

Police and Crime Commissioner for Dorset

STATEMENT OF ACCOUNTS FOR 2025/26

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:



Police and Crime Commissioner
David Sidwick



Chief Executive
Simon Bullock



Chief Financial Officer
Julie Strange

Address:

Winfrith
Dorchester
DT2 8DZ

Website:

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The statutory officers of the Office of the Chief Constable and contact details are as follows:



Chief Constable
Amanda Pearson



Chief Financial Officer
Neal Butterworth

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Statement of Accounts 2025/26

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Accompanying Reports



DORSET
POLICE & CRIME
COMMISSIONER
DAVID SIDWICK

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 2025/26 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 2026. 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

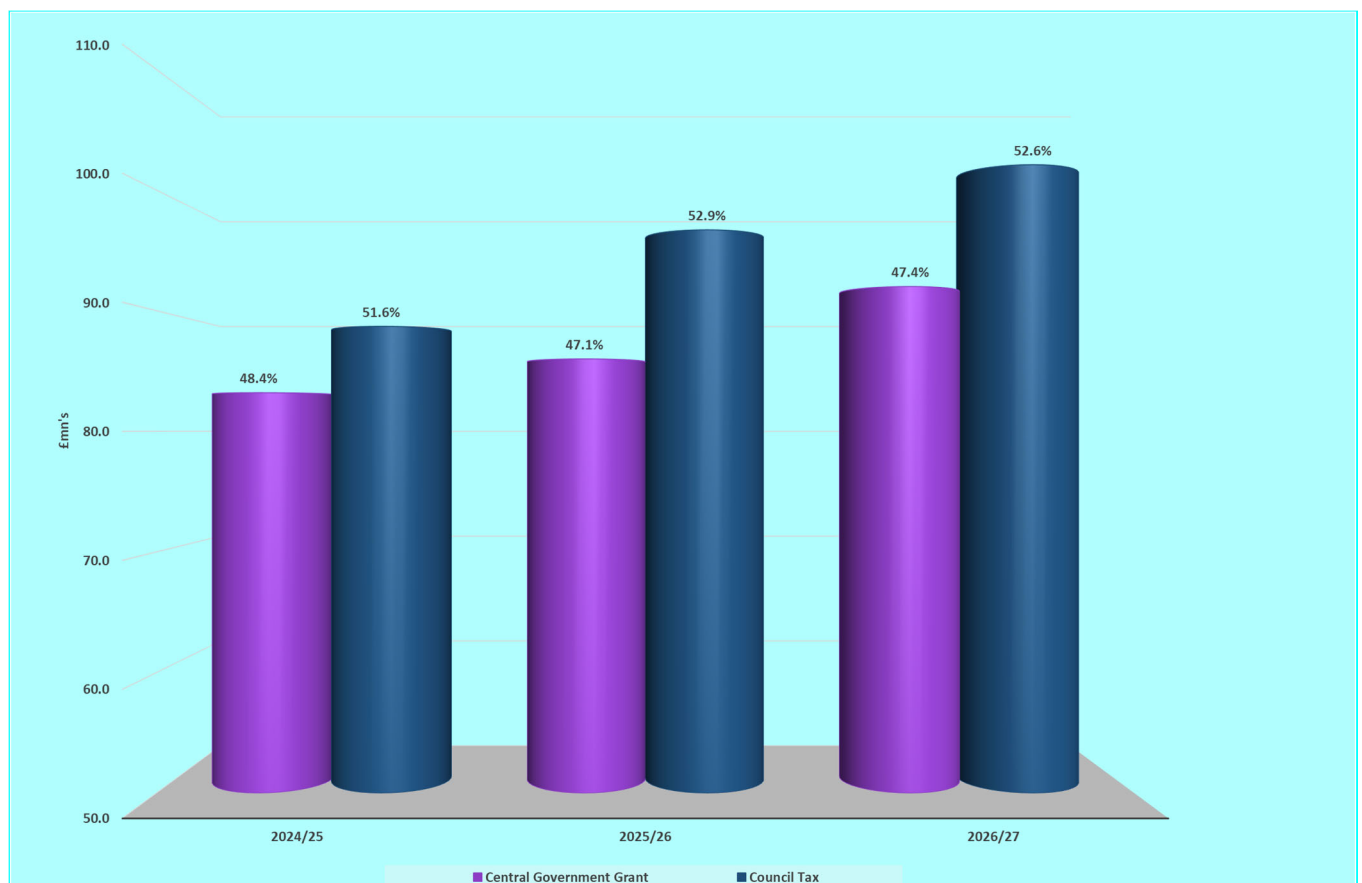
- 2.1 The Police and Crime Commissioner and the Chief Constable are separate legal entities. The Police and Crime Commissioner is elected by the public every four years with a responsibility to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account 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 the 2025/26 year 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 2025/26

- 3.1 The revenue budget is funded by two key sources - government grant and council tax. The level of government grant is announced each year in the Finance Settlement and for 2025/26 the core grant funding increased by £2.8mn to £86.0mn.
- 3.2 The Policy Statement issued in November 2024 set the Council Tax Referendum Limit for Police and Crime Commissioners to £14 for 2025/26.
- 3.3 The Police and Crime Commissioner, after public consultation and consideration of the cost pressures facing the Chief Constable, proposed an increase to the council tax element for policing of £14 (4.77%), making full use of the council tax flexibilities. This was supported by the Police and Crime Panel in February 2025. The total budget included provision for unavoidable cost increases such as pay awards and inflation but also included savings totalling £6.5mn.
- 3.4 Council tax was set at £307.58 for a band D property. The overall impact of this Home Office grant position and Council Tax increase was that funding in 2025/26 was £10.8mn more than it was in 2024/25.
- 3.5 The revenue budget income graph below shows main funding sources in 2025/26 as well as the funding in the previous and following year for comparative purposes. In 2024/25 central government grant was 48.4% of revenue funding, in 2025/26 it reduced to 47.1% and in 2026/27 we are anticipating it to be 47.4%.

Revenue Budget funding 2024/25 – 2026/27



Narrative Report by Julie Strange, Chief Financial Officer Continued

4.0 SETTING THE FINANCIAL STRATEGY FOR 2025/26 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 Maintenance Programme and Neighbourhood Policing Guarantee, was a particularly prominent issue in 2025/26. Significant unavoidable cost pressures including inflation, pay awards and capital investment requirements required the delivery of planned 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 £14 (4.77%).

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 deliverables were:

- Reduced number of crimes over previous year
- Sustained improvements in positive outcome rate
- Further development of Enhanced Video Response within Contact Management to ensure contact with victims at the earliest opportunities
- Review of the Force leadership model
- Maximised use of Home Office funding to enhance neighbourhood policing with targeted patrols in hot spot areas
- Significant policing of protest activity
- Bringing in enhanced experience in our workforce through increased recruitment of transferees
- Investment in technology to enable more efficient and effective working
- Enhancement of Community Contact Points, and introduction of mobile police station, to maximise access to our services

4.4 Alongside these service improvements, the Force needed to achieve a further £2.4mn in savings and efficiencies in order to balance the budget. The savings programme included:

- Use of technology to improve efficiency and realise productivity gains, including further automation.
- Using officer time released under the Force Operating Model review to change the workforce mix in areas where this delivered value and operational benefits.
- Rationalisation of the use of estate to derive maximum value from our buildings and ensure that premises are used to best support policing in Dorset.
- Rationalisation of the vehicle fleet to ensure efficiency and effectiveness of service delivery.
- A review of our collaborative arrangements to ensure they continue to deliver value for money and seeking cost savings in alignment with our partners.
- Continued to exploitation opportunities to generate further income through the provision of training.

Narrative Report by Julie Strange, Chief Financial Officer Continued

- 4.5 The 2025/26 MTFP projected budget gaps in future years primarily due to increased pay award assumptions and lower than previously forecast government grant.

	2025/26	2026/27	2027/28	2028/29
	£'mn	£'mn	£'mn	£'mn
Projected Budget Requirement	182.6	188.1	194.0	199.8
Projected Funding	182.6	185.0	189.4	193.3
Projected Shortfall	0.0	3.1	4.6	6.5

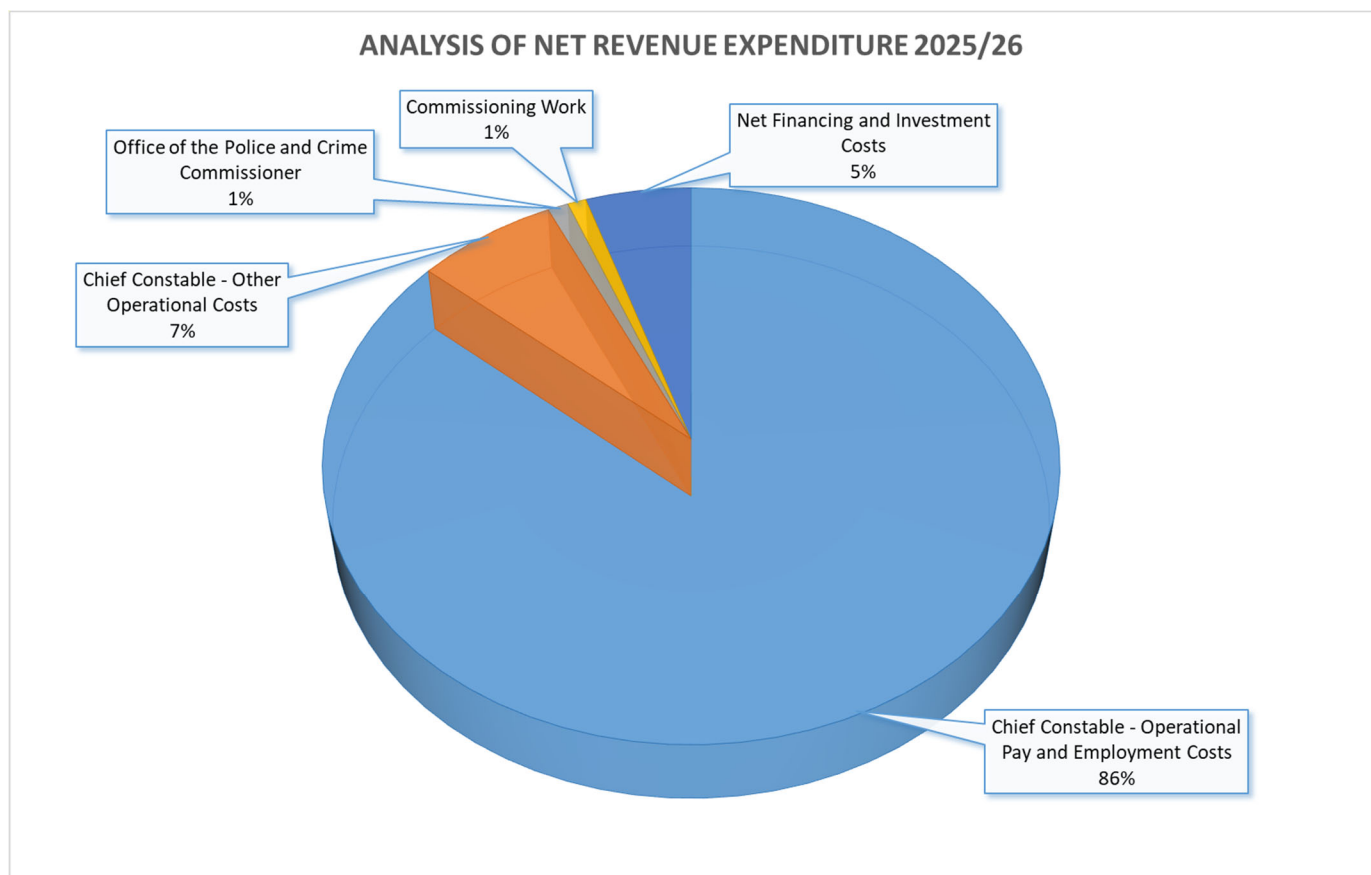
- 4.6 To address the saving challenges for 2026/27 onwards the Deputy Chief Constable's Operations Board of the Force has focused on the budget gaps for 2025/26 to 2028/29. Delivery will then be scrutinised through the Resource Control Board as part of the overall monthly group budget monitoring report. This will include measures such as service reviews, vacancy scrutiny panels, increased use of Robotic process automation and continued project Evolve / Productivity and Efficiency Review's to identify savings which do not impact on service delivery.

5.0 ACTUAL EXPENDITURE IN 2025/26

- 5.1 The Police and Crime Commissioner Group spent £178.318mn against a budget allocation of £182.681mn resulting in an underspend of £4.363mn 2025/26. This will be transferred to the Budget Management Reserve (£2.787mn) to cover carry forward requests and planned use of underspend in 2026/27, with the balance of £1.576mn transferred to General Balances.
- 5.2 2025/26 was a challenging year with pressure to maintain the number of officers funded through Police Officer Maintenance Grant arrangements to avoid significant financial penalties and a higher than budgeted pay award. It was anticipated that a nationally set pay award would be granted in 2025, and the Force assumed a 2.8% increase. The actual pay award was 4.2% from September 2025 for all officers and staff. Additional grant of £0.995mn was received in support of the increased pay award, however this was £0.283mn short of the actual cost, further adding to the in-year budgetary pressures.
- 5.3 The Force was 28 officers below its headcount target of 1,458 at September 2025, which resulted in a loss of £1.120mn of maintenance grant. However, the Force did achieve its headcount target at 31st March 2026, ending the year 31 officers above the required level. In terms of full time equivalent (FTE) officer numbers, the Force ended the year 25.1 FTE over budgeted establishment.
- 5.4 Police officer pay ended the year with an underspend position of £3.496mn. This was due to being below the expected level of officers during the first half of the year, and the consequential missing of the September maintenance target. Targeted leadership intervention through the implementation of a Gold command structure, strengthened workforce planning and a focused retention and recruitment recovery programme in the second half of the year, resulted in the full release of the second tranche of funding.
- 5.5 The Force closed the year with an overall underspend on staff pay of £1.315mn. This largely reflects a sustained level of vacancies during the year, particularly within Bournemouth Christchurch Poole Local Policing Area and Contact Management. These savings were partially offset by increased use of officer and staff overtime, together with agency staffing, to maintain critical service delivery and performance.

Narrative Report by Julie Strange, Chief Financial Officer Continued

- 5.6 The Estates Department closed the year with an underspend of £870,000. This is due to a combination of factors, most notably lower than anticipated electricity expenditure driven by reduced energy prices and lower than anticipated consumption, particularly at Winfrith HQ. Further underspends arose from reduced maintenance costs and an insurance credit relating to the shared PFI facility in Poole. These benefits were partially offset by cleaning costs which increased as a result of inflationary pressures, including the impact of the rise in National Insurance contributions.
- 5.7 Income exceeded budgeted levels due to additional grants from the Home Office which offset additional costs to support the pay award, hotspot policing and other one-off grants as well as increased investment income due to higher than anticipated cash balances and interest rates. This was offset by the loss of uplift grant highlighted above.
- 5.8 The Office of the Police and Crime Commissioner outturn for the year was on budget, after allowing for reserve transfers. A transfer of £17,000 has been made from the Office of the Police and Crime Commissioner Legal Reserve to cover specific costs. The overspend on the core budget of £97,000 has been funded by a transfer from the Office of the Police and Crime Commissioner reserve. A transfer of £451,000 has been made to the Police and Crime Plan reserve to fund future community-based projects. £166,000 has been transferred from the Violence Reduction Reserve to fund the cost of staff during the year.
- 5.9 The chart below shows a breakdown of actual net revenue expenditure for 2025/26 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 2026 amounted to £17.139mn comprising; General Fund Balance £7.973mn and Earmarked Reserves £9.166mn. 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 2025/26. 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 has been delivered within delivery timescale as expected, however prices continued to be higher than budgeted.

7.3 Significant projects include Winfrith SEC, Boiler replacements, and Bournemouth refurbishments have progressed during the year.

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

	£'mn
Capital Programme	
Land and Buildings	1.993
Vehicles and Other Transport	1.145
Equipment and ICT	2.295
South West Forensics	0.638
Total Expenditure	6.071
Funded by	
Receipts	0.023
Grants	0.435
Revenue Funding	4.140
Borrowing	1.473
Total Funding	6.071

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 FTE of officers and staff employed by Dorset Police at the beginning and end of the period were:

31/03/25 (FTE)		31/03/26 (FTE)
1,407	Police Officers	1,449
1,143	Police Staff (Force)	1,111
71	Police Community Support Officer's	69
26	Office of the Police and Crime Commissioner	26
2,647	Total	2,655

8.2 The budget included provision for 1,424 FTE officers (1,458 headcount).

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 2025. 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 2025 – 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 2025/26 when compared to the previous year.

Contact		
999 Calls	+4.7%	↑
Non-Emergency Contacts	-1.1%	↓
Incidents		
Incidents Recorded	-5.0%	↓
Of which, Anti-Social Behaviour	+4.5%	↑
Crime		
All Crime Recorded	-7.3%	↓
Sexual Offences	+1.2%	↑
Of which, Serious Sexual Offences	+1.0%	↑
Violence Against the Person	-5.5%	↓
Of which, Most Serious Violence	-6.6%	↓
Domestic Abuse Crime	-7.7%	↓
Theft	-4.8%	↓
Other		
Arrests Made	-2.6%	↓
Positive Outcomes	+2.0%	↑
Missing Persons	+12.3% (High Risk +34.8%)	↑
Public Protection Notices Issued	-1.0%	↓

9.3 999 call volume has increased over the last 12-months with 137,950 calls received. The % of calls answered within 10 seconds is stable at 92.4%. Single Online Home was introduced in March 2023 whereby the public can undertake online reporting. Over the last 12-months 59,339 online reports have been received, an 11% increase on the previous year.

Narrative Report by Julie Strange, Chief Financial Officer Continued

- 9.4 Overall crime decreased by 7.3% 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 5.5% in Violence Against the Person offences and a 7.7% reduction in Domestic Abuse related crimes. The Force is 4th 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 16.5% with significant increases in areas such as Most Serious Violence (+2%), Robbery (+3%), Burglary Home (+5%) and Rape (+3%). Overall, over the last 12-months there has been 450 additional positive outcomes compared to the previous 12-months.
- 9.6 The Force is also developing the 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 2025/26 budget settlement. This has included continued increases in inflation, in particular the September 2025 pay award. Turnover of officers and staff has also become increasingly challenging to predict. As such, the financial outlook for 2026/27 and beyond is different than it was forecast to be last year.
- 10.2 The 2026/27 MTFP shows a balanced budget for 2026/27 after significant savings but there is a forecast budget gap in future years of £2.2mn in 2027/28 increasing to £6.3mn in 2029/30. The forecasts are underpinned by numerous assumptions including staff and officer turnover, pay increases and rates of inflation and interest.
- 10.3 The 2026/27 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 2026/27 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 2026/27 budget through delivery of Priority-Based Budgeting savings from Alliance Departments, alongside a structured productivity and efficiency review programme. The Deputy Chief Constables Operations Board and the Resource Control Board will oversee the delivery of these and further efficiencies to produce a balanced MTFP in future years.
- 10.6 Grant funding for 2026/27 was provided by the new government as a one-year settlement ahead of a further comprehensive spending review for 2027/28 and future years. The core funding increase was £6.0mn which does not fund all of the inflationary increases and other unavoidable pressures faced by the Force in 2026/27.
- 10.7 Key areas of uncertainty in future planning are:
- Changes to the Financial Settlement – ringfencing of grants, conditions, future increases are all unknown beyond 2026/27
 - Approach to council tax referendum principles
 - Delivery and funding of the remaining 8,250 police personnel nationally under the Neighbourhood Policing Guarantee
 - Continued impact of council tax premiums for second homes by local billing authorities
 - Police reform and the changes to Office of the Police and Crime Commissioner.

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 maintain separate risk registers and collaborate to ensure their accuracy and appropriateness. Further details are set out in the Annual Governance Statement.
- 11.3 In November 2025 the Government announced that Police and Crime Commissioners would be abolished with effect from May 2028. At this point responsibilities will pass to Deputy Mayors, or in places where these do not exist, newly created Police and Crime Boards will take on the responsibilities. Full details have not yet been released on how this will be achieved but as the statutory responsibilities will continue the Group structure continues unaffected. This will be reviewed as and when further details become available.

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	Balance as at	Movements	Balance as at
	31/03/2025		31/03/2026
	£'000	£'000	£'000
General Fund	6,096	1,877	7,973
Earmarked Reserves	5,300	3,866	9,166
Capital Receipts	2,670	309	2,979
Capital Grants	87	(87)	0
Total Usable Reserves	14,153	5,965	20,118
Unusable Reserves	(1,111,478)	7,298	(1,104,180)
Total Reserves	(1,097,325)	13,263	(1,084,062)

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.

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
	2025/26	2025/26	2025/26
	£'000	£'000	£'000
Net Cost of Services	196,180	(43,367)	152,813
Other Operating Income and Expenditure	3,787	(28,184)	(24,397)
Financing and Investment Income and Expenditure	81,336	(18,372)	62,964
Taxation and Non-Specific Grant Income	0	(182,638)	(182,638)
(Surplus)/Deficit on Provision of Services	281,303	(272,561)	8,742
Other Comprehensive Income and Expenditure	(22,005)	0	(22,005)
Total Comprehensive Income and Expenditure	259,298	(272,561)	(13,263)

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 (£63.145mn). 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 (£2.604mn) and the remeasurement of the pension liabilities (£19.401mn).

Balance Sheet as at 31 March 2026, 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	Balance as at	Balance as at	Movement
	31/03/2025	31/03/2026	
	£'000	£'000	£'000
Long Term Assets	71,715	72,604	(889)
Current Assets	40,145	44,293	(4,148)
Current Liabilities	(42,228)	(41,763)	(465)
Long Term Liabilities	(1,166,957)	(1,159,196)	(7,761)
Net Liabilities	(1,097,325)	(1,084,062)	(13,263)
Unusable Reserves	(1,111,478)	(1,104,180)	(7,298)
Usable Reserves	14,153	20,118	(5,965)
Total Reserves	(1,097,325)	(1,084,062)	(13,263)

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.

Narrative Report by Julie Strange, Chief Financial Officer Continued

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
	2024/25	2025/26	
	£'000	£'000	£'000
Cash and Cash Equivalents as at 1 April	(15,543)	(21,118)	(5,575)
Net Cash Flow from:			
Operating Activities	(13,445)	(7,050)	6,395
Investing Activities	8,544	6,410	(2,134)
Financing Activities	(674)	6,160	6,834
Movement	(5,575)	5,520	11,095
Cash and Cash Equivalents as at 31 March	(21,118)	(15,598)	5,520

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	2025/26
	£'000
Expenditure and Funding Analysis	
Net Cost of Services - Chief Constable	179,493
Net Cost of Services - Office of the Police and Crime Commissioner	1,786
Net Cost of Services - Commissioning	1,583
Financing and Investment Income and Expenditure	(181)
Total net expenditure funded by Taxation and Non-Specific Grant Income	182,681
Outturn	
Police and Crime Commissioner Group	178,318
Transfer to Reserves	4,363
Total net expenditure funded by Taxation and Non-Specific Grant Income	182,681

- 12.2 HM Treasury carried out a Thematic Review of non-investment asset valuations which has led to changes being introduced in the 2025/26 CIPFA Code of Practice on Local Authority Accounting. The changes strengthen the use of indexation, allowing for up-to-date asset values between formal valuations using appropriate observed indices. The aim is to improve consistency, transparency and timeliness of asset valuations and a reduction in cost is anticipated. Further information can be found in the accounting policies and the property, plant and equipment 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
15 June 2026

Further Information:

This publication provides a review of the financial performance of the Police and Crime Commissioner for 2025/26. 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

These Financial Statements have not yet been audited. The audited accounts will be presented to the Independent Audit Committee and published when available.

Statement of Responsibilities

The Police and Crime Commissioner's Responsibilities

The Police and Crime 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 safeguard its assets
- approve the Statement of Accounts.

Approval of the Accounts

I approve the Statement of Accounts.

David Sidwick
Police and Crime Commissioner

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 2025/26" (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 2026 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 2026.

Julie Strange CPFA
Chief Financial Officer to the Police and Crime Commissioner
15 June 2026

Financial Statements

Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2024/25 and 2025/26 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 £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025		6,096	5,300	2,670	87	14,153	(1,111,478)	(1,097,325)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(8,742)	0	0	0	(8,742)	22,005	13,263
Adjustments between accounting basis and funding basis under regulations	28	14,529	(44)	309	(87)	14,707	(14,707)	0
Transfers to/(from) Earmarked Reserves	29	(3,910)	3,910	0	0	0	0	0
Increase/(Decrease)		1,877	3,866	309	(87)	5,965	7,298	13,263
Balance at 31 March 2026		7,973	9,166	2,979	0	20,118	(1,104,180)	(1,084,062)

Comparative Year	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'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	28	20,733	0	(947)	87	19,873	(19,873)	0
Transfers to/(from) Earmarked Reserves	29	(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)

PCC Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2024/25 and 2025/26 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 £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025		6,096	5,300	2,670	87	14,153	(1,111,478)	(1,097,325)
Movement in Reserves								
Total Comprehensive Income and Expenditure		10,435	0	0	0	10,435	2,828	13,263
Adjustments between accounting basis and funding basis under regulations	28	(4,648)	(44)	309	(87)	(4,470)	4,470	0
Transfers to/(from) Earmarked Reserves	29	(3,910)	3,910	0	0	0	0	0
Increase/(Decrease)		1,877	3,866	309	(87)	5,965	7,298	13,263
Balance at 31 March 2026		7,973	9,166	2,979	0	20,118	(1,104,180)	(1,084,062)

Comparative Year	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'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	28	(14,101)	0	(947)	87	(14,961)	14,961	0
Transfers to/(from) Earmarked Reserves	29	(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)

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2024/25 and 2025/26 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.

2024/25			2025/26			Notes
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000	£'000	£'000	
192,453	(38,950)	153,503	190,032	(41,315)	148,717	
2,695	(74)	2,621	2,767	(57)	2,710	12
3,945	(2,890)	1,055	3,381	(1,995)	1,386	11
199,093	(41,914)	157,179	196,180	(43,367)	152,813	
Net Cost of Services						
Other Operating Income and Expenditure						
222	0	222	666	0	666	27.2
4,971	(345)	4,626	3,121	(480)	2,641	27.2
0	(23,782)	(23,782)	0	(27,704)	(27,704)	PF
Financing and Investment Income and Expenditure						
751	0	751	649	0	649	24
0	(1,059)	(1,059)	0	(835)	(835)	24
0	0	0	0	0	0	
0	0	0	5	0	5	24
67,305	(13,073)	54,232	76,540	(13,395)	63,145	25
Taxation and Non-Specific Grant Income						
0	(75,294)	(75,294)	0	(78,105)	(78,105)	13
0	(7,919)	(7,919)	0	(7,919)	(7,919)	13
0	(88,569)	(88,569)	0	(96,098)	(96,098)	11
0	(1,518)	(1,518)	0	(516)	(516)	13
272,342	(253,473)	18,869	277,161	(268,419)	8,742	
(Surplus)/Deficit on Provision of Services						
		376			(2,604)	14
		(34,816)			(19,401)	25
		(34,440)			(22,005)	
		(15,571)			(13,263)	
Total Comprehensive Income and Expenditure						

Julie Strange CPFA

Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

PCC Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2024/25 and 2025/26 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.

2024/25				2025/26			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
192,453	(38,950)	153,503	Chief Constable - Intra-group transaction	190,032	(41,315)	148,717	
2,695	(74)	2,621	Office of the Police and Crime Commissioner	2,767	(57)	2,710	12
3,945	(2,890)	1,055	Commissioning	3,381	(1,995)	1,386	11
199,093	(41,914)	157,179	Net Cost of Services	196,180	(43,367)	152,813	
			Other Operating Income and Expenditure				
222	0	222	Net (Surplus)/Deficit from the Sale of Non-Current Assets	666	0	666	27.2
4,971	(345)	4,626	(Gain)/Loss on Revaluation of Non-Current Assets	3,121	(480)	2,641	27.2
0	(23,782)	(23,782)	Pensions Top Up Grant - Intra-group transaction	0	(27,704)	(27,704)	PF
			Financing and Investment Income and Expenditure				
751	0	751	Interest Payable	649	0	649	24
0	(1,059)	(1,059)	Interest and Investment Income	0	(835)	(835)	24
0	0	0	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	0	0	0	
0	0	0	(Gain)/Loss on Financial Instruments	5	0	5	24
352	(358)	(6)	Pensions Interest	375	(382)	(7)	25
66,953	(12,715)	54,238	Pensions Interest - Intra-Group Transaction	76,165	(13,013)	63,152	
			Taxation and Non-Specific Grant Income				
0	(75,294)	(75,294)	Police Grant	0	(78,105)	(78,105)	13
0	(7,919)	(7,919)	Council Tax Support Grants	0	(7,919)	(7,919)	13
0	(88,569)	(88,569)	Council Tax Precept	0	(96,098)	(96,098)	11
0	(1,518)	(1,518)	Capital Grants, Contributions and Donations	0	(516)	(516)	13
(34,834)	0	(34,834)	Remeasurement of the Net Defined Benefit Liability (Asset) - Intra-Group Transaction	(19,177)	0	(19,177)	
237,508	(253,473)	(15,965)	(Surplus)/Deficit on Provision of Services	257,984	(268,419)	(10,435)	
		376	(Surplus)/Deficit on Revaluation of Non-Current Assets			(2,604)	14
		18	Remeasurement of the Net Defined Benefit Liability (Asset)			(224)	25
		394	Other Comprehensive Income and Expenditure			(2,828)	
		(15,571)	Total Comprehensive Income and Expenditure			(13,263)	

Julie Strange CPFA

Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

Group and PCC Balance Sheet

The Balance Sheet shows the value as at 31 March 2025 and 31 March 2026 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 PCC £'000	31 March 2025 PCC Group £'000		As at PCC £'000	31 March 2026 PCC Group £'000	Notes
Long Term Assets					
56,514	56,514	Land and Buildings	57,412	57,412	14
0	4	Intangible Assets	0	2	
1,316	1,316	Surplus Assets	715	715	14
0	13,881	Vehicle, Plant and Equipment	0	14,475	14
0	0	Investment Property	0	0	
0	0	Long Term Debtors	0	0	
13,885	0	Intra-Group Debtors	14,477	0	4
71,715	71,715	Total Long Term Assets	72,604	72,604	
Current Assets					
0	0	Short Term Investments	3,000	3,000	
1,425	1,425	Assets Held for Sale	1,642	1,642	15
0	254	Inventories	0	328	
4,560	17,348	Short Term Debtors	3,780	23,725	17
13,042	0	Intra-Group Debtors	20,273	0	4
21,118	21,118	Cash and Cash Equivalents	15,598	15,598	18
40,145	40,145	Total Current Assets	44,293	44,293	
Current Liabilities					
(18,000)	(18,000)	Short Term Borrowing	(15,500)	(15,500)	23
(3,577)	(20,780)	Short Term Creditors	(3,388)	(22,792)	19
(140)	(641)	Provisions	(133)	(529)	20
(2,597)	(2,597)	PFI Liabilities	(2,772)	(2,772)	24
(210)	(210)	Other Short Term Liabilities	(170)	(170)	24
(17,704)	0	Intra-Group Creditors	(19,800)	0	4
(42,228)	(42,228)	Total Current Liabilities	(41,763)	(41,763)	
Long Term Liabilities					
(849)	(849)	Provisions	(805)	(805)	20
(31,164)	(31,164)	PFI Liabilities	(27,738)	(27,738)	24
(928)	(928)	Other Long Term Liabilities	(382)	(382)	24
(14,500)	(14,500)	Long Term Borrowing	(14,000)	(14,000)	23
(649)	(77)	Pensions Liability - Staff	(432)	(1,149)	25
0	(1,119,439)	Pensions Liability - Officers	0	(1,115,122)	25
(1,118,867)	0	Intra-Group Creditors	(1,115,839)	0	4
(1,166,957)	(1,166,957)	Total Long Term Liabilities	(1,159,196)	(1,159,196)	
(1,097,325)	(1,097,325)	Net Liabilities	(1,084,062)	(1,084,062)	
Represented by					
(1,111,478)	(1,111,478)	Unusable Reserves	(1,104,180)	(1,104,180)	27
14,153	14,153	Usable Reserves	20,118	20,118	
(1,097,325)	(1,097,325)	Total Reserves	(1,084,062)	(1,084,062)	

Julie Strange CPFA

Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

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.

2024/25 PCC £'000	2024/25 PCC Group £'000		2025/26 PCC £'000	2025/26 PCC Group £'000	Notes
(15,965)	18,869	Net (Surplus) or Deficit on the Provision of Services	(10,435)	8,742	
		Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements			
18	(19,281)	(Increase)/Decrease in pensions liability	74	(16,155)	
(19,299)	0	(Increase)/Decrease in pensions liability - Intra-Group Transaction	(16,229)	0	
34,834	0	Actuarial Movement on Pension Funds - Intra-Group Transaction	19,177	0	
(980)	(4,437)	Depreciation and amortisation	(962)	(4,518)	
(3,457)	0	Depreciation and amortisation - Intra-Group Transaction	(3,556)	0	
178	447	(Increase)/Decrease in provisions	51	156	
269	0	(Increase)/Decrease in provisions - Intra-Group Transaction	105	0	
(222)	(222)	Surplus/(Loss) on sales of non-current assets	(666)	(666)	
(4,626)	(4,626)	Surplus/(Loss) on revaluation of non-current assets	(2,641)	(2,641)	
(537)	(4,195)	Movement in relevant assets/liabilities	2,384	8,032	
(3,658)	0	Movement in relevant assets/liabilities - Intra-Group Transaction	5,648	0	
(13,445)	(13,445)	Net Cash from Operating Activities	(7,050)	(7,050)	31
8,544	8,544	Investing Activities	6,410	6,410	32
(674)	(674)	Financing Activities	6,160	6,160	33
(5,575)	(5,575)	Net (Increase)/Decrease in Cash and Cash Equivalents	5,520	5,520	
(15,543)	(15,543)	Cash and Cash Equivalents at the beginning of the reporting period	(21,118)	(21,118)	
(21,118)	(21,118)	Cash and Cash Equivalents at the end of the reporting period	(15,598)	(15,598)	18

Notes to the Accounting



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COMMISSIONER
DAVID SIDWICK

Notes to the Accounting

- Note 1 Accounting Policies
- Note 2 Accounting Standards Issued, Not Adopted
- Note 3 Critical Judgements in Applying Accounting Policies
- Note 4 The Police and Crime Commissioner as an Accounting Entity
- Note 5 Events After the Reporting Period
- Note 6 Assumptions Made about the Future and Other Major Sources of Estimation and Uncertainty

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Groups transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. 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 2025/26, 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 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. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

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 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

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 fair value through profit or loss 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.

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.

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. 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.

Note 1 Accounting Policies Continued

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.

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

Note 1 Accounting Policies Continued

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.

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.

Note 1 Accounting Policies Continued

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.

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.

Note 1 Accounting Policies Continued

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.

From 1 April 2025, the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) have changed in respect of revaluation of property, plant and equipment. The Group will revalue applicable assets every five years, with annual indexation applied during the four intervening years. Where the Group cannot obtain appropriate indices without undue cost or effort, those assets will instead be subject to a quinquennial revaluation, with a desktop revaluation in year three.

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.

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.

Note 1 Accounting Policies Continued

- 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 (if any) are 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.

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 previously recognised losses 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.

Note 1 Accounting Policies Continued

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.

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.

Note 1 Accounting Policies Continued

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.
- 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:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS9 and IFRS7)
- Annual improvements to IFRS accounting standards – Volume 11

All of these standards will be incorporated in the Code from 2026/27. However, CIPFA has indicated that these standards will not have a significant impact on the amounts anticipated to be reported in the financial statements.

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.

Note 3 Critical Judgements in Applying Accounting Policies

- 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.

- Judgements have been made regarding the indices applied to each asset, including the selection of appropriate source data, in order to provide a reasonable estimate of movements in the value of land and buildings since the prior year.

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 2025/26.

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 the 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.

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

Intra-Group Transactions	2024/25		2025/26	
	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Comprehensive Income and Expenditure Statements				
Cost of Services	(153,503)	153,503	(148,717)	148,717
Pensions Top Up Grant	23,782	(23,782)	27,704	(27,704)
Pensions Interest Cost - Intra-Group Transaction	(54,238)	54,238	(63,152)	63,152
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	34,834	(34,834)	19,177	(19,177)
Balance Sheet				
Non-Current Assets/Liabilities				
Pensions Liabilities	(1,118,867)	0	(1,115,839)	0
Pensions Liabilities - Intra-Group Debtor	1,118,867	0	1,115,839	0
Pensions Liabilities - Intra-Group Creditor	0	(1,118,867)	0	(1,115,839)
Vehicles, ICT, Equipment Assets and Intangible Assets	13,885	0	14,477	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Creditor	(13,885)	0	(14,477)	0
Vehicles, ICT, Equipment Assets and Intangible Assets - Intra-Group Debtor	0	13,885	0	14,477
Current Assets/Liabilities				
Current Liabilities	(17,704)	0	(19,800)	0
Current Liabilities - Intra-Group Debtor	17,704	0	19,800	0
Current Liabilities - Intra-Group Creditor	0	(17,704)	0	(19,800)
Current Assets	13,042	0	20,273	0
Current Assets - Intra-Group Creditor	(13,042)	0	(20,273)	0
Current Assets - Intra-Group Debtor	0	13,042	0	20,273
Unusable Reserves				
Intra-Group Transactions	0	(1,109,644)	0	(1,100,889)

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 unaudited statement of accounts was authorised for issue on 15 June 2026. 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 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

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 2026 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.

Notes to the Comprehensive Income and Expenditure Statement

Notes to the Comprehensive Income and Expenditure Statement

- Note 7 Expenditure and Funding Analysis
- Note 8 Expenditure and Income Analysed by Nature
- Note 9 External Audit Costs
- Note 10 Officers' Remuneration
- Note 11 Related Party Transactions, Commissioning, Partnerships and Collaborations
- Note 12 Office of the Police and Crime Commissioner Costs
- Note 13 Grant Income

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).

2025/26						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjust.
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjust.	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable	179,493	(5,506)	173,987	(25,270)	148,717	(6,055)	(19,219)	4	25,270	0
Office for the Police and Crime Commissioner	1,786	13	1,799	911	2,710	963	(54)	2	(25,270)	(24,359)
Commissioning	1,583	(186)	1,397	(11)	1,386	0	(12)	1	0	(11)
Net Cost of Services	182,862	(5,679)	177,183	(24,370)	152,813	(5,092)	(19,285)	7	0	(24,370)
Other Operating Income and Expenditure	0	0	0	(24,397)	(24,397)	3,307	(27,704)	0	0	(24,397)
Financing and Investment Income and Expenditure	(181)	0	(181)	63,145	62,964	0	63,145	0	0	63,145
Taxation and Non-Specific Grant Income	(182,681)	0	(182,681)	43	(182,638)	(516)	0	559	0	43
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	(5,679)	(5,679)	14,421	8,742	(2,301)	16,156	566	0	14,421

Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2025	11,396
Less/Plus Surplus or (Deficit) on the General Fund in Year	5,679
Transfer (to)/from Other Reserves	64
Capitalisation Directive	0
Closing Revenue Reserve Balance as at 31 March 2026	17,139

Note 7 Expenditure and Funding Analysis Continued

2024/25						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable Office for the Police and Crime	169,051	(474)	168,577	(15,074)	153,503	(4,137)	(11,157)	220	15,074	0
Commissioner Commissioning	1,628	7	1,635	986	2,621	980	(10)	16	(15,074)	(14,088)
	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

Note 7 Expenditure and Funding Analysis Continued

	£'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

*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 £19.786mn (as shown above) plus the £947,000 capitalisation directive equals to the general balances figure of £20.733mn as shown in the adjustments between the funding and accounting basis note

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 practices 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 £8.742mn consists of the adjustments between the funding and accounting basis (£14.421mn) and reserve adjustments (£5.679mn). Please see the adjustments between the funding and accounting basis note for further information. The reserve adjustments net total of £5.679mn included revenue contributions to finance capital of £4.033mn. Included within the balance of £8.742mn is £108k of revenue expenditure funded by capital under statute to other Forces within the region.

Note 8 Expenditure and Income Analysed by Nature

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

2024/25	Expenditure/Income	2025/26
£'000		£'000
	Expenditure	
146,897	Employee benefit expenses	145,053
47,759	Other service expense	46,609
4,437	Depreciation, amortisation, impairment	4,518
751	Interest payable	649
222	Loss on the sale of non-current assets	666
0	Loss on Financial Instruments	5
4,971	Loss on revaluation of non-current assets	3,121
67,305	Pensions interest	76,540
272,342	Total Expenditure	277,161
	Income	
(14,219)	Fees, charges and other service income	(14,387)
(345)	Gain on revaluation of non-current assets	(480)
(1,059)	Interest and investment income	(835)
(13,073)	Pensions interest	(13,395)
(88,569)	Income from council tax	(96,098)
(136,208)	Government grants, contributions and donations	(143,224)
(253,473)	Total Income	(268,419)
18,869	Deficit on the Provision of Services	8,742

Note 9 External Audit Costs

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

2024/25			2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
93	147	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	96	151
0	0	Additional fees in relation to regulation changes and expert advice	0	0
93	147	As per the audit plan	96	151

Note 10 Officers' Remuneration

10.1 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 Chief Superintendent and the staff equivalent. The Police and Crime Commissioner is an elected official and is excluded from this note and shown within the Office of the Police and Crime Commissioner note.

2025/26	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl. Pension Contributions £	Employers Pension Contributions £	Total Remuneration incl. Pension Contributions £
<u>Office of the Police & Crime Commissioner</u>							
<u>Salary £50,000 to £149,999 per year</u>							
OPCC Chief Executive		131,748	0	0	131,748	22,392	154,140
Chief Financial Officer		77,029	0	0	77,029	12,159	89,188
<u>Chief Constable</u>							
<u>Salary £150,000 plus per year</u>							
Chief Constable - Amanda Pearson		215,234	0	0	215,234	71,739	286,973
Deputy Chief Constable - Rachel Farrell		164,456	0	0	164,456	53,815	218,271
Assistant Chief Constable - Steve Lyne		150,910	0	0	150,910	49,012	199,922
Assistant Chief Constable - Mark Callaghan		150,910	0	0	150,910	49,012	199,922
<u>Salary £50,000 to £149,999 per year</u>							
Assistant Chief Constable	1	133,868	36,031	1,710	171,609	43,718	215,327
Chief Financial Officer		143,909	0	0	143,909	24,666	168,575
Director of People and Support Services		131,903	0	5,659	137,562	24,666	162,228

Note 10 Officers' Remuneration Continued

2024/25	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and 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>								
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
<u>Chief Constable</u>								
<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

Note 10 Officers' Remuneration Continued

10.1 Notes

2025/26

- 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.

2024/25

- 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.

10.2 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 2024/25 and 2025/26. 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		
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £'000	2025/26 £'000	
£0 – £20,000	2	0	80	1	82	1	958	14	
£20,001 - £40,000	1	0	1	0	2	0	51	0	
£40,001 - £60,000	0	0	1	0	1	0	52	0	
£140,001- £160,000	0	0	0	1	0	1	0	149	
Total included in bandings and in CIES	3	0	82	2	85	2	1,061	163	
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								72	3
Redundancy cost recharged to Devon and Cornwall Police as part of Strategic Alliance agreement								(47)	(117)
Exit Costs charged to the Comprehensive Income and Expenditure Statement								1,086	49

Note 10 Officers' Remuneration Continued

10.3 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.

2024/25		2025/26
Number of employees	Remuneration Band	Number of employees
276	£50,000 - £54,999	281
205	£55,000 - £59,999	232
97	£60,000 - £64,999	141
82	£65,000 - £69,999	98
12	£70,000 - £74,999	51
8	£75,000 - £79,999	16
7	£80,000 - £84,999	4
4	£85,000 - £89,999	7
9	£90,000 - £94,999	6
5	£95,000 - £99,999	5
5	£100,000 - £104,999	7
2	£105,000 - £109,999	6
1	£110,000 - £114,999	2
1	£115,000 - £119,999	1
0	£120,000 - £124,999	3
1	£125,000 - £129,999	0
1	£155,000 - £159,999	0
716	Total	860

10.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 73% 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.

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaborations

11.1 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.

11.1.1 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.

11.1.2 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. As at the date of publication no relevant transactions have been reported.

11.1.3 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 Office of the Police and Crime Commissioner. The Chief Financial Officer represents all five Forces and Office of the Police and Crime Commissioner'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.

11.2 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.

2024/25			2025/26		
Expenditure £'000	Income £'000	Notes	Expenditure £'000	Income £'000	
					OPCC Commissioning and Partnerships
522	0	11.2.1	626	(40)	Commissioner's Safety Fund
570	0	11.2.2	467	0	Local Innovation Fund
1,432	(1,432)	11.2.3	901	(901)	Victims Services Funding
1,419	(1,458)	11.2.4	1,175	(1,054)	Other Local Grants and Funding
0	0	11.2.5	223	0	Violence Reduction and Prevention
450	0		451	(265)	Transfer to/(from) Reserves
4,393	(2,890)		3,843	(2,260)	Outturn Total
(2)	0		(12)	0	Pension Cost
4	0		1	0	Accumulated Absence
(450)	0		(451)	265	Reverse Transfer to/(from) Reserves
3,945	(2,890)		3,381	(1,995)	CIES Total
1,055			1,386		CIES Net Expenditure Total

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaboration Continued

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 2026.

11.2.1 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.*

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.*

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

11.2.2 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 to reduce anti-social behaviour, street drinking, rough sleeping and begging in Weymouth, primarily in the Melcombe Regis area of the town.

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaboration Continued

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.

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 in administrative tasks such as note taking, referrals and appointment management. Enabling independent sexual violence advisors to focus more time on client support, improving the victims experience.

11.2.3 Victims Services Funding

Sexual Assault Referral Centre – 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.

11.2.4 Other Grants and Funding

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

Funding for Victims	901,081
Support for Domestic Abuse and Sexual Violence (MOJ)	702,972
Serious Violence Duty (Home Office)	354,068
Total	1,958,121

11.2.5 Violence Reduction and Prevention

Focussed Deterrence – working with high-risk individuals to divert from potential criminality

Emergency Department Youth Workers – support workers for 11- to 25-year-olds arriving in the emergency department, either as victims of crime or following incidents of violence offering immediate, specialist help, providing prevention, early intervention and crisis support.

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaborations Continued

11.3 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.

2024/25			2025/26
Expenditure £'000	Notes	Joint Operation	Expenditure £'000
4,287	11.3.1	South West Regional Forensics Services	4,787
263	11.3.2	South West Police Procurement Services	275
2,572	11.3.3	South West Regional Organised Crime Unit (ROCU)	2,805
292	11.3.4	South West Regional Programme	362
7,414			8,229

11.3.1 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 £31.280mn which was spent on operational costs and was split on a percentage basis, with Dorset contributing 15.30%, Avon and Somerset contributing 34.82%, Wiltshire contributing 13.68% and Devon and Cornwall contributing 36.20%. The Force cost for the year was £4.787mn.

11.3.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Wiltshire Police, Gloucestershire Police and 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 £275,000. Most of the £2.034mn total cost is split on a percentage basis with Dorset contributing 13.50%, Wiltshire Police contributing 12.07%, Gloucestershire Police contributing 11.78%, Devon and Cornwall contributing 31.93% and Avon and Somerset contributing 30.72%.

11.3.3 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 £2.805mn. The total cost of £20.777mn is split on a percentage basis with Dorset Police contributing 13.50%, Devon and Cornwall contributing 31.93%, Wiltshire contributing 12.07%, Gloucestershire contributing 11.78% and Avon and Somerset contributing 30.72%.

11.3.4 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. Costs are shared with the Forces that are involved in each project. The cost totalled £2.328mn of which £1.193mn was split on the following percentage basis, with Dorset contributing 13.50%, Avon and Somerset contributing 30.72%, Wiltshire contributing 12.07%, Devon and Cornwall contributing 31.93% and Gloucestershire contributing 11.78%. The remaining costs related to the Quality Standards team and 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 £362,000.

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaboration Continued

11.4 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 2025		31 March 2026
£'000	Billing Authority	£'000
45,201	Dorset Council	50,036
43,462	Bournemouth, Christchurch & Poole	46,621
88,663		96,657
(94)	Adjusted for accruals	(559)
88,569		96,098

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 12 Office of the Police and Crime Commissioner

2024/25		2025/26
£'000	Office of the Police and Crime Commissioner	£'000
8	Independent members and advisors costs	9
167	Police and Crime Commissioner including reimbursements	170
1,389	Statutory and other OPCC staff	1,490
113	Other costs	179
(42)	Income	(49)
(7)	Transfer to/(from) Reserves	(14)
1,628	Outturn Total	1,785
(10)	Pension costs	(54)
16	Accumulated Absence	2
7	Reverse Transfer to/(from) Reserves	14
980	Depreciation	963
2,621	CIES Total	2,710

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

2024/25		2025/26
£'000	Police and Crime Commissioner	£'000
84	Salary, Fees and Allowances	88
84	Total excluding pension contributions	88
14	Employer's Pension	14
98	Total	102

Note 13 Grant Income

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

2024/25 £'000		2025/26 £'000
	Credited to Taxation and Non Specific Grant Income	
(75,294)	Police Grant	(78,105)
(7,919)	Council Tax Support Grants	(7,919)
(1,518)	Recognised Capital Grant and Contributions	(516)
(84,731)	Total	(86,540)
	Credited to Services	
(6,865)	PFI Grant	(6,884)
(5,750)	Other Local Grants	(7,495)
(1,918)	Commissioning	(1,976)
(4,104)	Projects	(114)
(2,968)	Forensics Capability Network	(2,777)
(4,319)	Pension Support Grant	(4,387)
(1,358)	Pay Award Grant	(995)
(413)	Remedy Grant	0
0	Neighbourhood Policing Grant	(1,659)
0	National Insurance Grant	(2,693)
(27,695)	Total	(28,980)
	Credited to Other Operating Income and Expenditure	
(23,782)	Pensions Top Up Grant	(27,704)
(136,208)	Total Grant Income	(143,224)

Notes to the Balance Sheet



DORSET
POLICE & CRIME
COMMISSIONER
DAVID SIDWICK

Notes to the Balance Sheet

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Note 14 Property, Plant and Equipment

This table sets out the 2025/26 property, plant and equipment for the Police and Crime Commissioner Group.

Movements for 2025/26	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	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2025	56,659	29,594	0	723	1,316	88,292
Additions	3,275	3,321	103	657	0	7,356
Lease Remeasurement	(697)	0	0	0	0	(697)
Revaluation recognised in the Revaluation Reserve	2,095	0	0	0	(69)	2,026
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(2,759)	0	0	0	0	(2,759)
Derecognition-Disposals	(648)	(2,768)	0	0	0	(3,416)
Reclassification (to)/from Held for Sale	0	0	0	0	(532)	(532)
Reclassification	(310)	1,224	0	(914)	0	0
Balance at 31 March 2026	57,615	31,371	103	466	715	90,270
Accumulated Depreciation and Impairments						
Balance at 1 April 2025	(145)	(16,436)	0	0	0	(16,581)
Depreciation Charge	(897)	(3,619)	0	0	0	(4,516)
Depreciation written out to the Revaluation Reserve	578	0	0	0	0	578
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	158	0	0	0	0	158
Derecognition-Disposals	0	2,693	0	0	0	2,693
Reclassification (to)/from Held for Sale	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Balance at 31 March 2026	(306)	(17,362)	0	0	0	(17,668)
Net Book Value						
Balance at 31 March 2025	56,514	13,158	0	723	1,316	71,711
Balance at 31 March 2026	57,309	14,009	103	466	715	72,602

There are 9 properties that are leased with a total net book value of £1.356mn. These are included within the land and building values.

Note 14 Property, Plant and Equipment Continued

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	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	54,773	34,133	0	1,218	2,458	92,582
IFRS 16 Adjustment	3,042	0	0	0	0	3,042
Reallocation	0	(776)	0	0	0	(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
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)
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

Note 14 Property, Plant and Equipment Continued

This table sets out the 2025/26 property, plant and equipment for the Police and Crime Commissioner.

Movements for 2025/26				
	Operational and Non- Operational Assets	Assets under Construction	Surplus Assets	Total
	Land & Buildings	Land & Buildings	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000
Balance at 1 April 2025	56,659	0	1,316	57,975
Additions	3,275	103	0	3,378
Lease Remeasurement	(697)	0	0	(697)
Revaluation recognised in the Revaluation Reserve	2,095	0	(69)	2,026
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(2,759)	0	0	(2,759)
Derecognition-Disposals	(648)	0	0	(648)
Reclassification (to)/from Held for Sale	0	0	(532)	(532)
Reclassification	(310)	0	0	(310)
Balance at 31 March 2026	57,615	103	715	58,433
Accumulated Depreciation and Impairments				
Balance at 1 April 2025	(145)	0	0	(145)
Depreciation Charge	(897)	0	0	(897)
Depreciation written out to the Revaluation Reserve	578	0	0	578
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	158	0	0	158
Derecognition-Disposals	0	0	0	0
Reclassification	0	0	0	0
Balance at 31 March 2026	(306)	0	0	(306)
Net Book Value				
Balance at 31 March 2025	56,514	0	1,316	57,830
Balance at 31 March 2026	57,309	103	715	58,127

Note 14 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 £'000	Land & Buildings £'000	Surplus Assets £'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

14.1 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

14.2 Surplus Assets

Two properties have been classed as Surplus Assets as at the 31 March 2026 (31 March 2025: four properties).

14.3 Depreciation

A review of asset lives has taken place during 2025/26 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:

Note 14 Property, Plant and Equipment Continued

14.3.1 Land and Buildings

The asset lives for individual buildings are assessed by the valuer and are within the range of 1-54 years. Buildings are depreciated monthly over the forecast useful life of the asset.

14.3.2 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-10 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.

14.3.3 Information and Communications Technology (ICT)

Classes of ICT assets are given specific asset lives. These are within the range 1-9 years. ICT assets are depreciated monthly over the forecast useful life of the asset.

14.3.4 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.

14.4 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 2025/26 will be carried forward to meet the cost of future and ongoing schemes that were provided for in that year. As at 31 March 2026, significant capital commitments amounted to £6.164mn (31 March 2025: £1.711mn).

14.5 Revaluations

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. As per the Code, changes to the valuation of land and buildings will be applied prospectively, with no restatement of prior year figures. Asset balances at 31 March 2025 can be considered as materially up to date.

The Police and Crime Commissioner Group ensures that property is measured at current value via a rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the four intervening years. Where indices cannot be obtained without undue cost or effort, the Group will revalue those assets using a quinquennial revaluation with a desktop revaluation in year three. A desktop revaluation has not been required for any asset in 2025/26 as suitable indices were available.

Land and buildings scheduled for a full valuation have been revalued by qualified external valuers, Wilks Head & Eve. 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. Valuations subject to indexation have been calculated by the Finance Team using indexation movements provided by Wilks Head & Eve. These movements have been applied to ensure that asset values are not materially misstated.

The movement in indices used to ensure the value of an asset is kept materially up to date are shown below:

Non-Specialised assets:		Specialised assets:	
Industrial	+2.14%	Buildings	+ 2.24%
Office	+0.76%	Land	- 2.95%
Residential	-0.83%		
Residential Land (Greenfield)	-1.95%		
Residential Land (Brownfield)	-2.95%		
Commercial Land	0.00%		
Amenity Land	0.00%		

Note 14 Property, Plant and Equipment Continued

Once revalued the accumulated depreciation is eliminated against the gross carrying amount of the asset and net amount restated to the revalued amount of the asset. This is known as the elimination method which we have used in previous years.

As at 31 March 2026, 60 assets had been revalued, of which 18 were subject to a full valuation.

14.6 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 2025/26.

14.7 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.

14.8 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.

14.9 Impairment

No assets were identified as being impaired in 2025/26.

14.10 Leases

Land and Building leases have been remeasured during the year and amounted to £1.662mn (Right-of-use assets £644,000 and Peppercorn assets £1.018mn). 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 £306,000 resulting in a net book value of £1.356mn. Further information can be found in the Leases Note.

14.11 Donation

In 2024/25, the Police and Crime Commissioner Group received funding towards the Winfrith Memorial Garden. The net book value of the asset as at 31 March 2026 is £18,822 (31 March 2025: £19,187) and is included within Land and Buildings.

Note 15 Assets Held for Sale

2024/25		2025/26
£'000		£'000
0	Balance at 1 April	1,425
1,425	Assets newly classified as held for sale	532
0	Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(40)
0	Derecognition-Disposals	(275)
1,425	Balance at 31 March	1,642

Six properties have been classed as Assets Held for Sale as at the 31 March 2026 (31 March 2025: Five properties).

15.1 Revaluations

Land and buildings are revalued by qualified external valuers, Wilks Head & Eve. 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. A full valuation was carried out on the asset held for sale properties.

15.2 Fair Value Measurement

Level 2 valuation techniques have been used to determine the fair values of assets held for sale. This process requires these 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.

Note 16 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.

2024/25			2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
43,016	43,016	Opening Capital Financing Requirement	62,744	62,744
20,664	20,664	IFRS 16 Adjustment	0	0
63,680	63,680	Restated Opening Capital Financing Requirement	62,744	62,744
		Capital Investment:		
6,385	6,385	Land and buildings	3,378	3,378
0	942	Vehicles and Other Transport	0	1,236
0	2,140	Plant, Equipment and ICT	0	2,743
0	0	Intangible Assets	0	0
0	229	Revenue Expenditure Funded from Capital Under Statute	0	108
3,311	0	Intra-Group Capital Investment	4,087	0
9,696	9,696		7,465	7,465
		Less Sources of Finance:		
0	(1,235)	Grants, Contributions and Donations	0	(435)
0	(185)	Capital Receipts	0	(23)
0	(810)	Borrowing: Minimum Revenue Provision	0	(828)
0	(25)	Finance Lease: Minimum Revenue Provision	0	(9)
(3,750)	(3,750)	PFI/Loan Charge: Minimum Revenue Provision	(4,752)	(4,752)
(1,389)	(1,389)	Finance Lease: Remeasurement	(791)	(791)
(2,182)	(3,238)	Reserves	(1,348)	(4,140)
(3,311)	0	Intra-Group Less Sources of Finance	(4,087)	0
(10,632)	(10,632)	Increase/(Decrease) in Capital Financing Requirement	(10,978)	(10,978)
62,744	62,744	Closing Capital Financing Requirement	59,231	59,231
		Represented by:		
34,143	34,143	PFI and Pre 90 Loan	30,784	30,784
15,000	15,000	External Borrowing	14,500	14,500
12,523	12,523	Internal Borrowing	13,669	13,669
1,078	1,078	Finance Lease Liabilities including Prepayment Creditors	278	278
62,744	62,744		59,231	59,231
		Borrowing During the Year		
15,351	15,351	PFI and Pre 90 Loan	(3,359)	(3,359)
900	900	External Borrowing	(500)	(500)
2,464	2,464	Internal Borrowing	1,146	1,146
1,013	1,013	Finance Lease Liabilities including Prepayment Creditors	(800)	(800)
19,728	19,728		(3,513)	(3,513)

Note 17 Debtors

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
1,778	5,732	Central Government Bodies	1,024	9,302
2,737	5,502	Other Local Authorities	2,712	5,871
0	85	National Health Service	0	6
45	6,029	Other Entities and Individuals	44	8,546
4,560	17,348	Total Debtors	3,780	23,725

Note 18 Cash and Cash Equivalents

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
55	55	Cash held by the Commissioner (Amortised Cost)	25	25
1,687	1,687	Bank operational current accounts (Amortised Cost)	1,555	1,555
1,742	1,742	Total Cash and Cash Equivalents (Amortised Cost)	1,580	1,580
700	700	Bank operational current accounts (FVPL)	95	95
18,676	18,676	Short-term deposits (FVPL)	13,923	13,923
19,376	19,376	Total Cash and Cash Equivalents (FVPL)	14,018	14,018
21,118	21,118	Total Cash and Cash Equivalents	15,598	15,598

Note 19 Creditors

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
0	(3,984)	Central Government Bodies	0	(3,565)
(2,672)	(5,745)	Other Local Authorities	(2,728)	(7,309)
(138)	(217)	National Health Service	(180)	(285)
(767)	(10,834)	Other Entities and Individuals	(480)	(11,633)
(3,577)	(20,780)	Total Creditors	(3,388)	(22,792)

The balance against other entities and individuals in the Police and Crime Commissioner Group includes accumulated absence creditors of £2.897mn recognised by the Chief Constable (2024/25 £2.938mn).

Note 20 Provisions

2025/26	Insurance £'000	Other £'000	Total £'000
Current Liabilities			
Balance at 1 April 2025	(140)	(501)	(641)
Additional provisions made	(246)	(27)	(273)
Amounts used/reversed/change in reserve	253	132	385
Balance at 31 March 2026	(133)	(396)	(529)
Long Term Liabilities			
Balance at 1 April 2025	(849)	0	(849)
Additional provisions made	(246)	0	(246)
Amounts used/reversed/change in reserve	290	0	290
Balance at 31 March 2026	(805)	0	(805)
Total Provisions Balance	(938)	(396)	(1,334)
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)

20.1 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 Dorset and the Police and Crime Commissioner for Devon and Cornwall have a single insurance policy with a stop loss of £4.4mn for public and employer's liability claims and £1.899mn for motor claims. The insurance provision is to cover any claims from 2025/26 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 2026 has been undertaken and the provision has been increased to a level estimated to be sufficient to meet all the forecast obligations.

20.2 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 2026/27.

Note 21 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 2026 are as follows:

2024/25					2025/26				
Payment for Services	Reimb. of Capital Exp	Interest	Total	Payable	Payment for Services	Reimb. of Capital Exp	Interest	Total	
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
3,496	3,991	2,041	9,528	< 1 year	3,891	4,042	1,832	9,765	
13,981	17,837	6,289	38,107	1 - 5 years	15,565	18,224	5,270	39,059	
9,896	18,403	2,514	30,813	6 - 10 years	6,816	13,321	1,533	21,670	
27,373	40,231	10,844	78,448	Total	26,272	35,587	8,635	70,494	

Future service costs are consistent with those used in the current financial year and will be remeasured annually.

Value of Assets under PFI Contracts

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

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

	2024/25	2025/26
	£'000	£'000
Balance outstanding at 1 April	(18,304)	(33,761)
IFRS 16 Adjustment	(18,231)	0
Restated Balance outstanding at 1 April	(36,535)	(33,761)
Payments during the year	3,814	3,833
Remeasurement	(172)	812
Capital expenditure incurred in the year	(868)	(1,394)
Balance outstanding at 31 March	(33,761)	(30,510)

Note 21 Private Finance Initiatives Continued

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:

2024/25		2025/26
£'000	Assets	£'000
11,920	Opening Balance	11,926
1,156	Additions/Development/Lifecycle	1,405
(1,009)	Revaluations	100
(141)	Depreciation	(137)
11,926	Closing Balance	13,294

Note 22 Leases

22.1 The Group as Lessee

The Police and Crime Commissioner Group's lease contracts comprise of operational land and buildings.

There are 9 leases in place as at 31 March 2026.

22.1.1 Right-of-Use Assets

This table shows the change in value of the right-of-use assets held under leases by the Group.

Movements for 2025/26	Land and Buildings		Total
	Right of Use	Peppercorn	
	£'000	£'000	
Balance at 1 April 2025	772	1,053	1,825
Additions/Remeasurement	(385)	(312)	(697)
Revaluation recognised in the Revaluation Reserve	165	248	413
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(35)	0	(35)
Depreciation	(132)	(28)	(160)
Disposals	0	0	0
Reclassification	10	0	10
Balance at 31 March 2026	395	961	1,356

Movements for 2024/25	Land and Buildings		Total
	Right of Use	Peppercorn	
	£'000	£'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)
Balance at 31 March 2025	772	1,053	1,825

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

Note 22 Leases Continued

22.1.2 Transactions Under Leases

The Group incurred the following expenses and cash flows in relation to leases.

	2024/25	2025/26
	£'000	£'000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	70	55
Expense relating to short-term leases	31	0
Expense relating to exempt leases of low-value items	2	0
Variable lease payments not included in the measure of lease liabilities	398	280
Balance at 31 March 2025	501	335

	2024/25	2025/26
	£'000	£'000
Cashflow Statement		
Minimum lease payments	149	149
	149	149

22.1.2 Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands.

Maturity Analysis of Lease Liabilities	31 March 2025	31 March 2026
	£'000	£'000
Less than one year	(103)	(63)
One to five years	(279)	(64)
More than five years	(374)	(151)
Total Liabilities	(756)	(278)

Note 23 Borrowing

The maturity analysis of borrowing is as follows:

31 March 2025			31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(500)	(500)	Contractual Maturity		
		Less than one year	(500)	(500)
(500)	(500)	Total Short Term Borrowing	(500)	(500)
(10,500)	(10,500)	More than one year less than five years	(10,000)	(10,000)
(4,000)	(4,000)	Between five and ten years	(4,000)	(4,000)
(14,500)	(14,500)	Total Long Term Borrowing	(14,000)	(14,000)
(15,000)	(15,000)	Total Borrowing for Capital Investment	(14,500)	(14,500)

31 March 2025			31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(17,500)	(17,500)	Contractual Maturity		
		Less than one year*	(15,000)	(15,000)
(17,500)	(17,500)	Total Short Term Borrowing	(15,000)	(15,000)
(17,500)	(17,500)	Total Borrowing for Cashflow Purposes	(15,000)	(15,000)

31 March 2025			31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(18,000)	(18,000)	Total Short Term Borrowing	(15,500)	(15,500)
(14,500)	(14,500)	Total Long Term Borrowing	(14,000)	(14,000)

Note 24 Financial Instruments

24.1 Categories of Financial Instruments

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

	Long Term		Current	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents (17.1.2)				
Amortised cost	0	0	1,742	1,580
Fair value through profit or loss	0	0	19,376	14,018
Total Cash and Cash Equivalents	0	0	21,118	15,598
Debtors (Trade Receivables)**				
Amortised cost	0	0	1,364	3,040
Total included in Debtors	0	0	1,364	3,040
Liabilities (17.1.3)				
PFI liabilities	(31,164)	(27,738)	(2,597)	(2,772)
Total PFI Liabilities	(31,164)	(27,738)	(2,597)	(2,772)
Pre 90 Loan at amortised cost	(275)	(167)	(107)	(107)
Finance leases at amortised cost	(653)	(215)	(103)	(63)
Total Other Liabilities	(928)	(382)	(210)	(170)
Borrowing (17.1.4)				
Amortised cost	(14,500)	(14,000)	(18,000)	(15,500)
Total Borrowing	(14,500)	(14,000)	(18,000)	(15,500)
Creditors (Trade Payables)***				
Amortised cost	0	0	(7,229)	(8,062)
Total included in Creditors	0	0	(7,229)	(8,062)

* 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 £3.040mn shown above is the net balance after removing non-cashable items such as prepayments, £5.505mn from the other entities and individual's debtor balance of £8.545mn as shown in the debtors note.

*** The trade payables figure of (£8.062mn) shown above is the net balance after removing non-cashable items such as accumulated absence of (£2.945mn) and receipts in advance of (£626,000) from the other entities and individual's creditor balance of (£11.633mn) as shown in the creditors note.

24.1.1 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.

24.1.2 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.

Note 24 Financial Instruments Continued

24.1.3 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 to the end of 2031/32. 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 to the end of 2034/35. Government grants are received annually towards the costs of these schemes.

24.1.4 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.

24.2 Income, Expense, Gains and Losses

Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure	2024/25 £'000	2025/26 £'000
Net (gains)/losses on:		
Financial assets measured at amortised cost	0	5
Total net (gains)/losses	0	5
Interest revenue		
Financial assets measured at fair value through profit and loss	(1,022)	(804)
Financial assets measured at amortised cost	(37)	(31)
Total Interest revenue	(1,059)	(835)
Interest expense		
Financial liabilities measured at amortised cost	751	649
Total Interest expense	751	649

24.3 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 2026 have been calculated using interest rates in force and with reference to quoted markets where appropriate as at 31 March 2025 and 2026
- The long-term borrowing as at 31 March 2025 and 31 March 2026 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

Note 24 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 2025	31 March 2025	31 March 2026	31 March 2026
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Short term investments				
Investments held at FVPL	0	0	0	3,000
Cash and cash equivalents				
Investments held at amortised cost	1,742	1,742	1,580	1,580
Investments held at FVPL	19,376	19,376	14,018	14,018
Debtors (Trade Receivables)	1,364	1,364	3,040	3,040
	22,482	22,482	18,638	21,638
	31 March 2025	31 March 2025	31 March 2026	31 March 2026
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Pre 90 Loan	(382)	(382)	(274)	(274)
PFI liabilities	(33,761)	(33,761)	(30,510)	(30,510)
Borrowing	(32,500)	(32,118)	(29,500)	(29,211)
Finance Lease	(756)	(756)	(278)	(278)
Creditors (Trade Payables)	(7,229)	(7,229)	(8,062)	(8,062)
	(74,628)	(74,246)	(68,624)	(68,335)

24.4 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.

Note 24 Financial Instruments Continued

24.4.1 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+.

24.4.2 Credit Risk Management Practices

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

For 2025/26, a 0.25% 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 £25,000.

24.4.3 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 2026 is shown in the borrowing note.

At 31 March 2026 the Police and Crime Commissioner held £15.152mn (31 March 2025: £20.446mn) in on-call and money market fund accounts to manage short term liquidity requirements and £3mn with a Local Authority.

24.4.4 Market Risk

24.4.4.1 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.

Note 24 Financial Instruments Continued

All borrowing held at 31 March 2026 is with fixed interest rates. The majority of investments held have variable rates. One investment of £3mn is held with a Local Authority and is due to mature in November 2026. If interest rates had been 1% higher with all other variables held constant, the financial effect on interest receivable on investments would be £169,000. 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.

24.4.4.2 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 25 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 is 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.

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

Note 25 Defined Benefit Pension Schemes Continued

25.1 Police Officer Schemes

25.1.1 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.

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

2024/25 £'000		2025/26 £'000
(1,134,961)	Opening balance at 1 April	(1,119,439)
(13,852)	Current service cost	(8,823)
(54,442)	Interest cost	(63,399)
(8,431)	Contributions from scheme participants	(8,524)
	Remeasurement gains and (losses):	
(10,777)	• Actuarial gains/(losses) arising from changes in demographic assumptions	(20,878)
154,543	• Actuarial gains/(losses) arising from changes in financial assumptions	47,170
(108,314)	• Experience gains/(losses) on defined benefit obligation	(3,226)
54,871	Benefits paid	59,590
1,924	Injury pension payments	2,407
(1,119,439)	Closing balance at 31 March	(1,115,122)

25.1.3 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.

Note 25 Defined Benefit Pension Schemes Continued

2024/25 £'000	Comprehensive Income and Expenditure Statement	2025/26 £'000
	Cost of Services	
13,852	Current service cost	8,823
	Financing and Investment Income and Expenditure	
54,442	Net interest expense	63,399
68,294	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	72,222
	Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
10,777	• Actuarial (gains)/losses arising on changes in demographic assumptions	20,878
(154,543)	• Actuarial (gains)/losses arising on changes in financial assumptions	(47,170)
108,314	Experience (gains)/losses on defined benefit obligation	3,226
32,842	Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statements	49,156
	Movement In Reserves Statement	
(68,294)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(72,222)
	Actual amounts charged against the General Fund Balance for pensions in the year:	
24,581	Employers' contributions payable to scheme	25,769
23,782	Home Office Top Up Grant	27,704

25.1.4 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 £1.115bn 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 2027 is £24.556mn.

Note 25 Defined Benefit Pension Schemes Continued

25.1.5 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 will be carried out as at 31 March 2024.

The significant assumptions used by the actuary have been:

2024/25	Mortality Assumptions:	2025/26
	Longevity at 65 for current pensioners:	
21.2	Men	21.9
23.4	Women	23.8
	Longevity at 65 for future pensioners:	
22.5	Men	23.4
24.8	Women	25.4
	Financial Assumptions:	
3.20%	Rate of RPI Inflation	3.30%
3.90%	Rate of increase in salaries	3.90%
2.90%	Rate of increase in pensions	2.90%
5.80%	Rate for discounting scheme liabilities	6.10%

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. In practice, this is unlikely to occur, and 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 2024/25.

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)	35,682	(34,517)
Rate of increase in salaries (increase or decrease by 0.1%)	1,298	(1,292)
Rate of increase in pensions (increase or decrease by 0.1%)	14,337	(14,006)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(14,828)	15,172

26.1.6 Amendments to member contribution structures

Following consultation, the Government has recently announced changes to the member contribution structures for both the Police Pension Schemes, which take effect from 1 April 2026. The changes are anticipated to lead to a slight increase in the average rate of member contributions paid into these Schemes. One consequence of these amendments is that the theoretical future cost of member benefits attributable to authorities is expected to slightly decrease, all else being equal. The impact of this reflected within the projected service cost for the period after 1 April 2026.

Note 25 Defined Benefit Pension Schemes Continued

25.2 Police Staff Scheme

25.2.1 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.

25.2.2 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.

2024/25		Comprehensive Income and Expenditure Statement	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
		Cost of Services		
		Service cost comprising:		
222	8,091	• Current service cost	183	6,407
6	216	• Administration Expenses	6	213
		Financing and Investment Income and Expenditure		
(6)	(210)	Net interest expense	(7)	(254)
222	8,097	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	182	6,366
		Other Post-Employment Benefits Charged to Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
11	409	• Return on plan assets (excluding the amount included in the net interest expense)	(513)	(18,010)
(16)	(600)	• Actuarial (gains)/losses arising on changes in demographic assumptions	(44)	(1,556)
(1,224)	(44,644)	• Actuarial (gains)/losses arising on changes in financial assumptions	(361)	(12,660)
1	0	Apportionment Adjustment	(328)	0
0	0	Other actuarial (gains)/losses	37	1,283
(16)	(577)	Experience (gains)/losses on defined benefit obligation	537	18,834
1,262	46,048	Changes in effect of asset ceiling	450	15,774
240	8,733	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	(40)	10,031

Note 25 Defined Benefit Pension Schemes Continued

2024/25		Movement in Reserves Statement	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(222)	(8,097)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(182)	(6,366)
Funded Liabilities		Funded Liabilities	Funded Liabilities	
PCC £'000	PCC Group £'000	Actual amount charged against the General Fund Balance for pensions in the year:	PCC £'000	PCC Group £'000
239	8,734	Employers' contributions payable to scheme	255	8,946
Unfunded Liabilities		Unfunded Liabilities	Unfunded Liabilities	
PCC £'000	PCC Group £'000	Actual amount charged against the General Fund Balance for pensions in the year:	PCC £'000	PCC Group £'000
0	13	Retirement benefits payable to pensioners	0	13

25.2.3 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 2025			31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(6,893)	(227,895)	Present value of the defined benefit obligation	(7,394)	(245,442)
(1,940)	(70,810)	Changes in effect of asset ceiling	(2,586)	(90,726)
8,184	298,628	Fair value of plan assets	9,548	335,019
(649)	(77)	Net liability arising from defined benefit obligation	(432)	(1,149)

Note 25 Defined Benefit Pension Schemes Continued

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

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(5,984)	(266,810)	Opening balance at 1 April	(6,893)	(227,895)
(222)	(8,089)	Current service cost	(183)	(6,407)
(352)	(12,865)	Interest cost	(375)	(13,141)
(85)	(3,117)	Contributions from scheme participants	(91)	(3,199)
		Remeasurement gains/(losses):		
16	600	• Actuarial gains/(losses) arising from changes in demographic assumptions	44	1,556
1,223	44,644	• Actuarial gains/(losses) arising from changes in financial assumptions	361	12,660
16	577	• Experience gains/(losses) on defined benefit obligation	(537)	(18,834)
(1,975)	0	Apportionment adjustment	0	0
470	17,165	Benefits paid	280	9,818
(6,893)	(227,895)	Closing balance at 31 March	(7,394)	(245,442)

25.2.5 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 2027 is estimated to be £8.363mn of which £238,000 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 2026. These projections are based on the assumptions as at 31 March 2026.

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
5,983	290,313	Opening fair value of scheme assets	8,184	298,628
390	14,241	Interest income	500	17,537
		Remeasurement gains/(losses):		
(11)	(409)	• The return on plan assets, excluding the amount included in the net interest expense	513	18,010
1,974	0	Apportionment adjustment	328	0
(7)	(216)	Administration expenses	(6)	(213)
240	8,747	Contributions from employer	255	8,959
85	3,117	Contributions from employees into the scheme	91	3,199
(470)	(17,165)	Benefits paid	(280)	(9,818)
0	0	Other actuarial gains/(losses)	(37)	(1,283)
8,184	298,628	Closing fair value of scheme assets	9,548	335,019

Note 25 Defined Benefit Pension Schemes Continued

25.2.6 Local Government Pension Scheme assets comprised:

31 March 2025			31 March 2026	
PCC	PCC Group	Fair Value of Scheme assets	PCC	PCC Group
£'000	£'000		£'000	£'000
		Cash and cash equivalents		
5,132	187,298	UK Equities	6,169	216,430
546	19,917	Diversified Growth Fund	608	21,339
537	19,592	Other Bonds	594	20,851
573	20,909	Property	609	21,366
629	22,942	Infrastructure	717	25,152
179	6,516	Cash	200	7,031
588	21,454	Multi Asset Credit	651	22,850
8,184	298,628	Total	9,548	335,019

25.2.7 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 2025.

The significant assumptions used by the actuary have been:

2024/25		2025/26
	Long-term expected rate of return on assets in the scheme:	
5.85%	Equity investments	6.20%
5.85%	Bonds	6.20%
5.85%	Other	6.20%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.8	Men	22.3
24.0	Women	23.2
	Longevity at 65 for future pensioners:	
23.1	Men	23.9
25.4	Women	24.9
	Financial Assumptions:	
3.10%	Rate of RPI inflation	3.25%
3.85%	Rate of increase in salaries	3.90%
2.85%	Rate of increase in pensions	2.90%
5.85%	Rate for discounting scheme liabilities	6.20%

The past service liability duration has been estimated at 17 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2025. 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 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 2024/25.

Note 25 Defined Benefit Pension Schemes Continued

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 £90.726mn. 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 2025			31 March 2026		
PCC	PCC Group		PCC	PCC Group	
£'000	£'000	Net Pension Asset in the Statement of Financial Position	£'000	£'000	
6,893	227,895	Present value of the defined benefit obligation	7,394	245,442	
(2)	(77)	Present value of unfunded obligation	(2)	(70)	
6,891	227,818	Present value of funded obligation	7,392	245,372	
(8,184)	(298,628)	Fair value of fund assets	(9,548)	(335,019)	
(1,293)	(70,810)	Deficit/(Surplus)	(2,156)	(89,647)	
1,940	70,810	Impact of asset ceiling	2,586	90,726	
2	77	Present value of unfunded obligation	2	70	
649	77	Net defined benefit liability/(asset)	432	1,149	

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 £89.647mn, the initial impact of the asset ceiling is £89.647mn. The Police and Crime Commissioner Group is paying secondary contributions. The actuaries have assessed this minimum requirement and calculated that it constitutes an onerous funding commitment. Therefore, there is an additional liability of £1.079mn to be recognised. In addition, there is an unfunded liability of £70,000 resulting in a final deficit to be recognised of £1.149mn.

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

	PCC	PCC Group
	£'000	£'000
Opening impact of asset ceiling	1,940	70,810
Interest on impact of asset ceiling	118	4,142
Actuarial losses / (gains)	528	15,774
Closing impact of asset ceiling	2,586	90,726

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

Note 25 Defined Benefit Pension Schemes Continued

25.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £'000	Decrease in Assumption £'000
PCC		
Mortality age rating assumption (increase or decrease in 1 year)	200	(194)
Rate of increase in salaries (increase or decrease by 0.1%)	8	(8)
Rate of increase in pensions (increase or decrease by 0.1%)	114	(82)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(111)	114
PCC Group		
Mortality age rating assumption (increase or decrease in 1 year)	7,013	(6,804)
Rate of increase in salaries (increase or decrease by 0.1%)	265	(264)
Rate of increase in pensions (increase or decrease by 0.1%)	3,993	(2,873)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(3,910)	4,011

25.2.9 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.

25.2.10 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 is currently reviewing historic amendments to the Local Government Pension Scheme in this context and the Scheme Advisory Board are liaising with Government Actuary's Department 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 Local Government Pension Scheme 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 Local Government Pension Scheme.

25.2.11 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 17 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 2028 and will set contributions for the period from 1 April 2029 to 31 March 2032.

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

Note 25 Defined Benefit Pension Schemes Continued

25.2.12 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 2025			31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
		Police Officers Pension Schemes		
0	(1,119,439)	Present value of the defined benefit obligation - Pensions Liabilities - Intra-Group Creditor	0	(1,115,122)
0	(1,119,439)	Total Police Officer benefit obligation	0	(1,115,122)
		Police Staff Pension Scheme		
(6,893)	(227,895)	Present value of the defined benefit obligation	(7,394)	(245,442)
(1,940)	(70,810)	Changes in effect of asset ceiling	(2,586)	(90,726)
8,184	298,628	Fair value of plan assets	9,548	335,019
(649)	(77)	Total Police Staff benefit obligation	(432)	(1,149)
(1,119,439)		Police Officer Pensions Liabilities - Intra-Group Creditor	(1,115,122)	
572		Police Staff Pensions Liabilities - Intra-Group Creditor	(717)	
(1,118,867)		Total Intra-Group Adjustment	(1,115,839)	

Note 26 Contingent Liabilities

26.1 Pension Guarantee

The Police and Crime Commissioner has along with 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.

26.2 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.

26.3 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. 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. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions and Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Pennington's claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

26.4 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.

Note 27 Unusable Reserves

31 March 2025			31 March 2026	
£'000	Note		£'000	
24,658	27.1	Revaluation Reserve	27,199	
(14,262)	27.2	Capital Adjustment Account	(12,184)	
(1,119,516)	27.3	Pensions Reserve	(1,116,271)	
580	27.4	Collection Fund Adjustment Account	21	
(2,938)	27.5	Accumulated Absences Account	(2,945)	
(1,111,478)		Total Unusable Reserves	(1,104,180)	

27.1 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.

2024/25		Revaluation Reserve	2025/26	
£'000	£'000		£'000	£'000
	25,276	Balance at 1 April		24,658
	(178)	IFRS 16 Adjustment		0
	25,098	Restated Balance at 1 April		24,658
	(376)	Upward/(Downward) revaluation of assets and impairment losses not posted to the Surplus/Deficit on the Provision of Services		2,604
(64)		Difference between fair value depreciation and historical cost depreciation	(63)	
0		Accumulated gains on assets sold or scrapped	0	
	(64)	Amount written off to the Capital Adjustment Account		(63)
	24,658	Balance at 31 March		27,199

Note 27 Unusable Reserves Continued

27.2 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 subsequent costs 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 subsequent expenditure. 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.

2024/25 £'000	Capital Adjustment Account	2025/26 £'000
3,378	Balance at 1 April	(14,262)
(17,444)	IFRS 16 Adjustment	0
(14,066)	Restated Balance at 1 April	(14,262)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(4,428)	• Charges for depreciation and impairment of non-current assets	(4,516)
(4,626)	• Revaluation losses on Property, Plant and Equipment and Assets Held for Sale	(2,641)
(9)	• Amortisation of Intangible assets	(2)
(229)	• Revenue expenditure funded from capital under statute	(108)
(222)	• 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	(998)
(9,514)		(8,265)
64	Adjusting amounts written out of the Revaluation Reserve	63
(9,450)	Net written out amount of the cost of non-current assets consumed in the year	(8,202)
	Capital Financing applied in the year:	
0	• Transfer of sale proceeds to the Capital Receipts Reserve and application to finance new capital expenditure and disposal costs	23
1,235	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	435
4,585	• Statutory provision for the financing of capital investment charged against the General Fund balances	5,577
3,238	• Capital expenditure charged against the General Fund balances	4,141
9,058		10,176
196	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	104
(14,262)	Balance at 31 March	(12,184)

Note 27 Unusable Reserves Continued

27.3 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.

2024/25		Pension Reserve	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(1,135,054)	(1,135,054)	Balance at 1 April	(1,119,516)	(1,119,516)
15,539	0	Intra-Group Adjustments	2,948	0
(18)	34,816	Re-measurements of the net defined benefit liability/(asset)	224	19,401
(222)	(76,391)	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	(181)	(78,588)
239	57,113	Employer's pensions contributions and direct payments to pensioners payable in the year	254	62,432
(1,119,516)	(1,119,516)	Balance at 31 March	(1,116,271)	(1,116,271)

27.4 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.

2024/25 £'000	Collection Fund Adjustment Account	2025/26 £'000
674	Balance at 1 April	580
(94)	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	(559)
580	Balance at 31 March	21

Note 27 Unusable Reserves Continued

27.5 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.

2024/25		Accumulated Absences Account	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(26)	(2,697)	Balance at 1 April	(45)	(2,938)
26	2,697	Settlement or cancellation of accrual made at the end of the preceding year	45	2,938
(45)	(2,938)	Amounts accrued at the end of the current year	(48)	(2,945)
(19)	(241)	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	(3)	(7)
(45)	(2,938)	Balance at 31 March	(48)	(2,945)

Note 28 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.

28.1 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.

28.2 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.

28.3 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.

Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Current Year - Police and Crime Commissioner Group	2025/26			Unusable Reserves
	Usable Reserves		Capital Grants Unapplied	
	General Balances	Capital Receipts Reserve		
	£'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)	16,156	0	0	(16,156)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	559	0	0	(559)
Holiday pay (transferred to the Accumulated Absences Reserve)	7	0	0	(7)
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):	8,384	0	0	(8,384)
Total Adjustments to Revenue Resources	25,106	0	0	(25,106)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(332)	332	0	0
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(516)	0	348	168
Statutory provision for the repayment of debt (transfer from the CAA)	(5,589)	0	0	5,589
Capital expenditure financed from revenue balances (transfer to the CAA)	(4,140)	0	0	4,140
Capitalisation Directive	0	0	0	0
Total Adjustments between Revenue and Capital Resources	(10,577)	332	348	9,897
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(23)	0	23
Application of Capital Grants to finance capital expenditure	0	0	(435)	435
Total Adjustments to Capital Resources	0	(23)	(435)	458
Total Adjustments excluding Earmarked Adjustments	14,529	309	(87)	(14,751)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				44
Total Adjustments including Earmarked Adjustments				(14,707)

Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Comparative Year - Police and Crime Commissioner Group	2024/25			Unusable Reserves £'000
	Usable Reserves		Capital Grants Unapplied	
	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				0
Total Adjustments including Earmarked Adjustments				(19,873)

Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations Continued

Current Year - Police and Crime Commissioner	2025/26			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)	(74)	0	0	74
Pensions costs - Intra-Group Transactions	16,229	0	0	(16,229)
Pensions Remeasurement - Intra-Group Transactions	(19,177)	0	0	19,177
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	559	0	0	(559)
Holiday pay (transferred to the Accumulated Absences Reserve)	3	0	0	(3)
Holiday pay - Intra-Group Transactions	4	0	0	(4)
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)):	4,711	0	0	(4,711)
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	3,674	0	0	(3,674)
Total Adjustments to Revenue Resources	5,929	0	0	(5,929)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(332)	332	0	0
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(516)	0	348	168
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(5,589)	0	0	5,589
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	(4,140)	0	0	4,140
Capitalisation Directive	0	0	0	0
Total Adjustments between Revenue and Capital Resources	(10,577)	332	348	9,897
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(23)	0	23
Application of Capital Grants to finance capital expenditure	0	0	(435)	435
Total Adjustments to Capital Resources	0	(23)	(435)	458
Total Adjustments excluding Earmarked Adjustments	(4,648)	309	(87)	4,426
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				44
Total Adjustments including Earmarked Adjustments				4,470

**Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations
Continued**

Comparative Year - Police and Crime Commissioner	2024/25			Unusable Reserves
	Usable Reserves		Capital Grants Unapplied	
	General Balances	Capital Receipts Reserve		
	£'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)	0	0	0	0
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	
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				0
Total Adjustments including Earmarked Adjustments				14,961

Note 29 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 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance at 31 March 2025	Transfer Out 2025/26	Transfer In 2025/26	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget Management Fund	819	(184)	613	1,248	(294)	2,737	3,691
Regional Collaboration Reserve	34	(1)	0	33	(20)	0	13
Workforce Change Reserve	643	(300)	0	343	0	0	343
Capital Financing Reserve	0	0	813	813	(108)	1,185	1,890
PEQF Reserve	47	(47)	0	0	0	0	0
Learning and Development Reserve	46	(9)	0	37	0	0	37
Office of the PCC Legal Reserve	250	0	17	267	(17)	0	250
Police and Crime Plan	461	0	412	873	0	451	1,324
Dorset OPCC Reserve	417	(24)	39	432	(103)	6	335
Forensics Capability Network Reserve	267	(279)	276	264	(58)	3	209
Dorset OPCC Violence Reduction Reserve	770	(104)	0	666	(166)	0	500
Strategic Change Reserve	0	0	324	324	0	0	324
Invest to Save Reserve	0	0	0	0	0	250	250
Insurance Reserve	0	0	0	0	(200)	200	0
Total	3,754	(948)	2,494	5,300	(966)	4,832	9,166

The purpose of the Funds and Reserves held at 31 March 2026 are set out below:

Budget Management Fund Reserve	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.
Office of the PCC Legal Reserve	To fund legal costs as required by the Office of the Police and Crime Commissioner.
Police and Crime Plan Reserve	To fund planned Police and Crime Plan developments.
Dorset OPCC Reserve	To fund additional projects and pilot schemes within the Office.

Note 29 Movement in Earmarked Reserves Continued

Forensics Capability Network Reserve	To fund continuing projects of the Forensic Capability Network.
Dorset OPCC Violence Reduction	To fund projects to help reduce violence.
Strategic Change Reserve	To hold funding for future change projects.
Invest to Save Reserve	To fund projects which generate an ongoing cashable saving.
Insurance Reserve	To set aside funds towards future insurance claims but now covered by General Reserves therefore no longer required

Note 30 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	Capital Grants Unapplied	Total
	£'000	£'000	£'000
Balance at 1 April 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
Financing of Fixed Assets	(23)	(435)	(458)
Capital Grants/Receipts Received	332	348	680
Balance at 31 March 2026	2,979	0	2,979
Net Movement for 2024/25	(947)	87	(860)
Net Movement for 2025/26	309	(87)	222

The capitalisation directive in 2024/25 of £947,000 relates to the flexible use of capital receipts to support the Mutual Agreement Resignation Scheme.

Notes to the Cash Flow Statement



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Notes to the Cash Flow Statement

Note 31 Cash Flow Statement – Operating Activities

Note 32 Cash Flow Statement – Investing Activities

Note 33 Cash Flow Statement – Financing Activities

Note 31 Cash Flow Statement – Operating Activities

2024/25	2024/25		2025/26	2025/26
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(21,827)	(13,137)	Net cash receipts/(payments) from operating activities excluding interest receipts and payments	(12,011)	(6,864)
8,690	0	Net cash receipts/(payments) from operating activities excluding interest receipts and payments - Intra-Group Transaction	5,147	0
(1,059)	(1,059)	Interest received	(835)	(835)
751	751	Interest paid	649	649
(13,445)	(13,445)	Net cash flows from operating activities	(7,050)	(7,050)

Note 32 Cash Flow Statement – Investing Activities

2024/25	2024/25		2025/26	2025/26
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
5,647	8,729	Purchase of property, plant and equipment, investment property and intangible assets	2,762	6,742
3,082	0	Purchase of property, plant and equipment, investment property and intangible assets - Intra-Group Transaction	3,980	0
0	0	Short-term redemptions	0	0
(185)	(185)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(332)	(332)
8,544	8,544	Net cash flows from investing activities	6,410	6,410

Note 33 Cash Flow Statement – Financing Activities

2024/25	2024/25		2025/26	2025/26
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(17,500)	(17,500)	Short-term Loans received	(22,100)	(22,100)
13,000	13,000	Short-term Loans repaid	24,600	24,600
0	0	Long-term Loans received	0	0
500	500	Long-term Loans repaid	500	500
1,419	1,419	Cash payments to reduce finance lease liabilities	1,303	1,303
1,907	1,907	Cash payments to reduce on balance sheet liabilities	1,857	1,857
(674)	(674)	Net cash flows from financing activities	6,160	6,160

Pension Fund Statement



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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 2025 £'000		31 March 2026 £'000
	Contributions Receivable	
(21,650)	Employers (normal)	(22,143)
(8,431)	Employees (normal)	(8,524)
(1,008)	Ill Health capital charge	(1,219)
	Transfers In	
(21)	Individual transfers from other schemes	(7)
	Benefits payable	
48,424	Pensions	50,621
6,135	Commutations and lump sum retirement benefits	8,890
163	Lump sum death payments	0
	Payment to and on account of leavers	
170	Individual transfers to other schemes	86
23,782	Net amount paid during the year	27,704
(23,782)	Transfer from Police Fund*	(27,704)
0	Net amount payable / receivable for the year	0
*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office		
24,770	Received in year	32,966
(988)	Debtor	(5,262)
23,782		27,704

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 2025/26. 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 2026.

Glossary



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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 Staffing	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.)

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.

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.

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.
TUPE	Transfer of Undertakings Protection of Employment.