruitment schemes to maintain national uplift numbers and could have received funding for an additional 8 officers. The baseline for the scheme has been set at 1,458 headcount for 2025/26 onwards.

9.0 PERFORMANCE INDICATORS

External Indicators

9.1 The principal independent financial indicators available to Police and Crime Commissioner Group are as follows:

- HMICFRS PEEL Report – His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) review each Force to examine their Efficiency, Effectiveness and Legitimacy. The 2023-25 report showed that Dorset Police was assessed and graded in the following areas:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Recording data about crime	Protecting vulnerable people	Police powers and public treatment	
	Preventing crime	Managing offenders	Responding to the public	
		Developing a positive workplace	Investigating crime	
		Leadership and force management		

Narrative Report by Julie Strange, Chief Financial Officer Continued

The Force was graded as 'Adequate' in the area of leadership and force management. Key comments in this area included:

- The Force provides value for money and can show continuous improvement, efficiency savings and improved productivity.
- The Force collaborates to improve services and has a clear focus on evaluation to make sure that these continue to offer benefits
- The Force has sound financial management processes in place

- Auditors' Value for Money Opinion – External auditors last provided a Value for Money conclusion for both the Police and Crime Commissioner and the Chief Constable for the year ending 31 March 2024. This audit concluded that the Police and Crime Commissioner and Chief Constable have each put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

- HMICFRS Value for Money Profile 2024 – this report does not provide an opinion but states key financial and performance information of Dorset Police in comparison to other Forces. The report did not indicate any significant outliers within Dorset Police's information.

Operational Performance of the Force

9.2 The following table sets out the key movement in activity in 2024/25 when compared to the previous year.

Contact		
999 Calls	-8.30%	⬇️
Non-Emergency Contacts	-3.20%	⬇️
Incidents		
Incidents Recorded	-6.20%	⬇️
Of which, Anti-Social Behaviour	-10.70%	⬇️
Crime		
All Crime Recorded	-1.40%	⬇️
Sexual Offences	+4.10%	⬆️
Of which, Serious Sexual Offences	+5.5%	⬆️
Violence Against the Person	-4.10%	⬇️
Of which, Most Serious Violence	0%	-
Domestic Abuse Crime	-2.50%	⬇️
Theft	+0.9%	⬆️
Other		
Arrests Made	+2.0%	⬆️
Positive Outcomes	+2.0%	⬆️
Missing Persons	-30.10% (High Risk -44.00%)	⬇️
Public Protection Notices Issued	-1.80%	⬇️

9.3 999 call volume has stabilised over the last 12-months with 131,500 calls received. The % of calls answered within 10 seconds has increased by 5.3% to 93.3%. Single Online Home was introduced in March 2023 whereby the public can undertake online reporting. Over the last 12-months 52,797 online reports have been received, a 7% increase on the previous year.

Narrative Report by Julie Strange, Chief Financial Officer Continued

9.4 Overall crime decreased by 1.4% for the reporting period, with some important areas showing significant reductions. The Force continued its focus on reducing violence against women and girls by targeting crimes such as sexual offences and domestic abuse and providing meaningful support to victims. The Force remains committed to reducing and preventing sexual offences, including rape, and works closely with our partners to improve the journey for victims and to increase positive outcomes. We also encourage victims to report offences, support and safeguard the most vulnerable in our communities, and provide a safe environment for victims and encourage them to come forward and report crimes. The Force saw a decrease of 4.1% in Violence Against the Person offences and a 2.5% reduction in Domestic Abuse related crimes. The Force is 8th safest in terms of crimes per 1,000 population.

9.5 The Force has made significant improvements in the % of crimes resulting in a positive outcome. The overall positive outcome rate has improved by 2.0% to 14.5% with significant increases in areas such as Most Serious Violence (+9%), Robbery (+3%), Domestic Abuse (+2%) and Theft (+2%). Overall, over the last 12-months there has been 1,000 additional positive outcomes compared to the previous 12-months.

9.6 The Force has also implemented an Enhanced Video Response Team (EVR) to further improve the Force's response to victims. The team responds to Grade 3 crime, providing improved response times and victim satisfaction.

10.0 FUTURE FINANCIAL OUTLOOK

10.1 The Chief Constable and the Police and Crime Commissioner formally update the Medium Term Financial Plan (MTFP) annually during the budget setting process. The national economic environment has continued to change since the 2024/25 budget settlement. This has included continued increases in inflation, particularly the September 2024 pay award. Turnover of officers and staff has also been difficult to predict. As such, the financial outlook for 2025/26 and beyond is different than it was forecast to be last year.

10.2 The 2025/26 MTFP shows a balanced budget for 2025/26 after significant savings but there is a budget gap in future years of £3.1mn increasing to £6.6mn in 2028/29. The forecasts are underpinned by numerous assumptions including staff and officer turnover, pay increases and rates of inflation and interest.

10.3 The 2025/26 MTFP is designed to support the delivery of the Police and Crime Plan.

10.4 The Financial Strategy, including the Capital Strategy, Reserves Strategy and Treasury Management Strategy are used to translate the vision of the Police and Crime Plan into the detailed budget, with the MTFP setting out what this looks like for future years.

10.5 The strategic approach taken to balancing the 2025/26 budget was to take a longer term view to ensure that decisions taken are sustainable and that future budgets have firm foundations, to build greater financial resilience, and deliver value for money for Dorset residents. The Force has taken steps to drive out new cashable efficiencies and savings from the 2025/26 budget through a structured savings programme linked to a comprehensive 'BRAG' assessment tool. The Efficiency and Productivity Board will oversee the delivery of these and further efficiencies to produce a balanced MTFP in future years.

10.6 Grant funding for 2025/26 was provided by the new government as a one-year settlement ahead of a comprehensive spending review due to report in June 2025. The core funding increase was £2.8mn which does not fund all of the inflationary increases and other unavoidable pressures faced by the Force in 2025/26.

10.7 Key areas of uncertainty in future planning are:

- Future pay awards for officers and staff
- Inflationary pressures, albeit at a lower level than in recent years
- Staff turnover and, in particular, police officer leavers
- CSR for 2026/27, how many years will this cover
- Future council tax referendum principles
- Impact of council tax premiums for second homes
- Review of the police funding formula

Narrative Report by Julie Strange, Chief Financial Officer Continued

11.0 GOVERNANCE ARRANGEMENTS

11.1 The Annual Governance Statement is published alongside this document. The Annual Governance Statement describes the internal control environment for the Police and Crime Commissioner. It also comments on the effectiveness of the governance arrangements and identifies issues that require further work.

11.2 The Police and Crime Commissioner and the Chief Constable have an effective joint process for managing risk and the details are also provided in the Annual Governance Statement.

12.0 THE STATEMENT OF ACCOUNTS

12.1 A brief explanation of the purpose of each of the four primary statements is provided below together with a high-level summary.

Movement in Reserves Statement for the Group and for the Police and Crime Commissioner as a single entity - shows the changes in the Police and Crime Commissioner's financial resources over the year. The statement shows the different reserves held which have been analysed into "Usable" and "Unusable" Reserves. Usable reserves can be used to fund expenditure during the year and in future years or to reduce the amount that needs to be raised in council tax. Unusable reserves are technical accounting adjustments that are required to be reported at year end.

The table below is a summary of the movement in reserves:

Summary Movement in Reserves	Restated		Balance as at 31/03/2025 £'000
	Balance as at 01/04/2024* £'000	Movements £'000	
General Fund	5,778	318	6,096
Earmarked Reserves	3,754	1,546	5,300
Capital Receipts	3,617	(947)	2,670
Capital Grants	0	87	87
Total Usable Reserves	13,149	1,004	14,153
Unusable Reserves	(1,126,045)	14,567	(1,111,478)
Total Reserves	(1,112,896)	15,571	(1,097,325)

*The restated balances presented have been calculated by applying the IFRS 16 adjustments to the closing balances as at 31 March 2024. The table below summarises the changes.

Summary Movement in Reserves	Restated		Balance as at 01/04/2024* £'000
	Balance as at 31/03/2024 £'000	IFRS 16 Adjustments £'000	
General Fund	5,778	0	5,778
Earmarked Reserves	3,754	0	3,754
Capital Receipts	3,617	0	3,617
Capital Grants	0	0	0
Total Usable Reserves	13,149	0	13,149
Unusable Reserves	(1,108,423)	(17,622)	(1,126,045)
Total Reserves	(1,095,274)	(17,622)	(1,112,896)

The significant movements during the year have been within unusable reserves, specifically for pensions and revaluation. The accounting adjustments applied have been prepared in accordance with generally accepted accounting practices and are not chargeable against council tax for the year.

Police and Crime Commissioner for Dorset

Narrative Report by Julie Strange, Chief Financial Officer Continued

Comprehensive Income and Expenditure Statement for the Group and for the Police and Crime Commissioner as a single entity – this statement shows the accounting cost in the year of providing services in accordance with accounting standards. This amount is different to the amount funded by taxation due to the accounting treatment of certain costs such as depreciation and pensions.

The table below is a summary of the Comprehensive Income and Expenditure Statement:

Summary Comprehensive Income and Expenditure Statement	Gross Expenditure	Gross Income	Net Expenditure
	2024/25	2024/25	2024/25
	£'000	£'000	£'000
Net Cost of Services	199,093	(41,914)	157,179
Other Operating Income and Expenditure	5,193	(24,127)	(18,934)
Financing and Investment Income and Expenditure	68,056	(14,132)	53,924
Taxation and Non-Specific Grant Income	0	(173,300)	(173,300)
(Surplus)/Deficit on Provision of Services	272,342	(253,473)	18,869
Other Comprehensive Income and Expenditure	(34,440)	0	(34,440)
Total Comprehensive Income and Expenditure	237,902	(253,473)	(15,571)

The statement highlights that the expenditure is dominated by the net cost of providing services which is predominantly the costs of policing. The other most significant cost is shown in the Financing Investment Income and Expenditure section and mainly relates to pensions interest cost (£54.232mn). This cost is calculated in accordance with generally accepted accounting practices and reflects the cost of the pensions at the time employees earn their retirement benefits even though the benefits will not actually be payable until employees retire.

The “Other Comprehensive Income and Expenditure” section reflects the net movement in the revaluation of assets (£4.334mn) and the remeasurement of the pension liabilities (£34.816mn)).

Balance Sheet as at 31 March 2025, shows how the resources available to the Group and the Police and Crime Commissioner are held in the form of assets and liabilities.

The table below is a summary of the balance sheet:

Summary Balance Sheet	Restated Balance as at 01/04/2024*	Balance as at 31/03/2025	Movement £'000
	£'000	£'000	£'000
Long Term Assets	74,714	71,715	2,999
Current Assets	38,739	40,145	(1,406)
Current Liabilities	(38,101)	(42,228)	4,127
Long Term Liabilities	(1,188,248)	(1,166,957)	(21,291)
Net Liabilities	(1,112,896)	(1,097,325)	(15,571)
Unusable Reserves	(1,126,045)	(1,111,478)	(14,567)
Usable Reserves	13,149	14,153	(1,004)
Total Reserves	(1,112,896)	(1,097,325)	(15,571)

*The restated balances presented have been calculated by applying the IFRS 16 adjustments to the closing balances as at 31 March 2024. The table below summarises the changes.

Police and Crime Commissioner for Dorset

Narrative Report by Julie Strange, Chief Financial Officer Continued

Summary Balance Sheet	Balance as at 31/03/2024	IFRS 16 Adjustments	Restated Balance as at 01/04/2024*
	£'000		
Long Term Assets	71,672	3,042	74,714
Current Assets	38,739	0	38,739
Current Liabilities	(37,878)	(223)	(38,101)
Long Term Liabilities	(1,167,807)	(20,441)	(1,188,248)
Net Liabilities	(1,095,274)	(17,622)	(1,112,896)
Unusable Reserves	(1,108,423)	(17,622)	(1,126,045)
Usable Reserves	13,149	0	13,149
Total Reserves	(1,095,274)	(17,622)	(1,112,896)

The significant movements in the Balance Sheet correspond to the areas highlighted above. The total reserves deficit is mainly due to the police officer and staff pension liabilities. In practice, in year pension costs for police officers are being met by the Home Office.

Cash Flow Statement, shows how the movement in resources has been reflected in cash flows.

The table below is a summary of the cash flow position:

Summary Cash Flow Statement	Cash Flows	Cash Flows	Movement
	2023/24	2024/25	£'000
Cash and Cash Equivalents as at 1 April	£'000	£'000	
Cash and Cash Equivalents as at 1 April	(15,957)	(15,543)	414
Net Cash Flow from:			
Operating Activities	(7,915)	(13,445)	(5,530)
Investing Activities	11,708	8,544	(3,164)
Financing Activities	(3,379)	(674)	2,705
Movement	414	(5,575)	(5,989)
Cash and Cash Equivalents as at 31 March	(15,543)	(21,118)	(5,575)

Expenditure and Funding Analysis shows how council tax and funding for the year has been used in providing services compared with resources consumed in accordance with generally accepted accounting practices.

The table below shows how the expenditure and funding analysis note and outturn relate to each other:

Reconciliation	2024/25
	£'000
Expenditure and Funding Analysis	
Net Cost of Services - Chief Constable	169,051
Net Cost of Services - Office of the Police and Crime Commissioner	1,628
Net Cost of Services - Commissioning	1,504
Financing and Investment Income and Expenditure	(308)
Total net expenditure funded by Taxation and Non-Specific Grant Income	171,875
Outturn	
Police and Crime Commissioner Group	171,042
Overspend covered by Reserves	833
Total net expenditure funded by Taxation and Non-Specific Grant Income	171,875

Narrative Report by Julie Strange, Chief Financial Officer Continued

- 12.2 In 2024/25, the Police and Crime Commissioner applied the IFRS 16 Leases standard as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of this standard is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are brought onto the Balance Sheet with effect from 1 April 2024. Further details can be found in the Leases note.
- 12.3 The notes to the accounts include the accounting policies and gives further information on the entries within the main statements as well as supplementary information. All notes relate to the Group Statements unless it is otherwise specified. These are further supplemented by a glossary of terms.

Julie Strange CPFA
Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Further Information:

This publication provides a review of the financial performance of the Police and Crime Commissioner for 2024/25. It complements the information in the [Single Entity Accounts](#), [Police and Crime Plan](#), and the [Police and Crime Commissioner's Annual Report](#).

Independent Auditor's Report to the Police and Crime Commissioner for Dorset

Report on the audit of the financial statements

Qualified opinion on financial statements

We have audited the financial statements of the Police and Crime Commissioner for Dorset (the 'Police and Crime Commissioner') and its subsidiary the Chief Constable (the 'group') for the year ended 31 March 2025, which comprise the Group and Police and Crime Commissioner Movement in Reserves Statements, the Group and Police and Crime Commissioner Comprehensive Income and Expenditure Statements, the Group and Police and Crime Commissioner Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies, and include the police pension fund financial statements comprising the Police Officers' Pension Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2025 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for qualified opinion

The Police and Crime Commissioner for Dorset and the Chief Constable are members of a multi-employer pension scheme and as at 31 March 2025 the Police and Crime Commissioner and group held a share of Dorset County Pension Fund's assets (£298,628,000) and liabilities (£227,895,000), with the net liability of £77,000 included in the Group Balance Sheet as at 31 March 2025 once the impact of changes in effect of asset ceiling (£70,810,000) are taken into account.

Auditor Guidance Notes are prepared and published by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General who has power to issue guidance to auditors under Schedule 6 paragraph 9 of the Local Audit and Accountability Act 2014. The NAO issued Auditor Guidance Note 07 (AGN 07) on 14 November 2024. Paragraph 32 of AGN 07 refers to the voluntary protocol that auditors have agreed with each other and the NAO in respect of the provision of assurances concerning defined benefit pension schemes.

In our auditor's reports for the years ended 31 March 2023 and 31 March 2024, we reported that the external audit of Dorset County Pension Fund was not concluded for 2022/23 and therefore that Pension Fund assurances under AGN 07 were not available as at 31 March 2023. As this impacts the opening balances for the financial year ended 31 March 2024, which are presented in 2024/25 accounts as comparative figures, the only means for us to get sufficient assurance over the of Pension Fund assets and liabilities as at 31 March 2023 (and therefore the opening position as at 1 April 2024) would be to audit the Pension Fund financial statements directly and undertake alternative procedures. This would not be in the best interests of the public purse.

Management have stated that in the interests of openness and transparency they wish to publish signed accounts for stakeholders. To limit further delays, management have determined it appropriate to limit the scope of our work in respect of the defined benefit pension scheme net liability as disclosed in the Balance Sheet and associated Pension Fund asset and liability disclosures in the financial statements.

Consequently, we have been unable to determine whether any adjustment to the Police and Crime Commissioner and Group's share of Dorset Pension Fund's assets and liabilities as at 31 March 2023, or other amounts disclosed in the financial statements in respect of the share of assets and liabilities as at 31 March 2023 was necessary. These balances represent the opening balances of the year ended 31 March 2024 and are therefore relevant to the 2024/25 reporting period, as comparators. In addition, were any adjustments to the defined benefit pension scheme net liability to be required, the narrative report would also need amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) (the 'Code of Audit Practice') approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Police and Crime Commissioner and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled

Police and Crime Commissioner for Dorset

our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Police and Crime Commissioner and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Police and Crime Commissioner and the group to cease to continue as a going concern.

In our evaluation of the Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Police and Crime Commissioner and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Police and Crime Commissioner and the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Police and Crime Commissioner and group and the Police and Crime Commissioner and group's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts other than the financial statements and our auditor's report thereon. The Chief Financial Officer's is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard except for, as described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the Police and Crime Commissioner and group's share of Dorset County's Pension Fund's assets as at 31 March 2023 (£256,238,000) and liabilities (£261,079,000) and the net liability of £4,841,000 included in the balance sheet at 31 March 2023, which is the opening position of the 2023/24 comparators disclosed in the 2024/25 Balance Sheet as well as other disclosures that are impacted by these balances. We have concluded that where the other information refers to the defined benefit pension scheme net liability or related balances and disclosures, it may be materially misstated for the same reason.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Police and Crime Commissioner for Dorset

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Police and Crime Commissioner under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Police and Crime Commissioner and the Chief Financial Officer

As explained more fully in the Statement of Responsibilities, the Police and Crime Commissioner is required to 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. That officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Police and Crime Commissioner's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Police and Crime Commissioner and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Police and Crime Commissioner and the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003, the Policing and Crime Act 2017 and the Police Reform and Social Responsibility Act 2011. We also identified several additional regulatory frameworks namely, the Police Pension Fund Regulations 2007 the Police Pensions Regulations 2015, the Police Pensions Regulations 2006 and the Public Service Pensions Act 2013.
- We enquired of management and the Police and Crime Commissioner concerning the Police and Crime Commissioner and group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;

Police and Crime Commissioner for Dorset

- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, in-house legal and the Police and Crime Commissioner whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud
- We assessed the susceptibility of the Police and Crime Commissioner and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journal entries posted around the reporting date which had an impact on the Police and Crime Commissioner and Group Comprehensive Income and Expenditure Statement, and
 - Potential management bias in determining accounting estimates and judgements made in respect of the valuation of assets and liabilities in the Police and Crime Commissioner and Group Balance Sheet.
 - Potential management bias in determining accounting estimates and judgements made in respect of the valuation of assets and liabilities in the Police and Crime Commissioner and Group Balance Sheet.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on material journals posted after year end and other journals deemed unusual;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings and the valuation of the defined benefit pension scheme net liability; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement line items.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for management override of controls and the significant accounting estimates related to the valuation of land and buildings and the valuation of the defined benefit pension scheme net liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the collective competence and capabilities of the group audit team members included consideration of:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the police sector
 - understanding of the legal and regulatory requirements specific to the Police and Crime Commissioner and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

Police and Crime Commissioner for Dorset

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Police and Crime Commissioner and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Police and Crime Commissioner and group's control environment, including the policies and procedures implemented by the Police and Crime Commissioner and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Police and Crime Commissioner has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Police and Crime Commissioner plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Police and Crime Commissioner ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Police and Crime Commissioner uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Police and Crime Commissioner has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the Police and Crime Commissioner for Dorset for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Police and Crime Commissioner for Dorset

Use of our report

This report is made solely to the Police and Crime Commissioner, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Police and Crime Commissioner those matters we are required to state to the Police and Crime Commissioner in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Police and Crime Commissioner as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Grace Hawkins, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor, Bristol

Date:

Police and Crime Commissioner for Dorset

Statement of Responsibilities

The Police and Crime Commissioner's Responsibilities

The Commissioner is required to:

- make arrangements for the proper administration of the financial affairs of the Office of the Police and Crime Commissioner and to secure that one of his officers has the responsibility for the administration of those affairs. That officer is the Chief Financial Officer to the Police and Crime Commissioner
- manage the affairs of the Office of the Police and Crime Commissioner to secure economic, efficient and effective use of resources and to safeguard its assets
- approve the Statement of Accounts.

Approval of the Accounts

I approve the Statement of Accounts.

David Sidwick
Police and Crime Commissioner
17 December 2025

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Police and Crime Commissioner'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 2024/25" (the Code).

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

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice
- kept proper accounting records that were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Financial Officer's Certificate

I certify that this Statement of Accounts for the year ended 31 March 2025 gives a true and fair view of the financial position of the Police and Crime Commissioner for Dorset at the reporting date and of the income and expenditure for the year ended 31 March 2025.

Julie Strange CPFA
Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Financial Statements

Police and Crime Commissioner for Dorset

Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2023/24 and 2024/25 on the different reserves held by the Police and Crime Commissioner Group, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024		5,778	3,754	3,617	0	13,149	(1,108,423)	(1,095,274)
IFRS16 Adjustment		0	0	0	0	0	(17,622)	(17,622)
Restated Balance at 1 April 2024		5,778	3,754	3,617	0	13,149	(1,126,045)	(1,112,896)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(18,869)	0	0	0	(18,869)	34,440	15,571
Adjustments between accounting basis and funding basis under regulations	9	20,733	0	(947)	87	19,873	(19,873)	0
Transfers to/(from) Earmarked Reserves	10	(1,546)	1,546	0	0	0	0	0
Increase/(Decrease)		318	1,546	(947)	87	1,004	14,567	15,571
Balance at 31 March 2025		6,096	5,300	2,670	87	14,153	(1,111,478)	(1,097,325)
Comparative Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023		5,860	5,144	505	50	11,559	(1,103,413)	(1,091,854)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(27,694)	0	0	0	(27,694)	24,274	(3,420)
Adjustments between accounting basis and funding basis under regulations	9	26,222	0	3,112	(50)	29,284	(29,284)	0
Transfers to/(from) Earmarked Reserves	10	1,390	(1,390)	0	0	0	0	0
Increase/(Decrease)		(82)	(1,390)	3,112	(50)	1,590	(5,010)	(3,420)
Balance at 31 March 2024		5,778	3,754	3,617	0	13,149	(1,108,423)	(1,095,274)

Police and Crime Commissioner for Dorset

PCC Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2023/24 and 2024/25 on the different reserves held by the Police and Crime Commissioner, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Police and Crime Commissioner's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000			
Balance at 31 March 2024		5,778	3,754	3,617	0	13,149	(1,108,423)	(1,095,274)
IFRS16 Adjustment		0	0	0	0	0	(17,622)	(17,622)
Restated Balance at 1 April 2024		5,778	3,754	3,617	0	13,149	(1,126,045)	(1,112,896)
Movement in Reserves								
Total Comprehensive Income and Expenditure		15,965	0	0	0	15,965	(394)	15,571
Adjustments between accounting basis and funding basis under regulations	9	(14,101)	0	(947)	87	(14,961)	14,961	0
Transfers to/(from) Earmarked Reserves	10	(1,546)	1,546	0	0	0	0	0
Increase/(Decrease)		318	1,546	(947)	87	1,004	14,567	15,571
Balance at 31 March 2025		6,096	5,300	2,670	87	14,153	(1,111,478)	(1,097,325)
<hr/>								
Comparative Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023		5,860	5,144	505	50	11,559	(1,103,413)	(1,091,854)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(1,959)	0	0	0	(1,959)	(1,461)	(3,420)
Adjustments between accounting basis and funding basis under regulations	9	487	0	3,112	(50)	3,549	(3,549)	0
Transfers to/(from) Earmarked Reserves	10	1,390	(1,390)	0	0	0	0	0
Increase/(Decrease)		(82)	(1,390)	3,112	(50)	1,590	(5,010)	(3,420)
Balance at 31 March 2024		5,778	3,754	3,617	0	13,149	(1,108,423)	(1,095,274)

Police and Crime Commissioner for Dorset

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2023/24 and 2024/25 of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

2023/24			2024/25				Notes
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
£'000	£'000	£'000	£'000	£'000	£'000		
186,949	(36,145)	150,804	Chief Constable	192,453	(38,950)	153,503	
2,459	(57)	2,402	Office of the Police and Crime Commissioner	2,695	(74)	2,621	29
3,730	(2,428)	1,302	Commissioning	3,945	(2,890)	1,055	26
193,138	(38,630)	154,508	Net Cost of Services	199,093	(41,914)	157,179	
Other Operating Income and Expenditure							
0	(547)	(547)	Net (Surplus)/Deficit from the Sale of Non-Current Assets	222	0	222	19.2
11,101	(3,170)	7,931	(Gain)/Loss on Revaluation of Non-Current Assets	4,971	(345)	4,626	19.2
0	(25,238)	(25,238)	Pensions Top Up Grant	0	(23,782)	(23,782)	PFS
Financing and Investment Income and Expenditure							
747	0	747	Interest Payable	751	0	751	17.2
0	(1,226)	(1,226)	Interest and Investment Income	0	(1,059)	(1,059)	17.2
35	(64)	(29)	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	0	0	0	32
65,848	(12,392)	53,456	Pensions Interest	67,305	(13,073)	54,232	30
Taxation and Non-Specific Grant Income							
0	(71,029)	(71,029)	Police Grant	0	(75,294)	(75,294)	25
0	(7,919)	(7,919)	Council Tax Support Grants	0	(7,919)	(7,919)	25
0	(82,872)	(82,872)	Council Tax Precept	0	(88,569)	(88,569)	26
0	(88)	(88)	Capital Grants, Contributions and Donations	0	(1,518)	(1,518)	25
270,869	(243,175)	27,694	(Surplus)/Deficit on Provision of Services	272,342	(253,473)	18,869	
(Surplus)/Deficit on Revaluation of Non-Current Assets							
	1,052					376	11
	(25,326)		Remeasurement of the Net Defined Benefit Liability/(Asset)			(34,816)	30
Other Comprehensive Income and Expenditure							
	(24,274)					(34,440)	
	3,420		Total Comprehensive Income and Expenditure			(15,571)	

Julie Strange CPFA, Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Police and Crime Commissioner for Dorset

PCC Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2023/24 and 2024/25 of providing services for the Police and Crime Commissioner in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

2023/24			2024/25			Notes
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000	£'000	£'000	
186,949	(36,145)	150,804	Chief Constable - Intra-group transaction	192,453	(38,950)	153,503
2,459	(57)	2,402	Office of the Police and Crime Commissioner	2,695	(74)	2,621
3,730	(2,428)	1,302	Commissioning	3,945	(2,890)	1,055
193,138	(38,630)	154,508	Net Cost of Services	199,093	(41,914)	157,179
Other Operating Income and Expenditure						
0	(547)	(547)	Net (Surplus)/Deficit from the Sale of Non-Current Assets	222	0	222
11,101	(3,170)	7,931	(Gain)/Loss on Revaluation of Non-Current Assets	4,971	(345)	4,626
0	(25,238)	(25,238)	Pensions Top Up Grant - Intra-group transaction	0	(23,782)	(23,782)
Financing and Investment Income and Expenditure						
747	0	747	Interest Payable	751	0	751
0	(1,226)	(1,226)	Interest and Investment Income	0	(1,059)	(1,059)
35	(64)	(29)	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	0	0	0
256	(255)	1	Pensions Interest	352	(358)	(6)
65,592	(12,137)	53,455	Pensions Interest - Intra-Group Transaction	66,953	(12,715)	54,238
Taxation and Non-Specific Grant Income						
0	(71,029)	(71,029)	Police Grant	0	(75,294)	(75,294)
0	(7,919)	(7,919)	Council Tax Support Grants	0	(7,919)	(7,919)
0	(82,872)	(82,872)	Council Tax Precept	0	(88,569)	(88,569)
0	(88)	(88)	Capital Grants, Contributions and Donations	0	(1,518)	(1,518)
(25,735)	0	(25,735)	Remeasurement of the Net Defined Benefit Liability (Asset) - Intra-Group Transaction	(34,834)	0	(34,834)
245,134	(243,175)	1,959	(Surplus)/Deficit on Provision of Services	237,508	(253,473)	(15,965)
(Surplus)/Deficit on Revaluation of Non-Current Assets						
1,052						376
409						11
1,461			Remeasurement of the Net Defined Benefit Liability (Asset)			394
3,420			Other Comprehensive Income and Expenditure			(15,571)

Julie Strange CPFA, Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Police and Crime Commissioner for Dorset

Group and PCC Balance Sheet

The Balance Sheet shows the value as at 31 March 2024 and 31 March 2025 of the assets and liabilities recognised by the Group and the Police and Crime Commissioner. The net assets of the Group/Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Group/Police and Crime Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Group/Police and Crime Commissioner is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

As at	31 March 2024		As at	31 March 2025	
PCC	PCC Group	£'000	PCC	PCC Group	Notes
		£'000		£'000	
Long Term Assets					
54,758	54,758		Land and Buildings	56,514	56,514
0	12		Intangible Assets	0	4
2,457	2,457		Surplus Assets	1,316	1,316
0	14,445		Vehicle, Plant and Equipment	0	13,881
14,457	0		Intra-Group Debtors	13,885	0
71,672	71,672		Total Long Term Assets	71,715	71,715
Current Assets					
0	0		Assets Held for Sale	1,425	1,425
0	493		Inventories	0	254
5,488	22,703		Short Term Debtors	4,560	17,348
17,708	0		Intra-Group Debtors	13,042	0
15,543	15,543		Cash and Cash Equivalents	21,118	21,118
38,739	38,739		Total Current Assets	40,145	40,145
Current Liabilities					
(13,500)	(13,500)		Short Term Borrowing	(18,000)	(18,000)
(3,871)	(21,338)		Short Term Creditors	(3,577)	(20,780)
(165)	(935)		Provisions	(140)	(641)
(1,972)	(1,972)		PFI Liabilities	(2,597)	(2,597)
(133)	(133)		Other Short Term Liabilities	(210)	(210)
(18,237)	0		Intra-Group Creditors	(17,704)	0
(37,878)	(37,878)		Total Current Liabilities	(42,228)	(42,228)
Long Term Liabilities					
(1,002)	(1,002)		Provisions	(849)	(849)
(16,332)	(16,332)		PFI Liabilities	(31,164)	(31,164)
(421)	(421)		Other Long Term Liabilities	(928)	(928)
(15,000)	(15,000)		Long Term Borrowing	(14,500)	(14,500)
(487)	(91)		Pensions Liability - Staff	(649)	(77)
0	(1,134,961)		Pensions Liability - Officers	0	(1,119,439)
(1,134,565)	0		Intra-Group Creditors	(1,118,867)	0
(1,167,807)	(1,167,807)		Total Long Term Liabilities	(1,166,957)	(1,166,957)
(1,095,274)	(1,095,274)		Net Liabilities	(1,097,325)	(1,097,325)
Represented by					
(1,108,423)	(1,108,423)		Unusable Reserves	(1,111,478)	(1,111,478)
13,149	13,149		Usable Reserves	14,153	14,153
(1,095,274)	(1,095,274)		Total Reserves	(1,097,325)	(1,097,325)

The unaudited accounts were issued on 23 June 2025, and the audited accounts were authorised for issue on the 17 December 2025.

Julie Strange CPFA, Chief Financial Officer to the Police and Crime Commissioner
17 December 2025

Police and Crime Commissioner for Dorset

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Group and the Police and Crime Commissioner during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the way the Group has managed its cash outflows against the monies received by way of taxation, grant income and from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

2023/24 PCC £'000	2023/24 PCC Group £'000		2024/25 PCC £'000	2024/25 PCC Group £'000	Notes
1,959	27,694	Net (Surplus) or Deficit on the Provision of Services	(15,965)	18,869	
		Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements			
(2)	(19,951)	(Increase)/Decrease in pensions liability	18	(19,281)	
(19,949)	0	(Increase)/Decrease in pensions liability - Intra-Group Transaction	(19,299)	0	
25,735	0	Actuarial Movement on Pension Funds - Intra-Group Transaction	34,834	0	
(922)	(4,472)	Depreciation and amortisation	(980)	(4,437)	
(3,550)	0	Depreciation and amortisation - Intra-Group Transaction	(3,457)	0	
(83)	(619)	(Increase)/Decrease in provisions	178	447	
(536)	0	(Increase)/Decrease in provisions - Intra-Group Transaction	269	0	
547	547	Surplus/(Loss) on sales of non-current assets	(222)	(222)	
(7,931)	(7,931)	Surplus/(Loss) on revaluation of non-current assets	(4,626)	(4,626)	
(1,716)	(3,183)	Movement in relevant assets/liabilities	(537)	(4,195)	
(1,467)	0	Movement in relevant assets/liabilities - Intra-Group Transaction	(3,658)	0	
(7,915)	(7,915)	Net Cash (Inflows)/Outflows from Operating Activities	(13,445)	(13,445)	20
11,708	11,708	Investing Activities	8,544	8,544	21
(3,379)	(3,379)	Financing Activities	(674)	(674)	22
414	414	Net (Increase)/Decrease in Cash and Cash Equivalents	(5,575)	(5,575)	
(15,957)	(15,957)	Cash and Cash Equivalents at the beginning of the reporting period	(15,543)	(15,543)	
(15,543)	(15,543)	Cash and Cash Equivalents at the end of the reporting period	(21,118)	(21,118)	14

Notes to the Financial Statements

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Group's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Group is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation for certain categories of non-current assets and financial instruments. The financial statements have been prepared with due regard to the going concern principle.

2. ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from 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 carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in the Comprehensive Income and Expenditure Statement for the income that might not be collected.

3. ACCOUNTING POLICY DEVELOPMENTS AND CHANGES

Changes in accounting policies are only made when required by proper accounting practices or if the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group'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.

4. PRIOR PERIOD ADJUSTMENTS, ESTIMATES AND ERRORS

Prior period adjustments may arise as a result 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.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Note 1 Accounting Policies Continued

5. EVENTS AFTER THE REPORTING PERIOD

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

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

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

6. CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence can only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

7. COUNCIL TAX

The council tax income included in the Comprehensive Income and Expenditure Statement is the Group's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the Group's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Group's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

8. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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 has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Group has determined 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 balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

Note 1 Accounting Policies Continued

9. GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

Amounts recognised as due to the Group are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Amounts in the capital grants unapplied reserve are transferred to the Capital Adjustment Statement once they have been applied to fund capital expenditure.

10. FINANCIAL INSTRUMENTS

10.1 Financial Liabilities

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

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

10.2 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 cashflow characteristics. The Group holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore 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).

10.3 Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Group, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Note 1 Accounting Policies Continued

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 Comprehensive Income and Expenditure Statement.

10.4 Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Group 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.

10.5 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 the financial assets are provided by the Group's Treasury advisors.

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 the Group can access 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.

11. 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 are held no more than three months 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 and form an integral part of the Group's cash management.

12. LEASES

12.1 The Group as Lessee

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

12.1.1 Initial Measurement

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

Note 1 Accounting Policies Continued

The Group initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Group is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

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

12.1.2 Subsequent Measurement

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

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

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

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

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

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Note 1 Accounting Policies Continued

12.1.3 Low Value and Short Lease Exemption

As permitted by the Code, the Group excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Group is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

12.1.4 Lease Expenditure

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

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

12.2 The Group as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

12.2.1 Operating Leases

Where the Group grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

13. JOINT OPERATIONS

The Group participates in a number of partnership activities. These arrangements involve the Group carrying out activities relevant to their own functions jointly with others. The Group accounts for only its share of the jointly controlled assets; and for the liabilities, expenses and income that the Group incurs with respect to their interest in the partnerships.

14. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to service segments in accordance with the Group's arrangements for accountability and financial performance.

15. EMPLOYEE BENEFITS

15.1 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, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Group. 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 the 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.

Note 1 Accounting Policies Continued

15.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Police and Crime Commissioner or Chief Constable to terminate an employee's employment before the normal retirement date or an employee's decision to submit a mutually agreed resignation. The amount is charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Police and Crime Commissioner or Chief Constable is demonstrably committed to the termination of the employment of an employee. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

15.3 Post-Employment Benefits

Employees of the Police and Crime Commissioner are members of the Local Government Pensions Scheme (CARE).

Up until 31 March 2022, employees of the Chief Constable were members of four separate pension schemes:

- The Police Officer 1987 Scheme (PPS)
- The Police Officer 2006 Scheme (NPPS)
- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

From 1 April 2022, employees of the Chief Constable were members of two separate pension schemes:

- The Police Officer 2015 Scheme (CARE)
- The Local Government Pensions Scheme (CARE)

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Group.

15.3.1 Police Officers' Pension Schemes

All Police Officers' Pension Schemes are accounted for as defined benefits schemes.

The liabilities of the Police Officers' Pension Schemes 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.

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of all Police Schemes. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

15.3.2 The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme.

The liabilities of the Local Government Pension Scheme 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.

Note 1 Accounting Policies Continued

An estimate of the employer's future cashflows is made using notional cashflows based on the estimated duration of the past service liability. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

The assets of the Dorset County pension fund attributable to the Group are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value

15.3.3 Net Pensions Liability Analysed

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

Service cost comprising:

- current service cost - the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities as a result 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 Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Group - 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 Comprehensive Income and Expenditure Statement. 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 and taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- The return on plan assets excludes the amounts included in net interest on the net defined benefit liability (asset) which is charged to the pensions reserve as other Comprehensive Income and Expenditure. This is only applicable to the Local Government Pension Scheme
- Actuarial gains and losses are changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These changes are charged to the pensions reserve as other Comprehensive Income and Expenditure.

Benefits paid (only applicable to the Police Officer Pension Schemes):

- cash paid to pensioners including injury pension payments.

Contributions paid (only applicable to the Local Government Pension Scheme):

- cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

15.3.4 Police Officers' Injury Benefits

The Group makes payment under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officers' pension schemes. The figures are included within the unfunded pension calculation as the injury benefits may be financially significant with volatile actuarial gains and losses. These have been estimated by the independent actuary.

Note 1 Accounting Policies Continued

15.3.5 Impact on Reserves

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

15.4 Discretionary Benefits

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

16. PROVISIONS

Provisions are made where an event has taken place on or before the Balance Sheet date that gives the Group a legal or constructive present obligation that probably requires settlement by a transfer of economic benefits or service potential, and where a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Group has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed (or reduced) and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of 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 the reimbursement will be received if the Group settles the obligation.

A provision would be made for termination payments due to staff resulting from restructuring when the Group has raised a valid expectation to the staff affected that it will carry out restructuring by starting to implement a particular restructuring plan or announcing its main features to those affected by it. Each element of any Force restructuring plan will be treated separately, and provision made of the estimated termination payments as and when each element of the plan is announced.

17. RESERVES

The Group 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 that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back to the General Fund balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Group – these reserves are explained in the notes to the accounts.

Note 1 Accounting Policies Continued

18. PROPERTY, PLANT AND EQUIPMENT

Assets that have physical substance and are held for use in the supply of services or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

18.1 Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Group for more than one year and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

18.2 Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group does not capitalise borrowing costs incurred whilst the assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

• operational specialised property	-	depreciated replacement cost (DRC)
• operational non-specialised property assets	-	existing use value
• assets under construction	-	historical cost
• non-property assets	-	depreciated historical cost
• surplus assets	-	fair value, estimated at highest and best use from a market participant's perspective

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Property assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end but as a minimum every three years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the Comprehensive Income and Expenditure Statement.

18.3 Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Note 1 Accounting Policies Continued

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the Comprehensive Income and Expenditure Statement.

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

18.4 Depreciation

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

Depreciation is calculated on the following bases:

- Vehicles – are depreciated monthly, using the straight-line allocation, over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.
- Land and Buildings – the useful life of each building is assessed by the valuer and depreciated, using the straight-line allocation, from the first of the month of acquisition; the land value is not depreciated. Where an asset comprises two or more major components with substantially different useful lives, each component is accounted for separately.
- Enhancements/Adaptions to leasehold buildings – are depreciated monthly, using the straight-line allocation, over the life of the lease.
- Information and Communications Technology – depreciation is charged monthly, using the straight-line allocation, from the first of the month of acquisition starting in the year of acquisition. The asset life of individual groups of assets has been assessed and each group is depreciated individually according to the asset life.
- Plant and Equipment – these assets are given specific asset lives and are depreciated monthly, using the straight-line allocation.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

18.5 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant, ICT, equipment and vehicles or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are (if any) credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are credited to the usable Capital Receipts Reserve and used for new capital investment or set aside to reduce the Group's underlying need to borrow. Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not charged against council tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Note 1 Accounting Policies Continued

18.6 Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as assets held for sale and their recoverable amount at the date of the decision not to sell.

18.7 Surplus Assets

Non-current assets which are surplus to service needs, but which do not meet the criteria required to be classified as investment property, or assets held for sale are classified as surplus assets within property, plant and equipment. Surplus assets can be categorised as either non-current assets or current assets, depending on their nature. These assets are depreciated.

19. 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.

20. INVENTORIES

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using an average cost formula.

21. 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.

22. EXCEPTIONAL ITEMS

When items of expenditure are outside the normal type of expenditure incurred by the Group they will be disclosed separately on the face of the Comprehensive Income and Expenditure Statement if they are material, and a separate disclosure would be made to aid the understanding of the Group's financial performance.

23. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

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

Note 1 Accounting Policies Continued

24. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Group's accounting policy for fair value measurement of financial assets is set out in the note to the accounts. The Group also measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value 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 measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset, or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Group measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group's valuers use valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Group's financial statements are categorised within the fair value hierarchy, as follows:

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

25. PRIVATE FINANCE INITIATIVES (PFI)

PFI are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of property, plant and equipment.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- finance cost – the interest charge on the outstanding Balance Sheet liability, debited to the Comprehensive Income and Expenditure Statement.
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Comprehensive Income and Expenditure Statement. This is applicable to financial years prior to and including 2023/24.
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator.
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant works are eventually carried out.

Note 2 Accounting Standards Issued, Not Adopted

Appendix C of the CIPFA code requires Local Authorities 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 Code for the relevant financial year. Standards that fall into this category that are relevant to these Group accounts are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- Changes to the measurement of non-investment assets include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

All of these standards will be incorporated in the Code from 2025/26. However, CIPFA has indicated that the Amendments to IAS 21 will not have a significant impact on the amounts anticipated to be reported in the financial statements. With reference to the changes in measurement, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices. No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of the indexation will be.

Note 3 Critical Judgements in Applying Accounting Policies

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

- The Police and Crime Commissioner Group has had to make judgements about the allocation of expenditure between the Police and Crime Commissioner and the Chief Constable. The basis adopted was arrived at after considering the CIPFA Service Reporting Code of Practice and the Police Reform and Social Responsibility Act. Further detail is shown in Note 4.
- Estimation of the pension element of the provision is on the basis of apportionment of the total actuarially assessed liability for future pensions benefits for the Group between the two corporate bodies on the basis of current cashflows.
- The use by the Chief Constable of leased assets held by the Police and Crime Commissioner has not been judged to represent a lease arrangement under IFRS 16 as:

There is no contract that gives rise to a lease; the provision of buildings and equipment by the Police and Crime Commissioner to the Chief Constable is more of a statutory requirement rather than a contractual arrangement.

Control of the assets resulting from lease arrangements sits under the Police and Crime Commissioner. The Police and Crime Commissioner makes decisions on buying and selling properties and other assets and entering and terminating lease contracts.

The ultimate benefits of the asset are obtained jointly by the Police and Crime Commissioner and Chief Constable.

Note 4 The Police and Crime Commissioner as an Accounting Entity

The Police and Crime Commissioner is part of an accounting group along with the Chief Constable (referred to as the Police and Crime Commissioner Group). The accounting recognition of the Group's assets, liabilities and reserves reflects the powers and responsibilities of the Police and Crime Commissioner and the Chief Constable as designated by the Police Reform and Social Responsibility Act 2011 and the Revised Home Office Financial Management Code of Practice for the Police Service, England and Wales 2018. This accounting treatment is also underpinned by the relationships as defined by local regulations, local agreement and practice.

The Police and Crime Commissioner receives all government funding and income, and the Chief Constable does not hold any cash or reserves. When the Police and Crime Commissioner's resources are consumed at the request of the Chief Constable all payments are made by the Police and Crime Commissioner from the Police Fund and no cash movements occur between the two bodies. The Police and Crime Commissioner's Balance Sheet reflects the continuing requirement on an elected policing body, as required under the Police Reform and Social Responsibility Act 2011, to provide funds to the Chief Constable from the Police Fund for the payment of assets and liabilities. It is reasonable to expect that should the Police and Crime Commissioner Group be required to settle future liabilities, then settlement would result in an outflow of resources from the Police and Crime Commissioner.

For accounting and regulatory purposes, the Police and Crime Commissioner and the Chief Constable are classed as Local Authorities and are covered by the CIPFA Code of Practice for Local Authority Accounting 2024/25.

The financial consequences of the activity under the control of the Chief Constable are shown in the Chief Constable's single entity accounts which are published separately. As the Chief Constable does not hold reserves, the Chief Constable's Comprehensive Income and Expenditure Statement shows the gross cost of policing which is offset by intra-group adjustments to reflect the payments and accruals made by the Police and Crime Commissioner at the request of the Chief Constable. The result of these adjustments is that the Chief Constable has a nil balance on her General Fund. The intra-group adjustments are mirrored in the Police and Crime Commissioner's Accounts. The intra-group transactions are summarised in the table below.

All of the assets and liabilities and reserves of the Police and Crime Commissioner Group with the following exceptions are recognised on the Police and Crime Commissioner's Balance Sheet. The exceptions are:

- Employment liabilities for officers and staff under the direction of the Chief Constable are recognised on the Chief Constable's Balance Sheet. The liability in the Chief Constable's Balance Sheet for these items is offset by a long term debtor reflecting the Police and Crime Commissioner's responsibility to provide funds from the Police Fund each year to enable the Chief Constable to administer the police pensions
- Certain categories of long term and current assets are shown on the Chief Constable's Balance Sheet. These assets are offset in the Balance Sheet by a long term and short term creditor respectively
- Certain categories of current liabilities are shown on the Chief Constable's Balance Sheet. These liabilities are offset in the Balance Sheet by a short term debtor.

Police and Crime Commissioner for Dorset

Note 4 The Police and Crime Commissioner as an Accounting Entity Continued

Intra-Group Transactions	2023/24		2024/25	
	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Comprehensive Income and Expenditure Statements				
Cost of Services	(150,804)	150,804	(153,503)	153,503
Pensions Top Up Grant	25,238	(25,238)	23,782	(23,782)
Pensions Interest Cost - Intra-Group Transaction	(53,455)	53,455	(54,238)	54,238
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	25,735	(25,735)	34,834	(34,834)
Balance Sheet				
Non-Current Assets/Liabilities				
Pensions Liabilities	(1,134,565)	0	(1,118,867)	0
Pensions Liabilities - Intra-Group Debtor	1,134,565	0	1,118,867	0
Pensions Liabilities - Intra-Group Creditor	0	(1,134,565)	0	(1,118,867)
Vehicles, ICT, Equipment Assets and Intangible Assets	14,457	0	13,885	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Creditor	(14,457)	0	(13,885)	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Debtor	0	14,457	0	13,885
Current Assets/Liabilities				
Current Liabilities	(18,237)	0	(17,704)	0
Current Liabilities - Intra-Group Debtor	18,237	0	17,704	0
Current Liabilities - Intra-Group Creditor	0	(18,237)	0	(17,704)
Current Assets	17,708	0	13,042	0
Current Assets - Intra-Group Creditor	(17,708)	0	(13,042)	0
Current Assets - Intra-Group Debtor	0	17,708	0	13,042
Unusable Reserves				
Intra-Group Transactions	0	(1,120,637)	0	(1,109,644)

When the Balance Sheets for the two corporate bodies are consolidated into the Group Balance Sheet these intra-group transactions are eliminated.

Note 5 Events after the Reporting Period

The audited Statement of Accounts were authorised for issue on 17 December 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On the 13 November 2025, the government outlined plans to abolish the role of the Police and Crime Commissioner with effect from May 2028. Limited detail is available at this stage. There is nothing in the announcement that would have any bearing on this set of financial statements, or impact on the going concern principle.

Note 6 Assumptions Made about the Future and Other Major Sources of Estimation and Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Police and Crime Commissioner Group about the future or that are otherwise uncertain. Estimates are made by taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Group Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

6.1 Pensions Liability

Uncertainties

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Pension fund assets (relevant in the case of the Local Government Pension Scheme) are measured at fair value which requires reference to the market conditions held at the measurement date. The market has been subject to volatility, however markets have continued trading and information was available to measure the fund assets at the measurement date. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.

Valuation Assumption

The standard assumptions recommended by the actuaries have been considered and approved for use in the valuing of the pension liabilities. This year an accounting surplus has been calculated and therefore additional assumptions have been recommended in order to establish the net defined benefit value. These additional assumptions have also been approved. These assumptions are set out in the Defined Benefit Pension Schemes Note.

A remedy process to resolve the age discrimination of the pension changes resulting from the reform of public service pension schemes has been published by HM Treasury. The Treasury has confirmed that: legacy schemes are closed from 31 March 2022; a remedy has been introduced for the period 2015-2022 based on a deferred choice underpin basis; and eligibility criteria for members to access the remedy. From 1 April 2022, members accrue benefits in the career average revalued earnings (CARE) scheme. The estimated impact of McCloud/Sargeant has been factored into the IAS19 pension valuations estimates since 2018/19. These estimates have evolved as assumptions underpinning them have evolved.

Settlement and curtailment events are assumed to be material and are remeasured using current assumptions and the fair value of plan assets at the time of the event.

Effect if Actual Results Differ from Assumptions

The effects on the net pension's liability of changes in individual assumptions are shown in the Defined Benefit Pension Schemes Note.

Police and Crime Commissioner for Dorset

Note 7 Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants and council tax) by the Police and Crime Commissioner Group in comparison with those resources consumed or earned by the Police and Crime Commissioner Group in accordance with accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2024/25	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*	Net Expenditure in the CIES	Adjustments between the Funding and Accounting Basis				Intra-Group Funding	Total
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences			
						(Note 7.1)	(Note 7.2)	(Note 7.3)			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Constable	169,051	(474)	168,577	(15,074)	153,503	(4,137)	(11,157)	220	15,074	0	
Office for the Police and Crime Commissioner	1,628	7	1,635	986	2,621	980	(10)	16	(15,074)	(14,088)	
Commissioning	1,504	(450)	1,054	1	1,055	0	(2)	3	0	1	
Net Cost of Services	172,183	(917)	171,266	(14,087)	157,179	(3,157)	(11,169)	239	0	(14,087)	
Other Operating Income and Expenditure	0	0	0	(18,934)	(18,934)	4,847	(23,782)	0	0	(18,934)	
Financing and Investment Income and Expenditure	(308)	0	(308)	54,232	53,924	0	54,232	0	0	54,232	
Taxation and Non-Specific Grant Income	(171,875)	0	(171,875)	(1,425)	(173,300)	(1,518)	0	93	0	(1,425)	
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	(917)	(917)	19,786	18,869	173	19,281	332	0	19,786	

Police and Crime Commissioner for Dorset

Note 7 Expenditure and Funding Analysis Continued

*The adjustments between the funding and accounting basis column excludes the capitalisation directive of £947,000 that relates to the flexible use of capital receipts to support the Mutual Agreement Resignation Scheme. The balance of £15.828mn (as shown above) plus the £947,000 capitalisation directive equals to the general balances figure of £16.775mn as shown in the adjustments between the funding and accounting basis note.

	£'000
Opening Revenue Reserve Balance as at 31 March 2024	9,532
Less/Plus Surplus or (Deficit) on the General Fund in Year	917
Capitalisation Directive	947
Closing Revenue Reserve Balance as at 31 March 2025	11,396
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Police and Crime Commissioner for Dorset

Note 7 Expenditure and Funding Analysis Continued

2023/24	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total
						Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts						(Note 7.1)	(Note 7.2)	(Note 7.3)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Constable	160,328	1,745	162,073	(11,269)	150,804	(3,151)	(8,268)	150	11,269	0
Office for the Police and Crime Commissioner	1,550	(71)	1,479	923	2,402	922	1	0	(11,269)	(10,346)
Commissioning	1,504	(202)	1,302	0	1,302	0	0	0	0	0
Net Cost of Services	163,382	1,472	164,854	(10,346)	154,508	(2,229)	(8,267)	150	0	(10,346)
Other Operating Income and Expenditure	0	0	0	(17,854)	(17,854)	7,384	(25,238)	0	0	(17,854)
Financing and Investment Income and Expenditure	(508)	0	(508)	53,456	52,948	0	53,456	0	0	53,456
Taxation and Non-Specific Grant Income	(162,874)	0	(162,874)	966	(161,908)	(88)	0	1,055	0	966
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	1,472	1,472	26,222	27,694	5,067	19,950	1,205	0	26,222

Police and Crime Commissioner for Dorset

Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2023	11,004
Less/Plus Surplus or (Deficit) on the General Fund in Year	(1,472)
Closing Revenue Reserve Balance as at 31 March 2024	9,532

Police and Crime Commissioner for Dorset

Note 7 Expenditure and Funding Analysis Continued

7.1 Adjustment for Capital Purposes

This column includes depreciation, amortisation, minimum revenue provision, finance lease, revenue contributions, impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** - adjusts for capital disposals with a transfer of income on disposals of assets and the amounts written off for those assets.
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.2 Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- **For services** – this represents the removal of the employer pension contributions made by the Group as allowed by statute and the replacement with current service costs and past service costs.
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

7.3 Other Differences

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

- **For services** - accumulated absences that have been accrued for absences earned but not taken in the year.
- **For financing and investment income and expenditure** the other difference column recognises adjustments to the General Fund that do not fall into one of the above categories, such as gains/losses on financial instruments.
- The charge under **taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax that was projected to be received at the start of the year and the income recognised under generally accepted accounting policies in the code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the collection fund.

7.4 Chief Constable Outturn

The Chief Constable reported outturn is the sum of the amount disclosed against the Chief Constable line and the amount shown against the financing and investment income and expenditure line. In the Statement of Accounts, the financing and investment income and expenditure line is under the control of the Police and Crime Commissioner and is excluded from the Chief Constable's Comprehensive Income and Expenditure Statement and Expenditure and Funding Analysis Statement but shown in the equivalent Police and Crime Commissioner statements.

7.5 Net Expenditure in the CIES

The balance of £14.911mn consists of the adjustments between the funding and accounting basis (£15.828mn) and reserve adjustments (£917,000). Please see the adjustments between the funding and accounting basis note for further information. The reserve adjustments included revenue contributions to finance capital of £3.009mn.

Police and Crime Commissioner for Dorset

Note 8 Expenditure and Income Analysed by Nature

The Group's expenditure and income is analysed as follows:

2023/24	Expenditure/Income	2024/25
£'000		£'000
Expenditure		
140,233	Employee benefit expenses	146,897
48,433	Other service expense	47,759
4,472	Depreciation, amortisation, impairment	4,437
747	Interest payable	751
0	Loss on the sale of non-current assets	222
11,101	Loss on revaluation of non-current assets	4,971
35	Loss on revaluation of investment property and expenditure	0
65,848	Pensions interest	67,305
270,869	Total Expenditure	272,342
Income		
(13,715)	Fees, charges and other service income	(14,219)
(547)	Gain on the sale of non-current assets	0
(3,170)	Gain on revaluation of non-current assets	(345)
(64)	Gain on revaluation of investment property and income	0
(1,226)	Interest and investment income	(1,059)
(12,392)	Pensions interest	(13,073)
(82,872)	Income from council tax	(88,569)
(129,189)	Government grants, contributions and donations	(136,208)
(243,175)	Total Income	(253,473)
27,694	Deficit on the Provision of Services	18,869

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Police and Crime Commissioner Group in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Police and Crime Commissioner Group to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

9.1 General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Group are required to be paid and out of which all liabilities of the Group are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Group is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Group is required to recover) at the end of the financial year.

9.2 Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Police and Crime Commissioner for Dorset

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

9.3 Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Group has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Current Year - Police and Crime Commissioner Group	2024/25			Unusable Reserves £'000
	General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	19,280	0	0	(19,280)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	94	0	0	(94)
Holiday pay (transferred to the Accumulated Absences Reserve)	241	0	0	(241)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA):	9,283	0	0	(9,283)
Total Adjustments to Revenue Resources	28,898	0	0	(28,898)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	185	0	(185)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(1,518)	0	1,322	196
Statutory provision for the repayment of debt (transfer from the CAA)	(4,585)	0	0	4,585
Capital expenditure financed from revenue balances (transfer to the CAA)	(3,009)	0	0	3,009
Capitalisation Directive	947	(947)	0	0
Total Adjustments between Revenue and Capital Resources	(8,165)	(762)	1,322	7,605
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(185)	0	185
Application of Capital Grants to finance capital expenditure	0	0	(1,235)	1,235
Total Adjustments to Capital Resources	0	(185)	(1,235)	1,420
Total Adjustments excluding Earmarked Adjustments	20,733	(947)	87	(19,873)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				
Total Adjustments including Earmarked Adjustments				0
				(19,873)

Police and Crime Commissioner for Dorset

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Comparative Year - Police and Crime Commissioner Group	2023/24			
	Usable Reserves			Unavailable Reserves £'000
	General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	19,951	0	0	(19,951)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	1,055	0	0	(1,055)
Holiday pay (transferred to the Accumulated Absences Reserve)	148	0	0	(148)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA))	11,858	0	0	(11,858)
Total Adjustments to Revenue Resources	33,012	0	0	(33,012)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	3,140	0	(3,140)
Transfer of Capital Grants and contributions to the Capital Grant Reserve	(88)	0	88	0
Statutory provision for the repayment of debt (transfer from the CAA)	(3,547)	0	0	3,547
Capital expenditure financed from revenue balances (transfer to the CAA)	(3,155)	0	0	3,155
Total Adjustments between Revenue and Capital Resources	(6,790)	3,140	88	3,562
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(28)	0	28
Application of Capital Grants to finance capital expenditure	0	0	(138)	138
Total Adjustments to Capital Resources	0	(28)	(138)	166
Total Adjustments excluding Earmarked Adjustments	26,222	3,112	(50)	(29,284)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				
Total Adjustments including Earmarked Adjustments				0

Police and Crime Commissioner for Dorset

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Current Year - Police and Crime Commissioner	2024/25			
	Usable Reserves			Unusable Reserves
	General Balances	Capital Receipts Reserve	Capital Grants Unapplied	
	£'000	£'000	£'000	£'000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	(18)	0	0	18
Pensions costs - Intra-Group Transactions	19,298	0	0	(19,298)
Pensions Remeasurement - Intra-Group Transactions	(34,834)	0	0	34,834
Financial instruments (transferred to the Pooled Fund Adjustments Account)				
Council Tax (transfers to or from Collection Fund)	94	0	0	(94)
Holiday pay (transferred to the Accumulated Absences Reserve)	19	0	0	(19)
Holiday pay - Intra-Group Transactions	222	0	0	(222)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):	5,826	0	0	(5,826)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)) - Intra-Group Transactions	3,457	0	0	(3,457)
Total Adjustments to Revenue Resources	(5,936)	0	0	5,936
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	185	0	(185)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(1,518)	0	1,322	196
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(4,585)	0	0	4,585
Capital expenditure financed from revenue balances (transfer to the CAA)	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(3,009)	0	0	3,009
Capitalisation Directive	947	(947)	0	0
Total Adjustments between Revenue and Capital Resources	(8,165)	(762)	1,322	7,605
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(185)	0	185
Application of Capital Grants to finance capital expenditure	0	0	(1,235)	1,235
Total Adjustments to Capital Resources	0	(185)	(1,235)	1,420
Total Adjustments excluding Earmarked Adjustments	(14,101)	(947)	87	14,961
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				
Total Adjustments including Earmarked Adjustments				0
				14,961

Police and Crime Commissioner for Dorset

Note 9 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Comparative Year - Police and Crime Commissioner	2023/24 Restated			
	Usable Reserves			Unusable Reserves £'000
	General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	2	0	0	(2)
Pensions costs - Intra-Group Transactions	19,949	0	0	(19,949)
Pensions Remeasurement - Intra-Group Transactions	(25,735)	0	0	25,735
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	1,055	0	0	(1,055)
Holiday pay (transferred to the Accumulated Absences Reserve)	(2)	0	0	2
Holiday pay - Intra-Group Transactions	150	0	0	(150)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):				
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)) - Intra-Group Transactions	8,307	0	0	(8,307)
Restated Total Adjustments to Revenue Resources*	3,551	0	0	(3,551)
	7,277	0	0	(7,277)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	3,140	0	(3,140)
Transfer of Capital Grants and contributions to the Capital Grant Reserve	(88)	0	88	0
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(3,547)	0	0	3,547
Capital expenditure financed from revenue balances (transfer to the CAA)	0	0	0	0
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(3,155)	0	0	3,155
Restated Total Adjustments between Revenue and Capital Resources*	(6,790)	3,140	88	3,562
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(28)	0	28
Application of Capital Grants to finance capital expenditure	0	0	(138)	138
Total Adjustments to Capital Resources	0	(28)	(138)	166
Total Adjustments excluding Earmarked Adjustments	487	3,112	(50)	(3,549)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				<u>(3,549)</u>

*The intra-group transactions total has been categorised by resource type for transparency. These changes have had no impact on any other note or prime statement.

Police and Crime Commissioner for Dorset

Note 10 Movement in Earmarked Reserves

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

	Balance at 1 April 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget Management Fund	1,616	(797)	0	819	(184)	613	1,248
Regional Collaboration Reserve	34	0	0	34	(1)	0	33
Workforce Change Reserve	643	0	0	643	(300)	0	343
Capital Financing Reserve	0	(171)	171	0	0	813	813
PEQF Reserve	375	(328)	0	47	(47)	0	0
Learning and Development Reserve	46	0	0	46	(9)	0	37
Uplift Reserve	549	(549)	0	0	0	0	0
Office of the PCC Legal Reserve	220	0	30	250	0	17	267
Police and Crime Plan	1,028	(770)	203	461	0	412	873
Dorset OPCC Reserve	377	(12)	52	417	(24)	39	432
Forensics Capability Network Reserve	256	(258)	269	267	(279)	276	264
Dorset OPCC Violence Reduction Reserve	0	0	770	770	(104)	0	666
Strategic Change Reserve	0	0	0	0	0	324	324
Total	5,144	(2,885)	1,495	3,754	(948)	2,494	5,300

The purpose of the Funds and Reserves held at 31 March 2025 are set out below:

Budget Management Fund	This is a fund to allow the transfer of carry-forward requests to the following year.
Regional Collaboration Reserve	To hold funds related to past underspends for future planned spending for regional collaborations.
Workforce Change Reserve	To fund one-off and transitional costs of change programmes including the Strategic Alliance with Devon and Cornwall Police.
Capital Financing Reserve	To fund capital investment.
PEQF Reserve	To fund costs of the Policing Education Qualification Framework.
Learning and Development Reserve	Used for the benefit of Police Officers and Staff for training and development purposes.
Uplift Reserve	To hold funds for infrastructure relating to the future years uplift programme.
Office of the PCC Legal Reserve	To fund legal costs as required by the OPCC.
Police and Crime Plan	To fund planned Police and Crime Plan developments.
Dorset OPCC Reserve	To fund additional projects and pilot schemes within the Office.
Forensics Capability Network	To fund continuing projects of the Forensic Capability Network.

Police and Crime Commissioner for Dorset

Note 10 Movement in Earmarked Reserves Continued

Dorset OPCC Violence Reduction	To fund projects to help reduce violence.
Strategic Change Reserve	To hold funding for future change projects.

Note 11 Property, Plant and Equipment

This table sets out the 2024/25 property, plant and equipment for the Police and Crime Commissioner Group.

Movements for 2024/25	Operational and Non-Operational Assets		Assets Under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation						
Balance at 1 April 2024	£'000	£'000	£'000	£'000	£'000	£'000
IFRS 16 Adjustment	54,773	34,133	0	1,218	2,458	92,582
Reallocation	3,042	0	0	0	0	3,042
	0	(776)				(776)
Restated Balance at 1 April 2024	57,815	33,357	0	1,218	2,458	94,848
Additions	6,348	2,299	0	778	42	9,467
Lease Remeasurement	(1,196)	0	0	0	0	(1,196)
Revaluation recognised in the Revaluation Reserve	(995)	0	0	0	(34)	(1,029)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(4,811)	0	0	0	0	(4,811)
Derecognition-Disposals	(186)	(7,376)	0	0	0	(7,562)
Reclassification (to)/from Held for Sale	0	0	0	0	0	0
Reclassification	(316)	1,314	0	(1,273)	(1,150)	(1,425)
Balance at 31 March 2025	56,659	29,594	0	723	1,316	88,292
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Accumulated Depreciation and Impairments						
Balance at 1 April 2024	(15)	(20,906)	0	0	(1)	(20,922)
Reallocation	0	776	0	0	0	776
Restated Balance at 1 April 2024	(15)	(20,130)	0	0	(1)	(20,146)
Depreciation Charge	(976)	(3,451)	0	0	(1)	(4,428)
Depreciation written out to the Revaluation Reserve	651	0	0	0	2	653
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	185	0	0	0	0	185
Derecognition-Disposals	0	7,155	0	0	0	7,155
Reclassification (to)/from Held for Sale	0	0	0	0	0	0
Reclassification	10	(10)	0	0	0	0
Balance at 31 March 2025	(145)	(16,436)	0	0	0	(16,581)
<hr/>						
Net Book Value						
Balance at 31 March 2024	54,758	13,227	0	1,218	2,457	71,660
Balance at 31 March 2025	56,514	13,158	0	723	1,316	71,711

*The opening balances for both the gross and depreciation values have been restated. The net impact of this restatement is nil.

Police and Crime Commissioner for Dorset

Note 11 Property, Plant and Equipment Continued

This table sets out the 2023/24 property, plant and equipment for the Police and Crime Commissioner Group.

Movements for 2023/24		Operational and Non-Operational Assets		Assets Under Construction		Surplus Assets	Total
		Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
		£'000	£'000	£'000	£'000	£'000	
Cost or Valuation							
Balance at 1 April 2023		47,442	32,219	4,138	409	155	84,363
Additions		2,472	2,823	10,648	851	0	16,794
Revaluation recognised in the Revaluation Reserve		(1,709)	0	0	0	118	(1,591)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services		(8,218)	0	0	0	0	(8,218)
Derecognition-Disposals		0	(951)	0	0	0	(951)
Reclassification (to)/from Held for Sale		0	0	0	0	0	0
Reclassification (to)/from Held for Sale		0	0	0	0	0	0
Reclassification		14,786	42	(14,786)	(42)	2,185	2,185
Balance at 31 March 2024		54,773	34,133	0	1,218	2,458	92,582
<hr/>							
Accumulated Depreciation and Impairments							
Balance at 1 April 2023		(160)	(18,296)	0	0	0	(18,456)
Depreciation Charge		(921)	(3,531)	0	0	(1)	(4,453)
Depreciation written out to the Revaluation Reserve		780	0	0	0	0	780
Depreciation written out to the (Surplus)/Deficit on the Provision of Services		286	0	0	0	0	286
Derecognition-Disposals		0	921	0	0	0	921
Reclassification (to)/from Held for Sale		0	0	0	0	0	0
Reclassification		0	0	0	0	0	0
Balance at 31 March 2024		(15)	(20,906)	0	0	(1)	(20,922)
<hr/>							
Net Book Value							
Balance at 31 March 2023		47,282	13,923	4,138	409	155	65,907
Balance at 31 March 2024		54,758	13,227	0	1,218	2,457	71,660

Police and Crime Commissioner for Dorset

Note 11 Property, Plant and Equipment Continued

This table sets out the 2024/25 property, plant and equipment for the Police and Crime Commissioner.

Movements for 2024/25		Operational and Non-Operational Assets	Assets under Construction	Surplus Assets	Total
		Land & Buildings	Land & Buildings	Surplus Assets	
		£'000	£'000	£'000	£'000
Cost or Valuation					
Balance at 1 April 2024		54,773	0	2,458	57,231
IFRS 16 Adjustment		3,042	0	0	3,042
Restated Balance at 1 April 2024		57,815	0	2,458	60,273
Additions		6,348	0	42	6,390
Lease Remeasurement		(1,196)	0	0	(1,196)
Revaluation recognised in the Revaluation Reserve		(995)	0	(34)	(1,029)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services		(4,811)	0	0	(4,811)
Derecognition-Disposals		(186)	0	0	(186)
Reclassification		(316)	0	(1,150)	(1,466)
Balance at 31 March 2025		56,659	0	1,316	57,975
Accumulated Depreciation and Impairments					
Balance at 1 April 2024		(15)	0	(1)	(16)
Depreciation Charge		(976)	0	(1)	(977)
Depreciation written out to the Revaluation Reserve		651	0	2	653
Depreciation written out to the (Surplus)/Deficit on the Provision of Services		185	0	0	185
Derecognition-Disposals		0	0	0	0
Reclassification		10	0	0	10
Balance at 31 March 2025		(145)	0	0	(145)
Net Book Value					
Balance at 31 March 2024		54,758	0	2,457	57,215
Balance at 31 March 2025		56,514	0	1,316	57,830

Police and Crime Commissioner for Dorset

Note 11 Property, Plant and Equipment Continued

This table sets out the 2023/24 property, plant and equipment for the Police and Crime Commissioner.

Movements for 2023/24		Operational and Non-Operational Assets	Assets under Construction	Surplus Assets	Total
		Land & Buildings	Land & Buildings	Surplus Assets	
		£'000	£'000	£'000	£'000
Cost or Valuation					
Balance at 1 April 2023		47,442	4,138	155	51,735
Additions		2,472	10,648	0	13,120
Revaluation recognised in the Revaluation Reserve		(1,709)	0	118	(1,591)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services		(8,218)	0	0	(8,218)
Derecognition-Disposals		0	0	0	0
Reclassification		14,786	(14,786)	2,185	2,185
Balance at 31 March 2024		54,773	0	2,458	57,231
<hr/>					
Accumulated Depreciation and Impairments					
Balance at 1 April 2023		(160)	0	0	(160)
Depreciation Charge		(921)	0	(1)	(922)
Depreciation written out to the Revaluation Reserve		780	0	0	780
Depreciation written out to the (Surplus)/Deficit on the Provision of Services		286	0	0	286
Derecognition-Disposals		0	0	0	0
Reclassification		0	0	0	0
Balance at 31 March 2024		(15)	0	(1)	(16)
<hr/>					
Net Book Value					
Balance at 31 March 2023		47,282	4,138	155	51,575
Balance at 31 March 2024		54,758	0	2,457	57,215

11.1 Recognition

Expenditure on an individual item or a project or programme of work is capitalised when the following de-minimis levels are met: -

- Land and buildings £25,000
- All other assets £10,000

11.2 Surplus Assets

Four properties have been classed as Surplus Assets as at the 31 March 2025 (31 March 2024: seven properties).

11.3 Depreciation

A review of asset lives has taken place during 2024/25 and the useful life for some assets have been amended. The following useful lives and approaches to depreciation have been used to calculate the depreciation charges:

Police and Crime Commissioner for Dorset

Note 11 Property, Plant and Equipment Continued

11.3.1 Land and Buildings

The asset lives for individual buildings are assessed by the valuer and are within the range of 1-56 years. Buildings are depreciated monthly over the forecast useful life of the asset.

11.3.2 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-41 years. Vehicles are depreciated monthly over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.

11.3.3 Information and Communications Technology (ICT)

Classes of ICT assets are given specific asset lives. These are within the range 1-8 years. ICT assets are depreciated monthly over the forecast useful life of the asset.

11.3.4 Plant and Equipment

Classes of plant and equipment assets are given specific asset lives these are within the range 1-18 years. These assets are depreciated monthly over the forecast useful life of the asset.

11.4 Significant Capital Commitments

The nature of capital expenditure is such that long lead times and significant programmes of work often result in slippage in incurring expenditure. The unspent capital funding in 2024/25 will be carried forward to meet the cost of future and ongoing schemes that were provided for in that year. As at 31 March 2025, significant capital commitments amounted to £1.711mn (31 March 2024: £2.504mn).

11.5 Revaluations

Land and buildings have been revalued by qualified external valuers, Wilks Head & Eve. A full valuation has taken place as at 31 March 2025. Full valuations are completed annually. Valuations are carried out in accordance with the methodologies and bases for estimation set out in the updated professional standards of the Royal Institution of Chartered Surveyors and the UK Valuation Practice Guidance Application which is in line with the CIPFA Code.

11.6 Componentisation

Component assets are recognised separately from the main asset that they are associated with when the value of the component is more than 25% and greater than £1mn of the main asset value. No assets have met the criteria in 2024/25.

11.7 Derecognition

An annual review of assets classed as Vehicles, ICT, and Plant and Equipment has been undertaken which has resulted in the derecognition of a number of assets that have reached the end of their useful lives or which have been disposed.

11.8 Fair Value Measurement

Level 2 valuation techniques have been used to determine the fair value of the Surplus Assets. This process requires the properties to be measured using a market approach which takes into account transactional evidence for similar assets in active markets. Market conditions are such that comparable properties are actively purchased and sold and there is good level of observable inputs which are able to be verified, and the source identified.

Police and Crime Commissioner for Dorset

Note 11 Property, Plant and Equipment Continued

11.9 Impairment

No assets were identified as being impaired in 2024/25.

11.10 Leases

The Land and Buildings opening balance has been adjusted by £3.042mn to include the impact of IFRS 16 which came into effect on 1 April 2024. The leases have been remeasured during the year and amounted to £1.971mn (Right-of-use assets £890,000 and Peppercorn assets £1.081mn). Depreciation is charged from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. Depreciation relating to leases amounted to £146,000 resulting in a net book value of £1.825mn. Further information can be found in the Leases Note.

11.11 Donation

In 2024/25, the Police and Crime Commissioner Group received funding towards the Winfrith Memorial Garden. The net book value of the asset is £19,187 and is included within Land and Buildings.

Note 12 Capital Reserves

A description of these reserves can be found in the Adjustments between Accounting Basis and Funding Basis under Regulations Note.

	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total £'000
Balance at 1 April 2023	505	50	555
Financing of Fixed Assets	(28)	(138)	(166)
Transfer to reserve	0	0	0
Capital Grants/Receipts Received	3,140	88	3,228
Balance at 31 March 2024	3,617	0	3,617
Financing of Fixed Assets	(185)	(1,235)	(1,420)
Capitalisation Directive	(947)	0	(947)
Capital Grants/Receipts Received	185	1,322	1,507
Balance at 31 March 2025	2,670	87	2,757
Net Movement for 2023/24	3,112	(50)	3,062
Net Movement for 2024/25	(947)	87	(860)

The capitalisation directive of £947,000 relates to the flexible use of capital receipts to support the Mutual Agreement Resignation Scheme.

Note 13 Debtors

31 March 2024		31 March 2025	
PCC £'000	PCC Group £'000	PCC £'000	PCC Group £'000
2,043	9,698	Central Government Bodies	1,778
3,351	6,033	Other Local Authorities	2,737
0	8	National Health Service	0
94	6,964	Other Entities and Individuals	45
5,488	22,703	Total Debtors	4,560
			17,348

Police and Crime Commissioner for Dorset

Note 14 Cash and Cash Equivalents

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
59	59	Cash held by the Commissioner (Amortised Cost)	55
2,409	2,409	Bank operational current accounts (Amortised Cost)	1,687
2,468	2,468	Total Cash and Cash Equivalents (Amortised Cost)	1,742
700	700	Bank operational current accounts (FVPL)	700
12,375	12,375	Short-term deposits (FVPL)	18,676
13,075	13,075	Total Cash and Cash Equivalents (FVPL)	19,376
15,543	15,543	Total Cash and Cash Equivalents	21,118

Note 15 Assets Held for Sale

2023/24	2024/25
£'000	£'000
2,563	Balance at 1 April
0	Assets newly classified as held for sale
(2,563)	Derecognition-Disposals
0	Balance at 31 March

Five properties have been classed as Assets Held for Sale as at the 31 March 2025.

Note 16 Creditors

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
0	(3,257)	Central Government Bodies	0
(3,451)	(6,826)	Other Local Authorities	(2,672)
0	0	National Health Service	(138)
(420)	(11,255)	Other Entities and Individuals	(767)
(3,871)	(21,338)	Total Creditors	(3,577)

The balance against other entities and individuals in the Police and Crime Commissioner Group includes accumulated absence creditors of £2.938mn (2023/24 £2.697mn).

Police and Crime Commissioner for Dorset

Note 17 Financial Instruments

17.1 Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet.

	Long Term		Current	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
Cash and Cash Equivalents (17.1.2)				
Amortised cost	0	0	2,468	1,742
Fair value through profit or loss	0	0	13,075	19,376
Total Cash and Cash Equivalents	0	0	15,543	21,118
Debtors (Trade Receivables)				
Amortised cost	0	0	1,156	1,364
Total included in Debtors	0	0	1,156	1,364
Liabilities (17.1.3)				
PFI liabilities	(16,332)	(31,164)	(1,972)	(2,597)
Total PFI Liabilities	(16,332)	(31,164)	(1,972)	(2,597)
Pre 90 Loan at amortised cost	(382)	(275)	(107)	(107)
Finance leases at amortised cost	(39)	(653)	(26)	(103)
Total Other Liabilities	(421)	(928)	(133)	(210)
Borrowing (17.1.4)				
Amortised cost	(15,000)	(14,500)	(13,500)	(18,000)
Total Borrowing	(15,000)	(14,500)	(13,500)	(18,000)
Creditors (Trade Payables)				
Amortised cost	0	0	(8,186)	(7,229)
Total included in Creditors	0	0	(8,186)	(7,229)

* The finance lease liability is shown within the "Other Long Term and Other Short Term Liabilities" lines on the Balance Sheet.

**The trade receivables figure of £1.364mn shown above is the net balance after removing non-cashable items such as prepayments, £4.665mn from the other entities and individual's debtor balance of £6.029mn as shown in the debtors note.

*** The trade payables figure of (£7.229mn) shown above is the net balance after removing non-cashable items such as accumulated absence of (£2.938mn), lease prepayment creditors (£323,000) and receipts in advance of (£344,000) from the other entities and individual's creditor balance of (£10.834mn) as shown in the creditors note.

17.1.1 Investments

Financial assets at fair value through profit and loss consist of deposits with external fund managers. These are valued by reference to quoted market price.

17.1.2 Cash and cash equivalents

Cash and cash equivalents consist of the bank current account, on call accounts, deposit account and money market funds all of which are repayable at 24 hours' notice without penalty.

Police and Crime Commissioner for Dorset

Note 17 Financial Instruments Continued

17.1.3 Long-Term Liabilities

The long term liabilities relates to two schemes under the government's Private Finance Initiatives (PFI). The first was for the replacement of the Western Division HQ and certain section stations. Occupation of the facilities and payments commenced in 2001 and will continue for 30 years. The second relates to the provision of a new facility at Poole as part of a joint PFI between Dorset Police and Dorset Fire and Rescue Services. Occupation was in 2009 and payments will continue for 25 years. Government grants are received annually towards the costs of these schemes.

17.1.4 Borrowing

All long-term borrowing was from the Public Works Loan Board, an executive agency of HM Treasury. Most of the arrangements are based on annual repayments for interest only and the principal is repayable at the date of loan maturity. One arrangement is based on equal instalments of principal and so the repayment includes interest and an element of principal.

All short-term borrowing was arranged from Local Authorities to cover short term fluctuations in cash.

17.2 Income, Expense, Gains and Losses

	2023/24	2024/25
	Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure	
	£'000	£'000
Net (gains)/losses on:		
Financial assets measured at amortised cost	0	0
Total net (gains)/losses	0	0
Interest revenue		
Financial assets measured at fair value through profit and loss	(1,214)	(1,022)
Financial assets measured at amortised cost	(12)	(37)
Total Interest revenue	(1,226)	(1,059)
Interest expense		
Financial liabilities measured at amortised cost	747	751
Total Interest expense	747	751

17.3 Fair Value of Financial Assets and Financial Liabilities

Financial liabilities and financial assets can be assessed by calculating the present value of the cash flow that will take place over the remaining term of the instruments, using the following assumptions:

- The fair value balances for financial assets as at 31 March 2025 have been calculated using interest rates in force and with reference to quoted markets where appropriate as at 31 March 2024 and 2025
- The long-term borrowing as at 31 March 2024 and 31 March 2025 has been calculated by reference to market interest rates
- The fair value of trade receivables and payables is taken to be the invoiced or the billed amount
- The discount rate used in the calculation of the fair value of the PFI's and finance lease liabilities has been calculated by reference to PWLB rates or the rate implicit in the lease if known

Police and Crime Commissioner for Dorset

Note 17 Financial Instruments Continued

- Level 1 input has been used to measure the fair value of the financial assets which uses quoted prices in active markets for identical assets as a basis of valuation
- Level 2 input has been used to measure the fair value of the financial liabilities

There have been no transfers between levels 1 and 2 and no change in valuation technique during the year

Financial Assets	31 March 2024	31 March 2024	31 March 2025	31 March 2025
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash and cash equivalents				
Investments held at amortised cost	2,468	2,468	1,742	1,742
Investments held at FVPL	13,075	13,075	19,376	19,376
Debtors (Trade Receivables)	1,156	1,156	1,364	1,364
	16,699	16,699	22,482	22,482
Pre 90 Loan				
PFI liabilities	(18,304)	(14,355)	(33,761)	(33,761)
Borrowing	(28,500)	(28,200)	(32,500)	(32,118)
Finance Lease	(65)	(59)	(756)	(756)
Creditors (Trade Payables)	(8,186)	(8,186)	(7,229)	(7,229)
	(55,544)	(51,288)	(74,628)	(74,246)

17.4 Nature and extent of risks arising from financial instruments

The Police and Crime Commissioner's activities expose it to a variety of financial risks, including:

- credit risk the possibility that other parties might fail to pay amounts due to the Police and Crime Commissioner
- liquidity risk the possibility that the Police and Crime Commissioner might not have funds available to meet its commitments to make payments
- market risk the possibility that financial loss may arise for the Police and Crime Commissioner as a result of changes in such measures as interest rates and stock market movements.

The Police and Crime Commissioner's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Treasury Team in consultation with Arlingclose (Treasury Advisors), under policies approved by the Police and Crime Commissioner in the Treasury Management Strategy. The Police and Crime Commissioner provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Police and Crime Commissioner for Dorset

Note 17 Financial Instruments Continued

17.4.1 Credit Risk

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

This risk is minimised through the Treasury Management Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The Treasury Management Strategy also imposes a maximum sum to be invested with a financial institution located within each category. The credit criteria in respect of financial assets held by the Police and Crime Commissioner are contained within the Treasury Management Strategy which is published on the Police and Crime Commissioner website. The Police and Crime Commissioner exposure to credit risk is an average credit rating of A+.

17.4.2 Credit Risk Management Practices

The Police and Crime Commissioner's credit risk management practices are set out in the Treasury Management Strategy.

For 2024/25, a 0.32% loss allowance of trade receivables has been calculated as well as the 12 month expected credit loss on investments held with banks. The total loss allowance amounts to £22,000.

17.4.3 Liquidity Risk

The Police and Crime Commissioner has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Police and Crime Commissioner has ready access to borrowings from the money markets, the Public Works Loan Board and Local Authorities. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Police and Crime Commissioner will be bound to replenish a significant proportion of its borrowing at a time of unfavourable interest rates.

The maturity analysis of borrowing held as at 31 March 2025 is shown in the long term borrowing note.

At 31 March 2025 the Police and Crime Commissioner held £20.446mn (31 March 2024 £14.191mn) in on-call and money market fund accounts to manage short term liquidity requirements.

17.4.4 Market Risk

17.4.4.1 Interest Rate Risk

The Police and Crime Commissioner is exposed to risk in terms of interest rate movements on borrowings and investments. Movements in interest rates have a complex impact on the Police and Crime Commissioner. For instance, a rise in interest rates would have the following effects:

• borrowings at fixed rates	the fair value of the liabilities borrowings will fall
• investments at variable rates	the interest income credited to the Surplus or Deficit on the Provision of Services will rise
• investments at fixed rates	the fair value of the assets will fall.

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

The Police and Crime Commissioner manages interest rate risk by setting indicators to control the exposure. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The Treasurer assesses interest rate exposure that feeds into the setting of the annual budget, and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

Police and Crime Commissioner for Dorset

Note 17 Financial Instruments Continued

All borrowing held at 31 March 2025 is with fixed interest rates. All investments held have variable rates. If interest rates had been 1% higher with all other variables held constant, the financial effect on interest receivable on investments would be £204,000. This would have an impact on the Surplus or Deficit on the Provision of Services. The impact of 1% fall in interest rates would be as above but with the movements being reversed.

17.4.4.2 Price Risk

The Police and Crime Commissioner is exposed to price risk in terms of movement in the value of pooled investments and financial assets valued at fair value through profit and loss. Controls for this exposure is set out in the Treasury Management Strategy.

Note 18 Provisions

2024/25	Insurance £'000	Other £'000	Total £'000
Current Liabilities			
Balance at 1 April 2024	(165)	(770)	(935)
Additional provisions made	(152)	0	(152)
Amounts used/reversed/change in reserve	177	269	446
Balance at 31 March 2025	(140)	(501)	(641)
Long Term Liabilities			
Balance at 1 April 2024	(1,002)	0	(1,002)
Additional provisions made	(152)	0	(152)
Amounts used/reversed/change in reserve	305	0	305
Balance at 31 March 2025	(849)	0	(849)
Total Provisions Balance	(989)	(501)	(1,490)

2023/24	Insurance £'000	Other £'000	Total £'000
Current Liabilities			
Balance at 1 April 2023	(153)	(233)	(386)
Additional provisions made	(203)	(534)	(737)
Amounts used/reversed/change in reserve	191	(3)	188
Balance at 31 March 2024	(165)	(770)	(935)
Long Term Liabilities			
Balance at 1 April 2023	(931)	0	(931)
Additional provisions made	(149)	0	(149)
Amounts used/reversed/change in reserve	78	0	78
Balance at 31 March 2024	(1,002)	0	(1,002)
Total Provisions Balance	(1,167)	(770)	(1,937)

Police and Crime Commissioner for Dorset

Note 18 Provisions Continued

18.1 Insurance Provision

The Police and Crime Commissioner is uninsured for the first £500,000 of individual public and employer's liability claims and for motor claims £550,000. The Police and Crime Commissioner for Devon and Cornwall and the Police and Crime Commissioner for Dorset have a single insurance policy with a stop loss of £4.4mn for public and employer's liability claims and £1.9mn for motor claims. The insurance provision is to cover any claims from 2024/25 and previous years. The payments from the provision are expected to be made over the next five years. An assessment of liabilities as at 31 March 2025 has been undertaken and the provision has been increased to a level estimated to be sufficient to meet all the forecast obligations.

18.2 Other Provisions

The other provisions mainly relate to contractual pay claims. The current level of the provision is estimated to be sufficient to meet known claims. These payments are expected to be made in 2025/26.

Note 19 Unusable Reserves

31 March 2024		31 March 2025
£'000	Note	£'000
25,276	19.1 Revaluation Reserve	24,658
3,378	19.2 Capital Adjustment Account	(14,262)
(1,135,054)	19.3 Pensions Reserve	(1,119,516)
674	19.4 Collection Fund Adjustment Account	580
(2,697)	19.5 Accumulated Absences Account	(2,938)
(1,108,423)	Total Unusable Reserves	(1,111,478)

19.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Police and Crime Commissioner arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24	Revaluation Reserve	2024/25
£'000	£'000	£'000
26,374	Balance at 1 April	25,276
0	IFRS 16 Adjustment	(178)
26,374	Restated Balance at 1 April	25,098
	Upward/(Downward) revaluation of assets and impairment losses not posted to the Surplus/Deficit on the Provision of Services	(376)
(46)	Difference between fair value depreciation and historical cost depreciation	(64)
0	Accumulated gains on assets sold or scrapped	0
(46)	Amount written off to the Capital Adjustment Account	(64)
25,276	Balance at 31 March	24,658

Police and Crime Commissioner for Dorset

Note 19 Unusable Reserves Continued

19.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Police and Crime Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties that have yet to be consumed by the Police and Crime Commissioner. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2023/24	Capital Adjustment Account	2024/25
£'000		£'000
11,461	Balance at 1 April	3,378
0	IFRS 16 Adjustment	(17,444)
11,461	Restated Balance at 1 April	(14,066)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(4,451)	• Charges for depreciation and impairment of non-current assets	(4,428)
(7,931)	• Revaluation losses on Property, Plant and Equipment	(4,626)
(21)	• Amortisation of intangible assets	(9)
(171)	• Revenue expenditure funded from capital under statute	(229)
547	• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(222)
(12,027)		(9,514)
46	Adjusting amounts written out of the Revaluation Reserve	64
(11,981)	Net written out amount of the cost of non-current assets consumed in the year	(9,450)
	Capital Financing applied in the year:	
(3,112)	• Transfer of sale proceeds to the Capital Receipts Reserve and application to finance new capital expenditure and disposal costs	0
138	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,235
3,547	• Statutory provision for the financing of capital investment charged against the General Fund balances	4,585
3,325	• Capital expenditure charged against the General Fund balances	3,238
3,898		9,058
0	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	196
3,378	Balance at 31 March	(14,262)

Police and Crime Commissioner for Dorset

Note 19 Unusable Reserves Continued

19.3 Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Police and Crime Commissioner accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Police and Crime Commissioner makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Police and Crime Commissioner has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24		Pension Reserve	2024/25	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(1,140,428)	(1,140,428)	Balance at 1 April	(1,135,054)	(1,135,054)
5,785	0	Intra-Group Adjustments	15,539	0
(409)	25,326	Re-measurements of the net defined benefit liability/(asset)	(18)	34,816
(173)	(74,095)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the provision of services in the Comprehensive Income and Expenditure Statement	(222)	(76,391)
171	54,143	Employer's pensions contributions and direct payments to pensioners payable in the year	239	57,113
(1,135,054)	(1,135,054)	Balance at 31 March	(1,119,516)	(1,119,516)

19.4 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24		Collection Fund Adjustment Account	2024/25
£'000			£'000
1,729		Balance at 1 April	674
(1,055)		Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(94)
674		Balance at 31 March	580

Police and Crime Commissioner for Dorset

Note 19 Unusable Reserves Continued

19.5 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24		Accumulated Absences Account	2024/25	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(28)	(2,549)	Balance at 1 April	(26)	(2,697)
28	2,549	Settlement or cancellation of accrual made at the end of the preceding year	26	2,697
(26)	(2,697)	Amounts accrued at the end of the current year	(45)	(2,938)
		Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(19)	(241)
(26)	(2,697)	Balance at 31 March	(45)	(2,938)

Note 20 Cash Flow Statement – Operating Activities

2023/24		2024/25	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
(7,669)	(7,436)	Net cash receipts/(payments) from operating activities excluding interest receipts and payments	(21,827)
233	0	Net cash receipts/(payments) from operating activities excluding interest receipts and payments - Intra-Group Transaction	8,690
(1,226)	(1,226)	Interest received	(1,059)
747	747	Interest paid	751
(7,915)	(7,915)	Net cash flows from operating activities	(13,445)

Police and Crime Commissioner for Dorset

Note 21 Cash Flow Statement – Investing Activities

2023/24	2023/24		2024/25	2024/25
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
13,120	14,848	Purchase of property, plant and equipment, investment property and intangible assets	5,647	8,729
1,728	0	Purchase of property, plant and equipment, investment property and intangible assets - Intra-Group Transaction	3,082	0
0	0	Short-term redemptions	0	0
(3,140)	(3,140)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(185)	(185)
11,708	11,708	Net cash flows from investing activities	8,544	8,544

Note 22 Cash Flow Statement – Financing Activities

2023/24	2023/24		2024/25	2024/25
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(13,000)	(13,000)	Short-term Loans received	(17,500)	(17,500)
7,000	7,000	Short-term Loans repaid	13,000	13,000
0	0	Long-term Loans received	0	0
500	500	Long-term Loans repaid	500	500
(52)	(52)	Cash payments to reduce finance lease liabilities	1,419	1,419
2,173	2,173	Cash payments to reduce on balance sheet liabilities	1,907	1,907
(3,379)	(3,379)	Net cash flows from financing activities	(674)	(674)

Note 23 External Audit Costs

The Police and Crime Commissioner has incurred the following costs in relation to the audit of the Statement of Accounts:

2023/24		2024/25
PCC	PCC Group	PCC
£'000	£'000	£'000
86	133	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year
5	10	Additional fees in relation to regulation changes and expert advice
91	143	As per the audit plan
33	50	Estimated fees payable to external auditors with regard to external audit services carried out by the appointed auditor for prior years
124	193	Total

Police and Crime Commissioner for Dorset

Note 24 Officers' Remuneration

24.1 Remuneration

This note shows the officer remuneration costs for officers and staff employed by the Office of the Police and Crime Commissioner and the Chief Constable above the rank of Superintendent and the staff equivalent. The Police and Crime Commissioner (PCC) is an elected official and is excluded from this note and shown within the Office of the Police and Crime Commissioner note.

2024/25	Note	Bonuses, Subsistence & Expenses Allowances		Benefits in Kind	Total Remuneration excl Pension Contributions	Employers Pension Contributions	Compensation for loss of employment	Total Remuneration incl Pension Contributions						
		Salary, Fees and Allowances	£											
Office of the Police & Crime Commissioner														
<u>Salary £50,000 to £149,999 per year</u>														
OPCC Chief Executive		127,444	0	0	127,444	21,443	0	148,887						
Chief Financial Officer		73,969	0	0	73,969	11,644	0	85,613						
Chief Constable														
<u>Salary £150,000 plus per year</u>														
Chief Constable - Amanda Pearson		200,486	76	0	200,562	66,641	0	267,203						
Deputy Chief Constable - Rachel Farrell		153,493	0	0	153,493	50,053	0	203,546						
<u>Salary £50,000 to £149,999 per year</u>														
Assistant Chief Constable		144,951	0	0	144,951	47,016	0	191,967						
Assistant Chief Constable		144,916	0	0	144,916	47,016	0	191,932						
Assistant Chief Constable		134,151	0	0	134,151	43,225	0	177,376						
Assistant Chief Constable (Regional) 03/03/25 to 31/03/25	1	9,393	0	1,090	10,483	3,316	0	13,799						
Chief Financial Officer		138,232	0	0	138,232	23,662	0	161,894						
Director of People and Support Services		126,532	0	5,224	131,756	23,662	0	155,418						

With effect from 1 April 2024, the officer remuneration note will only show the Chief Constable, and senior employees and officers that have power to direct or control major activities as set out in the CIPFA code.

Police and Crime Commissioner for Dorset

Note 24 Officers' Remuneration Continued

2023/24	Note	Salary, Fees and Allowances	Bonuses, Subsistence & Expenses Allowances	Benefits in Kind	Total Remuneration excl Pension Contributions	Employers Pension Contributions	Compensation for loss of employment	Total Remuneration incl Pension Contributions	
		£	£	£	£	£	£	£	
<u>Office of the Police & Crime Commissioner</u>									
<u>Salary £50,000 to £149,999 per year</u>									
Chief Executive		113,256	0	2,499	115,755	20,296	0	136,051	
Chief Financial Officer		69,546	0	0	69,546	10,884	0	80,430	
<u>Chief Constable</u>									
<u>Salary £150,000 plus per year</u>									
Chief Constable - Amanda Pearson		185,156	0	0	185,156	53,883	0	239,039	
<u>Salary £50,000 to £149,999 per year</u>									
Deputy Chief Constable to 06/08/23	1	47,542	0	1,652	49,194	14,514	0	63,708	
Deputy Chief Constable from 31/07/23 to 31/03/24 - Assistant Chief Constable from 01/04/23 to 30/07/23		138,299	0	0	138,299	38,125	0	176,424	
Assistant Chief Constable		139,196	0	0	139,196	35,260	0	174,456	
Assistant Chief Constable from 09/05/23 to 31/03/24 - Chief Superintendent from 01/04/23 to 08/05/23		130,939	0	0	130,939	35,112	0	166,051	
Assistant Chief Constable from 11/09/23 to 31/03/24 - Detective Chief Superintendent from 01/04/23 to 10/09/23		113,911	0	0	113,911	32,177	0	146,088	
Chief Financial Officer		122,733	0	0	122,733	20,830	0	143,563	
Director of People and Support Services		119,765	0	5,224	124,989	23,288	0	148,277	
Chief Superintendent		109,429	0	0	109,429	30,556	0	139,985	
Chief Superintendent from 10/05/23		89,714	0	0	89,714	25,713	0	115,427	
Chief Superintendent to 11/06/23		20,350	0	0	20,350	5,726	0	26,076	
Chief Superintendent		101,966	0	0	101,966	29,699	0	131,665	
Chief Superintendent from 11/09/23		52,362	0	0	52,362	14,436	0	66,798	
Chief Superintendent from 07/08/23		66,456	0	0	66,456	19,048	0	85,504	
Chief Superintendent to 25/10/23		59,789	0	0	59,789	16,444	0	76,233	

Police and Crime Commissioner for Dorset

Note 24 Officers' Remuneration Continued

24.1 Notes

2024/25

1. The regional Assistant Chief Constable is employed by Dorset Police. Costs are shared between the collaborating Police Forces. More information on the collaboration is shown below.

2023/24

1. The Deputy Chief Constables for Devon and Cornwall Police and Dorset Police provide some specific services across both Forces. Their employment and associated costs are disclosed within the Statement of Accounts for each of their respective Forces. This arrangement came to an end in August 2023.

24.2 Group Termination Costs

The total termination costs (exit costs) shown in the table below are the payments made to individuals plus payments to recompense the pension fund for the strain calculated on an actuarial basis in 2023/24 and 2024/25. They relate to staff employed by the Group. The costs charged in the Comprehensive Income and Expenditure Statement include adjustments for the sharing of cost with Devon and Cornwall Police. The adjustments are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £'000	2024/25 £'000
£0 – £20,000	0	2	1	80	1	82	4	958
£20,001 - £40,000	2	1	0	1	2	2	66	51
£40,001 - £60,000	0	0	0	1	0	1	0	52
£60,001 - £80,000	0	0	1	0	1	0	76	0
Total included in bandings and in CIES	2	3	2	82	4	85	146	1,061
Adjustments to reflect costs charged in Comprehensive Income and Expenditure Statement								
Redundancy cost recharged from Devon and Cornwall Police as part of Strategic Alliance agreement							0	72
Redundancy cost recharged to Devon and Cornwall Police as part of Strategic Alliance agreement							(4)	(47)
Exit Costs charged to the Comprehensive Income and Expenditure Statement							142	1,086

Police and Crime Commissioner for Dorset

Note 24 Officers' Remuneration Continued

24.3 Remuneration Bands

The figures presented below do not include the remuneration of the senior employees and relevant police officers as they have been disclosed separately but do include other police staff and police officers' remuneration.

2023/24	Remuneration Band	2024/25
Number of employees		Number of employees
288	£50,000 - £54,999	276
160	£55,000 - £59,999	205
90	£60,000 - £64,999	97
27	£65,000 - £69,999	82
12	£70,000 - £74,999	12
13	£75,000 - £79,999	8
6	£80,000 - £84,999	7
3	£85,000 - £89,999	4
2	£90,000 - £94,999	9
5	£95,000 - £99,999	5
0	£100,000 - £104,999	5
1	£105,000 - £109,999	2
0	£110,000 - £114,999	1
0	£115,000 - £119,999	1
0	£125,000 - £129,999	1
1	£145,000 - £149,999	0
0	£155,000 - £159,999	1
608	Total	716

24.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 78% of the workforce.
- Pay scales for police officers are set nationally.
- There has been an increase in the number of employees receiving above £50,000. This is mainly due to being in receipt of a pay award during 2024/25.

Police and Crime Commissioner for Dorset

Note 25 Grant Income

The Police and Crime Commissioner Group credited the following grants, and contributions to the Comprehensive Income and Expenditure Statement.

2023/24 £'000	2024/25 £'000
Credited to Taxation and Non Specific Grant Income	
(71,029)	(75,294)
(7,919)	(7,919)
(88)	(1,518)
(79,036)	(84,731)
Credited to Services	
(6,865)	(6,865)
(3,939)	(5,750)
(2,428)	(1,918)
(3,870)	(4,104)
(3,697)	(2,968)
(1,379)	(4,319)
(2,737)	(1,358)
0	(413)
(24,915)	(27,695)
Credited to Other Operating Income and Expenditure	
(25,238)	(23,782)
(129,189)	(136,208)
Total Grant Income	

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaborations

26.1 Related Party Transactions

The Police and Crime Commissioner is required to disclose material transactions with related parties, including the Chief Constable, central government, other local authorities, members, senior officers and their close families.

26.1.1 Central Government

The United Kingdom Government has effective control over the general operations of the Police and Crime Commissioner. It is responsible for providing the statutory framework within which the Police and Crime Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Police and Crime Commissioner has with other parties (e.g. council tax bills). Grants received from government departments are set out in the Grant Income Note. Outstanding balances are set out in the Debtors and Creditors Notes.

26.1.2 Independent Officers

The Chief Executive of the Office of the Police and Crime Commissioner has written to all members explaining the need for disclosure. Independent Officers' interests are also publicly reported on the Police and Crime Commissioner's website. No relevant transactions have been reported.

Police and Crime Commissioner for Dorset

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

26.1.3 Officers

The Chief Executive of the Office of the Police and Crime Commissioner has written to all senior officers explaining the need for disclosure.

The Chief Financial Officer to the Police and Crime Commissioner sits on the Owners Board of the South West Audit Partnership (SWAP) that supplies Internal Audit Services to the Force and OPCC. The Chief Financial Officer represents all five Forces and OPCC's in the region who are members and are required to nominate a member of the Owners Board. No personal benefit is received by the Chief Financial Officer from this arrangement.

26.2 Commissioning and Partnerships

There are a number of partnerships in which the Police and Crime Commissioner participates. These are arrangements where the Police and Crime Commissioner carries out activities relevant to its own functions jointly with others. For a number of the partnerships a formal partnership agreement is in place. The Police and Crime Commissioner accounts only for its share of the jointly controlled assets, liabilities and expenses that it incurs in relation to partnership activities. The main commissioning and partnership working is shown in the table below.

2023/24			2024/25		
Expenditure £'000	Income £'000	Notes	Expenditure £'000	Income £'000	
OPCC Commissioning and Partnerships					
677	0	26.2.1	Commissioner's Safety Fund	522	0
625	0	26.2.2	Local Innovation Fund	570	0
1,305	(1,305)	26.2.3	Victims Services	1,432	(1,432)
1,123	(1,123)	26.2.4	Other Local Grants and Funding	1,419	(1,458)
202	0		Transfer to/(from) Reserves	450	0
3,932	(2,428)		Outturn Total	4,393	(2,890)
0	0		Pension Cost	(2)	0
0	0		Accumulated Absence	4	0
(202)	0		Reverse Transfer to/(from) Reserves	(450)	0
3,730	(2,428)		CIES Total	3,945	(2,890)
1,302			CIES Net Expenditure Total	1,055	

Full details of the Police and Crime Commissioner's future plans and intentions with regard to commissioning and partnerships can be found in the Commissioning Intentions Plan and the Police and Crime Plan on the Office of the Police and Crime Commissioner website.

The funding mechanisms for partnerships are complex, and the table above shows expenditure that has passed through the Police and Crime Commissioners accounts. There are no significant jointly controlled assets or liabilities as at 31 March 2025.

26.2.1 Commissioner's Safety Fund

This fund covers numerous community-based projects and the key initiatives covered in the above expenditure include:

The Maple Project - Domestic Abuse Advisors, employed by Dorset Police. This service ensures that women, men and children whose lives are affected by domestic abuse receive a high level of support and protection and perpetrators are held accountable for their actions and behaviour - *also part funded by the Victims Services budget*.

Police and Crime Commissioner for Dorset

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaboration Continued

Drug Intervention Programme - Provision of appropriate support to people within the criminal justice system with substance misuse issues.

Safe Schools and Communities Team - Provide targeted interventions to young people and the wider community, helping to reduce and prevent crime and Anti Social Behaviour - *core contributor to the Safe Schools and Communities Team.*

Combined Dorset Youth Offending Services - Supporting the Youth Offending Services to provide interventions that reduce and prevent offending/reoffending by children and young people within the criminal justice system - *core contributor to the Youth Offending Service for pan-Dorset.*

Restorative Justice Service - Providing a pan-Dorset Restorative Justice and restorative mediation capability for victims of crime and anti-social behaviour - *also part funded by the Victims Services budget.*

Victims Bureau – Funding towards the running costs of a team dedicated to supporting victims of crime. Enabling direct contact by Dorset Police with victims of crime, including providing updates on progress of relevant cases through the Criminal Justice System.

Victim Support – Support for victims of domestic abuse – *primarily funded from the Victim Services budget.*

Police Consultation Groups - Enabling Dorset Police to consult with appropriate and experienced organisations representing harder to reach communities.

Electronic Tagging scheme - Lease of electronic tags to be issued to offenders as a part of their bail conditions.

26.2.2 Local Innovation Fund

This fund covers numerous community-based projects and the key initiatives covered in the above expenditure include:

Boscombe Community Safety Accreditation Scheme - Enabling accreditation of Bournemouth Christchurch and Poole Council employed staff in order to enhance the delivery of community safety interventions within Boscombe.

Learning Disability Advisors - Providing targeted support to victims of crime with learning difficulties, including providing advice regarding the criminal justice process.

Stalking Co-ordinator – Funding for an Independent Stalking Advocate post to reduce risk and increase safety by providing an effective service to all high-risk victims of stalking.

Weymouth Community Safety Accreditation Scheme - Accrediting council staff to use certain police and council powers reduce anti-social behaviour, street drinking, rough sleeping and begging in Weymouth, primarily in the Melcombe Regis area of the town.

Poole Community Safety Accreditation Scheme - Enabling accreditation of Bournemouth Christchurch and Poole Council employed staff in order to enhance the delivery of community safety interventions within Poole Town Centre and the bus station.

Circles South-West - To provide Circles of Support to known perpetrators of sexual offences, to reduce offending behaviours and therefore prevent further sexual abuse. Circles are delivered to adults convicted of serious sexual offences who have been assessed as high or very high risk of re-offending and/or serious harm.

Police and Crime Commissioner for Dorset

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

Fly Tipping Co-ordinator - The Co-ordinator post investigates incidents and reports of fly tipping in Dorset and works with partners to raise awareness around duty of care and prevention.

Operation Relentless Grant Fund – Grant pot for community groups to bid for small grants to support projects addressing anti-social behaviour.

Client Casework Administrator – Casework administrator to support independent sexual violence advisors (ISVA's) in administrative tasks such as note taking, referrals and appointment management. Enabling ISVAs to focus more time on client support, improving the victims experience.

Support to Dorset Police – Targeted interventions relating to specific issues such as shoplifting, anti-social behaviour and drug enabled crime.

26.2.3 Victims Services, Community Safety Accreditation and Police Transformation Funding

Sexual Assault Referral Centre (SARC) – Contribution to service delivery. Delivering confidential immediate crisis support and forensic medical assessments for victims of sexual assaults.

Independent Sexual Violence Advisors - Sub-contract of the Sexual Assault Referral Centre - Provision of Independent Sexual Violence Advisors to provide targeted support to victims of sexual violence, including providing advice regarding the criminal justice process.

Victims Services - Providing emotional and practical support to victims of crime in Dorset.

Sexual Trauma and Recovery Services - Providing immediate and ongoing support to victims and survivors of sexual violence, including longer-term specialist support.

26.2.4 Other Grants and Funding

The following grants were received from the Home Office and Ministry of Justice (MOJ):

	£
Safer Streets Round 5 (Home Office)	315,909
Support for Domestic Abuse and Sexual Violence (MOJ)	169,168
Serious Violence Duty (Home Office)	354,067
Immediate Justice (Home Office)	618,613
Total	1,457,757

Police and Crime Commissioner for Dorset

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

26.3 Collaborations

The Police and Crime Commissioner's Group have signed up to a number of joint operations. This involves joint working with specified Police Forces as part of a collaborative agreement. The activities undertaken involve the use of the assets and resources of the joint operators. The table below shows the regional activities.

2023/24			2024/25
Expenditure £'000	Notes	Joint Operation	Expenditure £'000
3,827	26.3.1	South West Regional Forensics Services	4,287
237	26.3.2	South West Police Procurement Services	263
2,231	26.3.3	South West Regional Organised Crime Unit (ROCU)	2,572
255	26.3.4	South West Regional Programme	292
6,550			7,414

26.3.1 South West Regional Forensics Services

South West Regional Forensics Services is a partnership with Avon and Somerset Police, Wiltshire Police and Devon and Cornwall Police as the lead Force. There are bases in all four Forces, with each Force employing a number of staff. The cost totalled £27.967mn which was spent on operational costs and was split on a percentage basis, with Devon and Cornwall contributing 36.17%, Avon and Somerset contributing 34.75%, Wiltshire contributing 13.75% and Dorset contributing 15.33%. The Force cost for the year was £4.287mn.

26.3.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Wiltshire Police, Gloucestershire Police, Devon and Cornwall Police and Avon and Somerset Police. Staff are employed by Devon and Cornwall Police and based across the region. The Force cost for the year was £263,000. Most of the £1.945mn total cost is split on a percentage basis with Dorset contributing 13.52%, Wiltshire Police contributing 12.12%, Gloucestershire Police contributing 11.82%, Devon and Cornwall contributing 31.90% and Avon and Somerset contributing 30.64%.

26.3.3 South West Regional Organised Crime Unit (ROCU)

South West ROCU is a partnership with Devon and Cornwall Police, Wiltshire Police, Gloucestershire Police and Avon and Somerset Police as the lead Force. Staff are employed by each partnering Police Force based within one of two hubs (North and South). The Force cost for the year was £2.572mn. The total cost of £19.024mn is split on a percentage basis with Dorset Police contributing 13.52%, Devon and Cornwall contributing 31.90%, Wiltshire contributing 12.12%, Gloucestershire contributing 11.82% and Avon and Somerset contributing 30.64%.

26.3.4 South West Regional Programme

The South West Regional Programme is a partnership with Dorset Police, Devon and Cornwall Police, Gloucestershire Police, Wiltshire Police with Avon and Somerset Police as the lead Force. The Programme consists of a range of teams that manage the implementation of collaboration business change projects, along with now including the South West Disaster Victim Identification and Casualty Bureau Co-ordination. Costs are shared with the Forces that are involved in each project. The cost totalled £2.077mn of which £1.094mn was split on the following percentage basis, with Dorset contributing 13.52%, Avon and Somerset contributing 30.64%, Wiltshire contributing 12.12%, Devon and Cornwall contributing 31.90% and Gloucestershire contributing 11.82%. The remaining costs related to the Quality Standards team and SWPC Regional Project Team totalling £677,000 and £306,000 with Dorset contributing 14.76% and 14.33% respectively. The Force cost for the year was £292,000.

Police and Crime Commissioner for Dorset

Note 26 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

26.4 Other Public Bodies

Precept Income

Most of the revenue to pay for the costs of policing comes from government grants co-ordinated nationally. District councils, borough councils and unitary authorities collect the balance by charging their council tax payers a police precept. The amounts collected (adjusted for surpluses or shortfalls collected for previous years) are shown below.

31 March 2024		31 March 2025
£'000	Billing Authority	£'000
43,261	Dorset Council	45,201
40,666	Bournemouth, Christchurch & Poole	43,462
83,927		88,663
(1,055)	Adjusted for accruals	(94)
82,872		88,569

Pension Administration

The Police and Crime Commissioner purchases the Police Staff pension administration services from Dorset Council. Transactions within the pension fund are shown in the Defined Benefit Pension Schemes Note. Outstanding balances with other public bodies are shown in the Debtors and Creditors Notes.

Note 27 Contingent Liabilities

27.1 Pension Guarantee

The Police and Crime Commissioner has along with all other Police and Crime Commissioner's provided a pension guarantee of £21,000 for the APCC pension fund which is currently held by Merseyside Local Government Pension Scheme.

27.2 Bluelight Commercial Guarantee

The Police and Crime Commissioner has along with other Police and Crime Commissioner's provided a financial guarantee to Bluelight Commercial Limited amounting to £55,000.

27.3 Compensation Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims have been stayed until the remedy is bought into Force from 1 October 2023. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. As at 31 March 2025, it is not possible to reliably estimate the extent or likelihood of Pennington's claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

27.4 Beckmann

The Police and Crime Commissioner Group has provided a Beckmann indemnity, to cover enhanced redundancy benefits of TUPE'd employees over a certain age. Initial calculations indicate a potential cost of £700,000 however the number of employees affected by this have not yet been confirmed and there is still uncertainty whether the liability will transpire.

Police and Crime Commissioner for Dorset

Note 28 Capital Expenditure and Financing

Within the four-year financial planning model, the Police and Crime Commissioner approves an annual capital programme to provide and maintain buildings, vehicles and other equipment for the Force. The report below shows what was spent and how the spending was financed.

2023/24		2024/25	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
33,089	33,089	43,016	43,016
0	0	20,664	20,664
33,089	33,089	63,680	63,680
Restated Opening Capital Financing Requirement			
Capital Investment:			
13,120	13,120	6,385	6,385
0	1,348	0	942
0	2,326	0	2,140
0	0	0	0
0	171	0	229
3,845	0	3,311	0
16,965	16,965	9,696	9,696
Less Sources of Finance:			
0	(138)	0	(1,235)
0	(28)	0	(185)
0	(696)	0	(810)
0	(48)	0	(25)
(2,803)	(2,803)	(3,750)	(3,750)
0	0	(1,389)	(1,389)
(390)	(3,325)	(2,182)	(3,238)
(3,845)	0	(3,311)	0
(7,038)	(7,038)	(10,632)	(10,632)
43,016	43,016	62,744	62,744
Closing Capital Financing Requirement			
Represented by:			
18,792	18,792	34,143	34,143
14,100	14,100	15,000	15,000
10,059	10,059	12,523	12,523
65	65	1,078	1,078
43,016	43,016	62,744	62,744
Borrowing During the Year			
(2,174)	(2,174)	15,351	15,351
10,648	10,648	900	900
1,400	1,400	2,464	2,464
53	53	1,013	1,013
9,927	9,927	19,728	19,728

*PFI and Pre 90 Loan – the increase in borrowing is the result of the remeasurement of the liability to comply with IFRS 16 which was implemented on 1 April 2024.

Police and Crime Commissioner for Dorset

Note 29 Office of the Police and Crime Commissioner

2023/24		2024/25
£'000		£'000
15	Office of the Police and Crime Commissioner	
	Independent members and advisors costs	8
151	Police and Crime Commissioner including reimbursements	167
1,020	Statutory and other OPCC staff	1,389
331	Other costs	113
(37)	Income	(42)
70	Transfer to/(from) Reserves	(7)
1,550	Outturn Total	1,628
2	Pension costs	(10)
(2)	Accumulated Absence	16
(70)	Reverse Transfer to/(from) Reserves	7
922	Depreciation	980
2,402	CIES Total	2,621

Disclosed below are the Police and Crime Commissioner's remuneration costs which are included within the above table.

2023/24		2024/25
£'000		£'000
84	Police and Crime Commissioner	
	Salary, Fees and Allowances	84
84	Total excluding pension contributions	84
14	Employer's Pension	14
98	Total	98

Note 30 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and staff, the Police and Crime Commissioner Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Group has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. During 2021/22, the Police and Crime Commissioner Group operated four pension schemes, three for police officers and one for police staff. From 1 April 2022, members of the police officer pension scheme will accrue benefits in the career average revalued earning (CARE) scheme. Therefore, from this date, the Police and Crime Commissioner Group operated two pension schemes, one for police officers and one for police staff. All are defined benefits schemes, providing members with benefits based on their pensionable pay and length of service. The police officer pension's disclosures below apply to the Group Accounts only, this is because all of the police officers are under the control of the Chief Constable and for this reason there are no charges to the Police and Crime Commissioner single entity accounts other than the intra-group transfers. The disclosures on pensions use specialist terminology. Definitions are provided in the glossary.

Following successful claims by individuals against the transitional arrangements for many public sector schemes, the Public Service Pensions and Judicial Offices Act was passed in March 2022. This puts in place legislative changes to provide a remedy for members that were in active service on or prior to 31 March 2012 and on or after 1 April 2015. The valuation provided reflects this legislation.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. Funding arrangements are still under consideration by the Home Office. The Police Pension Fund Regulations 2007 require the Police and Crime Commissioner Group to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Group in the form of a central government top-up grant.

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

A similar adjustment arising from the McCloud/Sargeant judgement has been made for the Local Government Pension Scheme.

30.1 Police Officer Schemes

30.1.1 Participation in Pension Schemes

From 1 April 2015 both the 1987 and 2006 Police Officers' pension schemes were replaced by a new scheme with a future accrual based on the career average retained earnings (CARE) model for new entrants. Both final salary police schemes closed from April 2015, however, there is protection for those who were members of the scheme prior to April 2012, who will be entitled to the benefits which would have accrued in their legacy scheme up to April 2022, at the point of their retirement. The new scheme is open to all newly recruited officers.

The police officer pension schemes are unfunded defined benefit final salary schemes administered by the Chief Constable for Dorset, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Pensions are financed from the Group's and employee's (police officers) contributions. Any deficit is met by the Home Office in the form of a top up grant. The Group's and the employee contributions are paid into a separate Police Officers' Pension Fund Account.

Police Pension Fund Regulations require Police and Crime Commissioners to transfer a sum not exceeding the amount that the Police Pensions Fund is in deficit at 31 March from the Police and Crime Commissioner's General Fund into the Police Pensions Fund. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by central government pension top-up-grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Police and Crime Commissioner, who then must repay the amount to central government. The Group makes payments under the Police Injury Benefits Regulations. These payments are accounted for in the same way as payments under the main police officer pension scheme. The independent actuary has estimated the costs and they are included within Police Officers scheme disclosure.

30.1.2 Reconciliation of Present Value of the Scheme of Liabilities (Defined Benefit Obligation)

2023/24		2024/25
£'000		£'000
(1,135,587)	Opening balance at 1 April	(1,134,961)
(12,281)	Current service cost	(13,852)
(53,420)	Interest cost	(54,442)
(7,863)	Contributions from scheme participants	(8,431)
	Remeasurement gains and (losses):	
4,504	• Actuarial gains/(losses) arising from changes in demographic assumptions	(10,777)
18,557	• Actuarial gains/(losses) arising from changes in financial assumptions	154,543
(2,589)	• Experience gains/(losses) on defined benefit obligation	(108,314)
51,838	Benefits paid	54,871
1,880	Injury pension payments	1,924
(1,134,961)	Closing balance at 31 March	(1,119,439)

30.1.3 Transactions relating to Retirement Benefits

The Group recognises the cost of retirement benefits for police officers in the reported cost of services when they are earned by police officers, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment /retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made for the police officer schemes in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
	Cost of Services	
12,281	Current service cost	13,852
	Financing and Investment Income and Expenditure	
53,420	Net interest expense	54,442
65,701	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	68,294
	Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
(4,504)	• Actuarial (gains)/losses arising on changes in demographic assumptions	10,777
(18,557)	• Actuarial (gains)/losses arising on changes in financial assumptions	(154,543)
2,589	Experience (gains)/losses on defined benefit obligation	108,314
45,229	Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statements	32,842
	Movement In Reserves Statement	
(65,701)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(68,294)
	Actual amounts charged against the General Fund Balance for pensions in the year:	
20,616	Employers' contributions payable to scheme	24,581
25,238	Home Office Top Up Grant	23,782

30.1.4 Impact on the Police and Crime Commissioner's Cashflow

The liabilities show the underlying commitments that arise from the fact that the Police and Crime Commissioner has to pay retirement benefits over a long-term period. The total liability of £1.119bn has a substantial impact on the net worth of the Group as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Police and Crime Commissioner remains healthy, as:

- scheme deficits are met by the Home Office
- finance is only required to be raised to cover police pensions when the pensions are actually paid, not when they are earned

The total employer contributions expected to be made to the Police Pension Fund Account in the year to 31 March 2026 is £23.219mn.

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.1.5 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels.

The Police Officer Pension Scheme liabilities have been estimated for accounting purposes by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2024.

Employer contributions are set every four years as a result of the combined actuarial valuation of the Scheme required by the Home Office on behalf of the Home Secretary. The last combined actuarial valuation was completed at 31 March 2020 and set contributions for the period from 1 April 2024 to 31 March 2027. The next combined actuarial valuation is to be carried out as at 31 March 2024.

The significant assumptions used by the actuary have been:

2023/24	Mortality Assumptions:	2024/25
	Longevity at 65 for current pensioners:	
21.3	Men	21.2
23.4	Women	23.4
	Longevity at 65 for future pensioners:	
22.5	Men	22.5
24.7	Women	24.8
	Financial Assumptions:	
3.25%	Rate of RPI Inflation	3.20%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
4.90%	Rate for discounting scheme liabilities	5.80%

The estimated weighted average duration of the Police Officer schemes is 14 years, and it is this duration that has been used to derive the assumptions. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. Changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption £'000	Decrease in Assumption £'000
Mortality age rating assumption (increase or decrease in 1 year)	40,382	(38,896)
Rate of increase in salaries (increase or decrease by 0.1%)	1,268	(1,262)
Rate of increase in pensions (increase or decrease by 0.1%)	14,651	(14,311)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(15,137)	15,492

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.2 Police Staff Scheme

30.2.1 Participation in Pension Schemes

Police Staff are part of the Local Government Pension Scheme administered by Dorset Council. This is a funded defined benefit career average retained earnings scheme, meaning that the Police and Crime Commissioner Group and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities over time with investment assets. In addition to the above scheme there are arrangements for the award of discretionary post-employment benefits upon early retirement – this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. As these benefits are unfunded, cash has to be generated to meet actual pension payments as they fall due.

30.2.2 Transactions Relating to Retirement Benefits

The Group recognises the cost of retirement benefits for police staff in the reported cost of services when they are earned by police staff, rather than when the benefits are eventually paid as pensions. However, the charge that is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment /retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made for the police staff scheme in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

2023/24		Comprehensive Income and Expenditure Statement		2024/25			
PCC	PCC Group			PCC	PCC Group		
£'000	£'000			£'000	£'000		
Cost of Services							
Service cost comprising:							
168	8,146			222	8,091		
4	212			6	216		
Financing and Investment Income and Expenditure							
1	36	Net interest expense		(6)	(210)		
173	8,394	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services		222	8,097		
Other Post-Employment Benefits Charged to Comprehensive Income and Expenditure Statement							
Remeasurement of the net defined benefit liability comprising:							
(371)	(17,989)	• Return on plan assets (excluding the amount included in the net interest expense)		11	409		
(67)	(3,266)	• Actuarial (gains)/losses arising on changes in demographic assumptions		(16)	(600)		
(164)	(7,958)	• Actuarial (gains)/losses arising on changes in financial assumptions		(1,224)	(44,644)		
509	0	Apportionment Adjustment		1	0		
16	765	Experience (gains)/losses on defined benefit obligation		(16)	(577)		
486	23,594	Changes in effect of asset ceiling		1,262	46,048		
582	3,540	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement		240	8,733		

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

2023/24				2024/25							
PCC	PCC Group	PCC	PCC Group								
£'000	£'000	£'000	£'000								
		Movement in Reserves Statement									
(173)	(8,394)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code			(222)	(8,097)					
Funded Liabilities				Funded Liabilities							
PCC	PCC Group	Funded Liabilities		PCC	PCC Group						
£'000	£'000	Actual amount charged against the General Fund		£'000	£'000						
171	8,277	Balance for pensions in the year:		239	8,734						
Employers' contributions payable to scheme											
Unfunded Liabilities				Unfunded Liabilities							
PCC	PCC Group	Unfunded Liabilities		PCC	PCC Group						
£'000	£'000	Actual amount charged against the General Fund		£'000	£'000						
0	13	Balance for pensions in the year:		0	13						
Retirement benefits payable to pensioners											

30.2.3 Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Police and Crime Commissioner's Group and Police and Crime Commissioner's obligation in respect of its defined benefit plans is as follows:

31 March 2024				31 March 2025			
PCC	PCC Group	PCC	PCC Group				
£'000	£'000	£'000	£'000				
(5,984)	(266,810)	Present value of the defined benefit obligation		(6,893)	(227,895)		
(486)	(23,594)	Changes in effect of asset ceiling		(1,940)	(70,810)		
5,983	290,313	Fair value of plan assets		8,184	298,628		
(487)	(91)	Net liability arising from defined benefit obligation		(649)	(77)		

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.2.4 Reconciliation of Present Value of the Scheme of Liabilities (Defined Benefit Obligation)

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
(4,152)	(261,079)	Opening balance at 1 April	(5,984) (266,810)
(168)	(8,146)	Current service cost	(222) (8,089)
(256)	(12,428)	Interest cost	(352) (12,865)
(60)	(2,908)	Contributions from scheme participants	(85) (3,117)
Remeasurement gains/(losses):			
67	3,266	• Actuarial gains/(losses) arising from changes in demographic assumptions	16 600
164	7,958	• Actuarial gains/(losses) arising from changes in financial assumptions	1,223 44,644
(16)	(765)	• Experience gains/(losses) on defined benefit obligation	16 577
(1,713)	0	Apportionment adjustment	(1,975) 0
150	7,292	Benefits paid	470 17,165
(5,984)	(266,810)	Closing balance at 31 March	(6,893) (227,895)

30.2.5 Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

The Police and Crime Commissioner's Group contribution to the Local Government Pension Scheme for the accounting period to 31 March 2026 is estimated to be £7.854mn of which £215,000 is for the Police and Crime Commissioner. This estimation excludes the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025. These projections are based on the assumptions as at 31 March 2025.

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
4,076	256,238	Opening fair value of scheme assets	5,983 290,313
255	12,392	Interest income	390 14,241
Remeasurement gains/(losses):			
371	17,989	• The return on plan assets, excluding the amount included in the net interest expense	(11) (409)
1,204	0	Apportionment adjustment	1,974 0
(4)	(212)	Administration expenses	(7) (216)
171	8,290	Contributions from employer	240 8,747
60	2,908	Contributions from employees into the scheme	85 3,117
(150)	(7,292)	Benefits paid	(470) (17,165)
5,983	290,313	Closing fair value of scheme assets	8,184 298,628

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.2.6 Local Government Pension Scheme assets comprised:

31 March 2024			31 March 2025		
PCC	PCC Group	Fair Value of Scheme assets	PCC	PCC Group	
£'000	£'000		£'000	£'000	
3,744	181,700	Cash and cash equivalents	5,132	187,298	
396	19,219	UK Equities	546	19,917	
391	18,996	Diversified Growth Fund	537	19,592	
470	22,763	Other Bonds	573	20,909	
444	21,523	Property	629	22,942	
126	6,122	Infrastructure	179	6,516	
412	19,988	Cash	588	21,454	
0	2	Multi Asset Credit	0	0	
5,983	290,313	Liability Driven Investment	8,184	298,628	
Total					

30.2.7 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels.

The liabilities have been estimated by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full triennial valuation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

2023/24		2024/25
	Long-term expected rate of return on assets in the scheme:	
4.95%	Equity investments	5.85%
4.95%	Bonds	5.85%
4.95%	Other	5.85%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.8	Men	21.8
23.9	Women	24.0
	Longevity at 65 for future pensioners:	
23.1	Men	23.1
25.4	Women	25.4
	Financial Assumptions:	
3.15%	Rate of RPI inflation	3.10%
3.90%	Rate of increase in salaries	3.85%
2.90%	Rate of increase in pensions	2.85%
4.95%	Rate for discounting scheme liabilities	5.85%

The past service liability duration has been estimated at 18 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2022. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Due to changes in interest rates in recent years, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £70.810mn. The calculation assumes that:

- The Employer does not have the right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The Employer is a scheduled body and assumed to participate indefinitely.
- The requirement for the employer to make contributions to the Fund is considered to be a minimum funding requirement. For the period beyond the existing rates and adjustments certificate, their best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, in the absence of any other readily available figure.

The analysis shows that:

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
5,984	266,810	Present value of the defined benefit obligation	6,893
(2)	(91)	Present value of unfunded obligation	(2)
5,982	266,719	Present value of funded obligation	6,891
(5,983)	(290,313)	Fair value of fund assets	(8,184)
(1)	(23,594)	Deficit/(Surplus)	(1,293)
486	23,594	Impact of asset ceiling	1,940
2	91	Present value of unfunded obligation	2
487	91	Net defined benefit liability/(asset)	649
			77

The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £70.810mn, the initial impact of the asset ceiling is £70.810mn. There is no onerous funding commitment to assess since the Police and Crime Commissioner Group is not currently making any contributions towards a funding deficit. In addition, there is an unfunded liability of £77,000 resulting in a final deficit to be recognised of £77,000.

A reconciliation of the impact of the asset ceiling is shown below:

	PCC	PCC Group
	£'000	£'000
Opening impact of asset ceiling		
Interest on impact of asset ceiling	486	23,594
Actuarial losses / (gains)	32	1,168
Closing impact of asset ceiling	1,422	46,048
		1,940
		70,810

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS 19.

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption	Decrease in Assumption
	£'000	£'000
PCC		
Mortality age rating assumption (increase or decrease in 1 year)	181	(176)
Rate of increase in salaries (increase or decrease by 0.1%)	11	(11)
Rate of increase in pensions (increase or decrease by 0.1%)	101	(98)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(107)	110
PCC Group		
Mortality age rating assumption (increase or decrease in 1 year)	6,612	(6,410)
Rate of increase in salaries (increase or decrease by 0.1%)	419	(416)
Rate of increase in pensions (increase or decrease by 0.1%)	3,693	(3,593)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(3,894)	3,998

30.2.9 Other Assumptions

It is assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

30.2.10 Virgin Media Case

The background to this case is that where the rules of a contracted-out defined benefit scheme were amended, the Scheme Actuary would provide a "section 37" confirmation that the scheme continues to meet the contracting-out requirements. The original court case in June 2023 decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). Barnett Waddingham understand that the Government Actuary's Department (GAD) is currently reviewing historic amendments to the LGPS in this context and the Scheme Advisory Board are liaising with GAD on whether the relevant certificates were available for past scheme changes. HM Treasury is currently assessing the implications for all public service pension schemes; however, HM Treasury do not believe the Virgin Media case expressly addresses whether confirmation is required for public service pension schemes. Barnett Waddingham understands their view to be that the relevant amendments in the LGPS would have been made by legislation – and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court.

Barnett Waddingham advises that there is insufficient information to assess the potential impact of this case. As they are unable to quantify the impact, no provision has been made in the valuation of the LGPS.

30.2.11 Impact on the Police and Crime Commissioner's Cash Flows

The objectives of the scheme, as administered by Dorset Council, are to keep employer's contributions at as constant a rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 18 years. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation will be carried out as at 31 March 2025 and will set contributions for the period from 1 April 2026 to 31 March 2029.

Dorset Council publishes details of the Fund's performance. More detail can be found on their website dorsetpensionfund.org/

Police and Crime Commissioner for Dorset

Note 30 Defined Benefit Pension Schemes Continued

30.2.12 Total Pensions Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Police and Crime Commissioner Group's obligation in respect of its Police Officer and Police Staff Pension Schemes is as follows.

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
0	(1,134,961)	0	(1,119,439)
0	(1,134,961)	0	(1,119,439)
Police Officers Pension Schemes			
Present value of the defined benefit obligation - Pensions Liabilities - Intra-Group Creditor			
Total Police Officer benefit obligation			
Police Staff Pension Scheme			
Present value of the defined benefit obligation			
(5,984)	(266,810)	(6,893)	(227,895)
(486)	(23,594)	(1,940)	(70,810)
5,983	290,313	8,184	298,628
(487)	(91)	(649)	(77)
Total Police Staff benefit obligation			
Police Officer Pensions Liabilities - Intra-Group Creditor			
(1,134,961)		(1,119,439)	
396		572	
(1,134,565)		(1,118,867)	
Total Intra-Group Adjustment			

Note 31 Private Finance Initiatives

The PFI liabilities balance shown on the Balance Sheet relates to two Private Finance Initiatives.

Payments

An agreed payment (or unitary charge) is made each year which comprises both fixed and variable elements. Payments remaining to be made under the service concession contract at 31 March 2025 are as follows:

2023/24					2024/25				
Payment for Services and Contingent Rents*	Reimb. of Capital				Payment for Services £'000	Reimb. of Capital			
	Exp £'000	Interest £'000	Total £'000			Exp £'000	Interest £'000	Total £'000	
5,398	2,840	1,117	9,355	Payable within 1 year	3,496	3,991	2,041	9,528	
25,526	10,411	3,445	39,382	Payable within 2 to 5 years	13,981	17,837	6,289	38,107	
29,916	10,995	1,902	42,813	Payable within 6 to 10 years	9,896	18,403	2,514	30,813	
2,547	1,397	52	3,996	Payable within 11 to 15 years	0	0	0	0	
63,387	25,643	6,516	95,546	Total	27,373	40,231	10,844	78,448	

*Payment for Services and Contingent Rents - under IFRS 16, contingent rents are brought onto the balance sheet. Therefore, only payments for services are shown in 2024/25. In addition, future service costs are consistent with those used in the current financial year and will be remeasured annually. For comparative purposes, the 2023/24 contingent rents amounted to £20.059mn of the £63.387mn presented in the table above.

Police and Crime Commissioner for Dorset

Note 31 Private Finance Initiatives Continued

Value of Assets under PFI Contracts

The value of assets held under PFI contracts and their movements during the year is included within the Property, Plant and Equipment Note.

The opening balance have been restated to include the remeasurement of the PFI arrangements to comply with IFRS 16.

The movement in the value of liabilities resulting from the contract is as follows:

	2023/24 £'000	2024/25 £'000
Balance outstanding at 1 April	(20,359)	(18,304)
IFRS 16 Adjustment	0	(18,231)
Restated Balance outstanding at 1 April	(20,359)	(36,535)
Payments during the year	2,685	3,814
Remeasurement	0	(172)
Capital expenditure incurred in the year	(630)	(868)
Balance outstanding at 31 March	(18,304)	(33,761)

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

2023/24 £'000	Assets	2024/25 £'000
11,908	Opening Balance	11,920
725	Additions/Development/Lifecycle	1,156
(523)	Revaluations	(1,009)
(190)	Depreciation	(141)
11,920	Closing Balance	11,926

Police and Crime Commissioner for Dorset

Note 32 Long Term Borrowing

The maturity analysis of long term borrowing is as follows:

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
(500)	(500)	Contractual Maturity	
(500)	(500)	Less than one year	
(6,000)	(6,000)	Total Short Term Borrowing	
(9,000)	(9,000)	More than one year less than five years	
(15,000)	(15,000)	Between five and ten years	
(15,500)	(15,500)	Total Long Term Borrowing	
		Total Borrowing for Capital Investment	
		(15,000)	(15,000)

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
(13,000)	(13,000)	Contractual Maturity	
(13,000)	(13,000)	Less than one year	
(13,000)	(13,000)	Total Short Term Borrowing	
		Total Borrowing for Cashflow Purposes	
		(17,500)	(17,500)

31 March 2024		31 March 2025	
PCC	PCC Group	PCC	PCC Group
£'000	£'000	£'000	£'000
(13,500)	(13,500)	Total Short Term Borrowing	
(15,000)	(15,000)	Total Long Term Borrowing	
		(18,000)	(18,000)
		(14,500)	(14,500)

Note 33 Lessor - Operating Leases

The Police and Crime Commissioner leases out property under operating leases. The future minimum lease payments receivable in future years are:

31 March 2024		31 March 2025	
£'000	£'000	£'000	£'000
156	Not later than one year	148	
322	Later than one year and not later than five years	233	
1,117	Later than five years	1,081	
1,595		1,462	

Police and Crime Commissioner for Dorset

Note 34 Leases

In 2024/25, the Police and Crime Commissioner applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Police and Crime Commissioner incremental borrowing rate from PWLB at that date
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet as at 1 April 2024:

- £3.042mn Property, plant and equipment – land and buildings (right-of-use assets £2.217mn and peppercorn £825,000)
- £223,000 Short term creditors
- £1.887mn Long term creditors
- £323,000 Prepayments

The operating lease total commitment disclosed in the operating lease note to the 2023/24 financial statements was £1.980mn. When these lease commitments are discounted to their present value using the incremental borrowing rate at 1 April 2024, the same term and monthly rental, the commitment amounts to £1.505mn.

A full review of all lease arrangements was undertaken for 1 April 2024 with the estimable impact being disclosed in Note 2 of the 2023/24 financial statements. In order to establish the impact, a number of judgements were made on the option to extend, and all non-lease components were taken into account. As a result, the lease liability increased from £1.505mn to £1.964mn plus peppercorn arrangements estimated at £538,000 giving a total of £2.502mn as reported in the 2023/24 financial statements.

A further review has been undertaken during 2024/25. Rental payments have been updated to reflect actuals, the remaining lease term reflects updated judgements made and where non-lease components are easily identifiable, they have been excluded as per the CIPFA code. This review of the lease liabilities together with the 2024/25 repayments to suppliers has resulted in a reduction as at 31 March 2025. Consequently, the right of use asset has also been remeasured. The tables below provide more detail.

Police and Crime Commissioner for Dorset

Note 34 Leases Continued

	Land and Buildings		Total £'000
	Right of Use £'000	Peppercorn £'000	
Balance at 1 April 2024	2,216	826	3,042
Additions/Remeasurement	(1,418)	222	(1,196)
Revaluations	90	34	124
Depreciation	(116)	(29)	(145)
Disposals	0	0	0
Balance at 31 March 2025	772	1,053	1,825

These balances have been incorporated into the Property, Plant and Equipment note.

	2023/24	2024/25
	£'000	£'000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	108	70
Expense relating to short-term leases	25	31
Expense relating to exempt leases of low-value items	14	2
Variable lease payments not included in the measure of lease liabilities	421	398
Balance at 31 March 2025	568	501

	2023/24	2024/25
	£'000	£'000
Cashflow Statement		
Minimum lease payments	312	149
	312	149

	31 March	
	2024 £'000	31 March 2025 £'000
Maturity analysis of lease liabilities		
Less than one year	(277)	(103)
One to five years	(746)	(279)
More than five years	(957)	(374)
Total liabilities	(1,980)	(756)



Pension Fund Accounting Statements

Police and Crime Commissioner for Dorset

Police Officers' Pension Fund Statement (PFS)

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. During the year all payments and receipts are made to and from the Police and Crime Commissioner Group Police Fund. The statement shows income and expenditure for the Police Pension Scheme, this expenditure is not consolidated into the Police and Crime Commissioner Group Accounts.

31 March 2024 £'000		31 March 2025 £'000
	Contributions Receivable	
(18,154)	Employers (normal)	(21,650)
(7,864)	Employees (normal)	(8,431)
(583)	III Health capital charge	(1,008)
	Transfers In	
(70)	Individual transfers from other schemes	(21)
	Benefits payable	
45,229	Pensions	48,424
6,657	Commutations and lump sum retirement benefits	6,135
0	Lump sum death payments	163
	Payment to and on account of leavers	
23	Individual transfers to other schemes	170
25,238	Net amount paid during the year	23,782
(25,238)	Transfer from Police Fund*	(23,782)
0	Net amount payable / receivable for the year	0
<hr/>		
*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office		
21,201	Received in year	24,770
4,037	Debtor	(988)
25,238		23,782
<hr/>		

The Police Officer Pension Fund is unfunded and has no investment assets.

The Police Officer Pension Fund which is administered by the Chief Constable has been set up for the specific purpose of administering the collection of contributions, the payment of pensions and the refund to central government for the balance outstanding for each year. The fund does not hold any investment assets nor does it reflect the liabilities to pay present and future pensioners.

The main benefits payable are police officer pensions, lump sums that represent the commutation of pensions and other lump sum payments. The employer paid a contribution equal to 35.3% of police officer pay for 2024/25. As this contribution was insufficient to meet the net costs of benefits after employees' contributions, the account was balanced to nil at the year end by the Home Office top up grant.

The above accounting statement complies with the accounting policies where applicable.

Further information can be found in the Defined Benefits Pension Schemes Note.

This Financial Statement does not take account of liabilities to pay pensions and other benefits after the 31 March 2025.

Glossary

Police and Crime Commissioner for Dorset

Glossary

Accounting Period	The period of time covered by the accounts, usually a full year, which for the Office of the Police and Crime Commissioner runs from 1 April to 31 March.
Accrual	Amounts included in the final accounts to cover income and expenditure relating to the accounting period but neither paid nor received by 31 March. (For example, goods delivered in March but not invoiced by suppliers until April.)
Actuarial Gains and Losses	Changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.
Actuarial Valuation	An independent report on the financial status of a Pension Fund, which shows the estimated cost today of providing benefits in the future.
Agency Services	Services provided by one body (the agent) on behalf of, and generally with payment from, the responsible body.
Amortised Cost	This method applies to both financial assets and liabilities. It is a method of determining the Balance Sheet carrying amount and periodic charges or credits to the Income and Expenditure Statement of a financial instrument from the expected cash flows. This approach sees through the contractual terms (for example discounts and premiums) to measure the real cost that a Police and Crime Commissioner bears each year from entering into a financial liability. The Office of the Police and Crime Commissioner does not currently have any complex financial instruments where the contractual terms vary significantly from the real cost. For this reason the amortised cost of financial instruments is close to contractual cost.
Appropriation	Charges to the revenue account that build up funds and reserves in the Balance Sheet.
Asset	Physical assets such as equipment and financial assets such as cash and amounts owed by debtors.
Bid Price	A valuation of financial assets based on the highest price a buyer is willing to offer.
Budget	The Police and Crime Commissioner's plan for providing resources to meet its service obligations. The Office of the Police and Crime Commissioner sets an annual budget within a four year financial strategy.
Capital Expenditure	The cost of buying or building significant assets (e.g. land and buildings) which have a long-term value to the Office of the Police and Crime Commissioner. (<i>Also referred to as capital spending or capital payments</i>).
Capital Grants	Grants received by the Office of the Police and Crime Commissioner that can only be used to pay for capital projects.
Capital Receipts	Income from the sale of capital assets (land, buildings, etc.). In the public sector, there are generally strict rules on what the receipts can be spent on.
Carrying Amount	This is the amount of a financial asset or liability that should be recorded in the Balance Sheet for a given date based upon the correct measurement approach for the financial asset or liability.
Cash Flow Statement	This statement summarises the inflows and outflows of cash.
CIPFA	The Chartered Institute of Public Finance and Accountancy, the professional body that sets accounting standards for the public sector.
Collection Fund	District and unitary councils pay all receipts from local taxpayers into a "collection fund". They then pay county, police, fire, district, unitary and parish council precepts from the fund.
CIES	Comprehensive Income and Expenditure Statement.
Contingent Liability	A possible cost of past events where the amount to be paid is not certain, or when the payment may not actually be made. (For example, where a court case is still undecided.)

Police and Crime Commissioner for Dorset

Glossary Continued

Council Tax	A tax based on the value of property, which is administered by District and Unitary authorities.
Creditors	Amounts owed by the Police and Crime Commissioner for work done, goods received or services received, but for which payment has not been made by the end of the accounting period.
Current Assets and Liabilities	Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short-term.
Current Service Cost	The increase in the benefits earned by employees in the current period based on their pay and length of service. This is charged to the net cost of services.
Curtailments	Curtailments arise as a result of the early payment of accrued pensions on retirement on the grounds of efficiency or redundancy or where the Employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.
Debtors	Amounts due to the Police and Crime Commissioner but unpaid by the end of the accounting period.
Deferred Charges	Costs built up when preparing for a capital project that does not eventually create or buy a fixed asset. Deferred charges are written out of the accounts in the year they are incurred.
Defined Benefit Scheme	A pension scheme which defines the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.
Depreciation	The accounting principle that spreads the cost of a fixed asset over its useful working life.
Discretionary Benefits	Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under the Police and Crime Commissioner's discretionary powers.
Earmarked Reserves	These reserves represent monies set aside to be used for a specific purpose.
Exit Costs	These are costs of packages for which the Police and Crime Commissioner is demonstrably committed to. The cost of the package includes the termination benefits, all relevant redundancy costs including compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex gratia payments and other departure costs.
Expected Return on Assets	The average rate of return expected over the remaining life of the pension scheme from the actual investments held by the scheme. Fees charged by investment managers are taken out. The net income is credited to net operating expenditure.
Experience Gains and Losses (IAS 19 Pensions disclosure)	This shows the impact of actual experience differing from the accounting assumptions, such as pension increases differing from those assumed and unexpected membership movements.
Fair Value	This is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price. In most cases, this amount will be the transaction price, e.g. the amount of a loan made.
Fixed Assets	Something of practical use that can be measured in cash terms, e.g. land and buildings, or computer and radio equipment.
FTE	Full Time Equivalent.
FVPL	Classification of Financial asset. FVPL stands for, Fair Value through profit or loss.

Police and Crime Commissioner for Dorset

Glossary Continued

International Financial Reporting Standards (IFRS)	Accounting standards issued by the International Accounting Standards Board and from which the CIPFA code of Practice on Local Authority Accounting is derived.
Home Office Grant	A central government grant paid by the Home Office to Police and Crime Commissioner's in support of their day to day expenditure.
Impairment	A loss in the value of a fixed asset, caused by physical damage (such as a major fire) or a significant reduction in market value.
Interest Cost	The expected increase during the period in the present value of the scheme liabilities because members of the scheme are one year closer to retirement. This is charged to net operating expenditure.
Medium Term Financial Strategy (MTFP)	Often referred to as MTFP, it is the financial plan and management of funding, spending and savings over a four year period.
Minimum Revenue Provision	The minimum amount of the Police and Crime Commissioner's outstanding financing commitments that must be charged to the General Fund each year.
Non-Operational Assets	Fixed assets that are not used to deliver direct services. For example, police houses, or assets that are still being built or are no longer used and about to be sold.
OPCC	Officer of the Police and Crime Commissioner.
Past Service Cost	The increase in the benefits earned by employees from their service in previous years arising because of improved retirement benefits. These costs are paid directly by the employer and are charged to the net cost of services.
Pension Commutation	Commutation is where part of the entitlement to a pension for life is exchanged for a lump sum payable on retirement. This requires a calculation of the current value of the entitlement given up. The calculation is done using actuarial advice. The advice is set out in tables containing 'factors'. The level of the factors depends on age and life expectancy.
Pension Scheme (Defined Benefit)	A pension scheme that pays benefits to members based on the rules of the scheme and not on the value of the pension fund. Benefits are usually based on pay and length of service.
Pension Scheme (Funded)	Each year both employers and members pay standard contributions that are invested in a separate pension fund. Benefits to contributors and their dependants are paid out of investments held in the fund.
Pension Scheme (Unfunded)	Members pay a standard contribution each year. The employer then pays the cash difference between members' annual contributions and the annual cost of benefits to contributors and their dependants.
PCC	Police and Crime Commissioner.
PCSO	Police Community Support Officer.
PFS	Police Officers' Pension Fund Statement.
Precept	A levy collected by District and Unitary Councils from council taxpayers on behalf of the Police and Crime Commissioner.
Present value (or Net Present Value)	The amount of money that must be put aside today to pay for a cost in the future, allowing for inflation and interest rates.
Principal	The amount of a loan that was actually borrowed, before interest is added.
Provisions	Amounts set aside to meet costs that are likely to be incurred, but where the actual amount and timing are uncertain.
PWLB	Public Works Loan Board.
Related Parties	Individuals or other bodies who have significant control and influence over the financial and operating policies of an entity.
Reserves	Amounts set aside to meet the cost of specific future expenditure. The Police and Crime Commissioner plans its reserves as part of a four year strategy.

Police and Crime Commissioner for Dorset

Glossary Continued

Revaluation Reserve	The Reserve records the accumulated gains on the fixed assets held by the Police and Crime Commissioner arising from increases in value. It is debited with the part of the depreciation charge for the asset relating to the revaluation. Any balance on this account is written back to the Capital Adjustment Account upon disposal of the asset.
ROCU	Regional Organised Crime Unit.
Running Costs	Costs from the use of premises, transport and equipment, and other general expenditure needed to provide a service.
Specific Grants	Grants (usually from the Home Office) that can only be spent on named services and projects.
Termination Benefits	These are payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept voluntary redundancy in exchange for those benefits excluding any voluntary early retirements.
Third Party Payments	Payments made to outside contractors and other bodies who provide specialist or support services to the Police and Crime Commissioner.
TUPE	Transfer of Undertakings Protection of Employment.