THE POLICE AND CRIME COMMISSONER FOR DYFED-POWYS

STATEMENT OF GROUP ACCOUNTS



FOR THE YEAR ENDED
31 MARCH 2026

Comisiynydd Heddlu a Throseddu
Dyfed-Powys
Police and Crime Commissioner

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Narrative Report

1. Introduction

The Police Reform and Social Responsibility Act 2011 created two corporations sole within each police force area; the Police and Crime Commissioner (PCC) and the Chief Constable. Each has a clear and separate statutory remit.

The establishment of the two corporations sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. The Chief Constable produces separate accounts for the Dyfed-Powys Police Force.

Mr Dafydd Llywelyn was re-elected for a third term as Commissioner in May 2024. Dr Richard Lewis took up the post of Chief Constable in December 2021, returning to the Force after two years as Chief Constable of Cleveland Police. The Commissioner and Chief Constable have continued to work together constructively to deliver positive outcomes for the communities of the Dyfed-Powys area. Dr Richard Lewis relinquished the post of Chief Constable on 16 June 2025, with the Deputy Chief Constable Ifan Charles being appointed as Temporary Chief Constable from that date. Ifan Charles was subsequently appointed as the permanent Chief Constable on 7 October 2025.

This Narrative Report outlines the main objectives, strategies, and principal risks that the Commissioner and the Chief Constable of Dyfed-Powys Police face. It provides a commentary on how resources have been used to achieve desired outcomes in line with these objectives and strategies.

It aims to give a fair, balanced, and understandable analysis of financial and operational performance. This can be used to provide context to the information included with the financial statements to aid the reader's understanding. The Narrative Report focuses on the following areas:

- Organisational Overview and External Environment
- Governance and Performance
- The Organisational Model
- Financial Performance
- Risks, Opportunities, and the Medium-Term Financial Outlook
- Police Reform
- Basis of Preparation and Presentation

2 Organisational Overview and External Environment

Spanning 4,188 square miles, Dyfed-Powys is geographically the largest police force in England and Wales. With 8,500 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



The resident population of around 524,300 is spread across extensive rural areas, holiday, and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour, and roads policing.

The Welsh language is spoken by 42% of the residents of the Dyfed-Powys area compared to the national average of 33%. Both the Commissioner and the Chief Constable are committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate in the Welsh language.

Policing is a non-devolved policy area in Wales, with powers reserved to the UK Government rather than the Welsh Government. Much of the work undertaken across the four county areas is however, rightly done in partnership with local authorities, fire authorities, local health boards, and many other partners including the third sector. Dyfed-Powys Police, along with the Commissioner and his Office, also collaborate with other Welsh forces across a broad range of policing and business support functions including armed response and responding to the threat of organised crime and terrorism.

Pressures continue to arise from the changing nature of crime and incidents and more recently from a complex array of financial and economic consequences arising from the cost-of-living crisis and various conflicts which have affected the UK economy. This has resulted in significant inflationary cost pressures for Dyfed-Powys Police, necessitating the incorporation of a £2.8m cost reduction plan to balance the 2025/26 budget, despite an 8.6% increase in council tax at Band D and the utilisation of £2.2m from reserves to meet one-off expenditure pressures during the year.

Against a challenging financial backdrop, operational demands continue to grow and become increasingly complex. The Force continues to evolve quickly to respond to new risks, threats, and changes in technology, many of which have required new ways of working. In order to

secure uplift funding, the Force was required to meet an officer uplift target set by the Home Office, by maintaining an overall officer headcount of 1,310 in September 2025 and March 2026. It also needed to expand the number of officers undertaking Neighbourhood Policing roles by 33 positions by March 2026. Both these targets were achieved in the year. The summer period was challenging in relation to demand, exacerbated by the need to provide support to other forces with the national response to riots and protests.

The Commissioner is responsible for setting strategic priorities for policing in the Dyfed-Powys area through the production of a Police and Crime Plan, ensuring business is conducted in accordance with the law and that proper standards are achieved and maintained.

After extensive consultation, the Commissioner launched a new Police and Crime Plan in February 2025 covering the period 2025 to 2029. The overarching vision is to improve trust and confidence in Dyfed-Powys Police and the criminal justice system in its totality. The plan sets out three priorities and six guiding principles which will underpin delivery:

Priorities	Guiding Principles
Supporting Victims and Preventing Victimisation	Partnership Working
Supporting Safe Communities by Preventing Harm	Shared Endeavours for Policing in Wales
Support a more Effective Justice System	Governance and Accountability
	Sustainability
	Engagement and being the Voice of the Community
	A Tailored, Person-Centred Approach

After considerable engagement with the workforce, partners and the public, the Chief Constable set out updated Force organisational priorities in an “Our Plan” document released in 2025. This includes the following complementary priorities:

Priorities
A compassionate response to victims of domestic abuse and stalking and the relentless pursuit of offenders
Making Dyfed-Powys Police hostile to those that deal drugs
A compassionate response to victims of rape and sexual assault and the relentless pursuit of offenders

Detailed strategies and delivery plans have been developed to underpin and support the delivery of the Police and Crime Plan and the Chief Constable’s priorities. The Plan is underpinned by the values:

- We act with courage
- We treat everyone with respect and empathy
- We take pride in delivering a public service

The Plan also sets out several enablers and a Force Culture Pledge that sets out our expectations from our leaders.

3 Governance and Performance

Governance

The Governance arrangements by which the Commissioner and the Chief Constable operate are complex. These have been critically reviewed over recent years and continue to be strengthened and streamlined to ensure effective organisational management, oversight and scrutiny.

The Joint Corporate Governance Framework sets out the principles, structures and processes by which the Office of the Police and Crime Commissioner and Dyfed-Powys Police are governed, both jointly and separately, and this is reviewed and updated annually.

The Commissioner and the Chief Constable each have a clear and separate statutory remit. The Commissioner is statutorily responsible for securing an efficient and effective police force and holding the Chief Constable to account for the exercise of his functions. The Commissioner is responsible for setting the annual police budget (including precept level) and ensuring that public money is accounted for and used economically, efficiently and effectively.

The operational independence of the Chief Constable is protected in legislation. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is accountable in law for the exercise of police powers and to the Commissioner for the delivery of efficient and effective policing, management of resources and Force expenditure. The Chief Constable holds Office under the Crown and is responsible for maintaining the King's Peace.

An Annual Governance Statement (AGS) is published separately, and this provides greater detail on the internal control environment and an evaluation of the governance arrangements against the seven principles for delivering good governance. All parties are expected to abide by the seven principles set out in the Standards in Public Life, known as the Nolan Principles, as well as the Code of Ethics published by the College of Policing.

Performance – Office of the Police and Crime Commissioner (OPCC)

The Commissioner continued to invest in a range of services during 2025/26 to support the delivery of Police and Crime Plan priorities:

- *Independent Stalking Advocacy Service*
  A pilot service, delivered by Paladin since September 2024, was introduced to address a gap in specialist support for high-risk stalking victims, particularly those not eligible for domestic abuse or sexual violence services. The service provides Independent Stalking Advocacy Caseworkers (ISACs), referral pathways, and multi-agency engagement to improve support for victims.

  The pilot demonstrated strong outcomes and was extended into a second year following positive feedback. Referrals increased significantly during the reporting

period, reflecting growing awareness of the service and demand for specialist stalking support. Feedback from Dyfed-Powys Police described the service as invaluable in supporting victim safety and strengthening multi-agency working. The project was awarded the winner in the VAWDASV category of the Safer Communities Awards in 2025. Positive evaluation findings have also informed the commissioning of a longer-term service through a formal tender process.

- *Support service for families bereaved by road traffic collisions*
  Together with South Wales Police, the PCC funded the launch of a specialist support service delivered by Victim Support for families who have lost loved ones in road traffic collisions across Wales. This service commenced in July 2025 and offers personalised one-to-one help, guiding families through the emotional, practical and legal challenges that tragically follow a fatal collision.

  Each family referred to the service will be offered personalised, one-to-one support from an experienced and specially trained caseworker. This dedicated caseworker will help families navigate the emotional, practical, and legal challenges that often follow a fatal collision, from providing guidance on the criminal justice process, to connecting families with additional specialist help. It is available in both English and Welsh and can be accessed via police referral or self-referral.

- *Child Focussed Courts*
  The Child Focussed Courts project is a national programme that has been developed following evidence that domestic abuse victims were being retraumatised by the current adversarial system. Through this model the court will identify families' needs earlier and work with both adults and children, as well as external agencies such as local authorities, the police and schools, to better understand families' circumstances and help them reach a safe agreement without the need for multiple hearings. Feedback received from the Mid and West Wales VAWDASV Survivor Panel demonstrates that this is an issue of concern for local victims, and it is pleasing to be approached by the Ministry of Justice to work with them to extend the existing project to the Designated Family Judge areas of Mid and West Wales via Swansea Family Court.

  The contract for the Dyfed-Powys area was awarded to a consortium between Safer Merthyr Tydfil and Thrive Women's Aid. The service went live 1 March 2025 with 263 cases referred during 2025/26. The service has successfully contacted 99% of referrals and 90% of those contacted have consented to an assessment and a report being created for the court.

- *Drug workers in custody*
  The OPCC has worked with Dyfed Drug and Alcohol Services and Kaleidoscope to ensure that drug workers have a rostered presence within custody suites, enhancing the use of drug testing on arrest and providing immediate harm reduction and brief intervention support to those whose offending is drug or alcohol related. Currently around 70% of all tests undertaken in custody are positive, resulting in a referral to substance misuse support services with a condition to attend a series of support sessions. The OPCC has also worked with Area Planning Board partners across the Dyfed-Powys area to review the current specification for substance misuse provision and a tender exercise is live across the Dyfed area for a revised service provision from May 2027.

- *Diversion opportunities for drug possession offences*
  Changes to the Out of Court Resolutions route for drug possession offences have increased opportunities for diversion and treatment by 55%, enabling more individuals to access support services at an earlier stage. This approach has also freed up the equivalent of 180 policing days, allowing a greater focus on tackling serious offending and contributing to a 15% increase in charge rates for drug trafficking offences. These offenders are referred through the PCC's existing Offender Diversion Scheme, which currently has a 95% engagement rate, with 85% of offenders reporting that they feel enabled to make positive choices following the scheme.

- *Opening of New Sexual Assault Referral Centres*
  A new Sexual Assault Referral Centre (SARC) hub opened in October 2025, providing specialist support to victims and survivors of sexual violence across the Dyfed-Powys area. The hub was built using capital funding from the Welsh Government, following a successful application by Hywel Dda University Health Board, who have also overseen the development of the facility. The services delivered from the hub are jointly funded by the PCC, Health partners and policing and offers forensic medical services, counselling and advocacy in a safe and confidential environment.

  Following the opening, renovation work was also completed at the Newtown SARC, improving the environment and support available for victims and survivors of sexual violence across the region.

- *Domestic Abuse Perpetrator programmes*
  Historically, a number of separate programmes have been delivered to address the behaviour of perpetrators of domestic abuse across the Dyfed-Powys region. In 2024 the Commissioner led a regional commissioning exercise on behalf of the Mid and West Wales Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) partnership to introduce a more coordinated and comprehensive model.

The service commenced from 1 April 2025 and offers a single point of referral into multiple interventions, tailored to the type and level of risk posed by the perpetrator. The model enables individuals to move between programmes as their risk escalates or de-escalates, ensuring the right level of intervention is available at the right time. Crucially, all programmes also include support for partners and families to enhance safety and promote change. The consortium of providers, led by Threshold Domestic Abuse Service, will also deliver the newly implemented Cautioning and Relationship Abuse (CARA) programme, supporting earlier intervention as part of the out of court resolution framework. Engagement with CARA is a pre-requisite of a conditional caution available to first-time domestic abuse perpetrators and those assessed as posing a low-level of risk or harm to their victims. It offers early intervention for domestic abuse involving intimate partners, ex-partners, and family members.

- *Social impact of commissioned services*
  The OPCC have been working towards a method for demonstrating some of the wider social and economic impact of the services commissioned.

  The initial focus has been on the service provided to victims of rape via the Independent Sexual Violence Advisory service. The Quality Assurance Panel completed a scrutiny exercise of the service in January 2025, aligned with the wider research work being undertaken.

  Similar exercises have been undertaken for the missing young people debrief service and the offender diversion scheme. The outcome of this work will be available on the PCC's website in due course.

Performance - Force

From a Force perspective, performance against key objectives is monitored and reported locally at all levels within the organisation as well as at weekly, monthly and quarterly force performance events and two-weekly Policing Board meetings.

During 2025/26, a total of 35,905 crimes were recorded, compared with 37,939 in 2024/25 – representing a decrease of 2,034 offences (5.36%), as shown in the following table:

Crimes Recorded by Crime Type	2024/25	2025/26	Difference	Difference
	Number of Recorded Crimes	Number of Recorded Crimes	Number of Recorded Crimes	%
Violence Against the Person	17,958	16,771	(1,187)	(6.61%)
Theft	4,617	4,277	(340)	(7.36%)
Arson and Criminal Damage	4,011	4,077	66	1.65%
Public Order Offences	3,938	3,479	(459)	(11.66%)
Drug Offences	1,797	2,051	254	14.13%
Sexual Offences	1,756	1,658	(98)	(5.58%)
Burglary	1,601	1,350	(251)	(15.68%)
Miscellaneous Offences	1,020	1,038	18	1.76%
Vehicle Offences	719	675	(44)	(6.12%)
Possession of Weapons	418	431	13	3.11%
Robbery	104	98	(6)	(5.77%)
Total	**37,939**	**35,905**	**(2,034)**	**(5.36%)**

Looking at the year's figures, further improvements have been made in crime recording to comply with the changes to the Home Office Counting Rules (HOCR), alongside increased proactivity in ensuring adherence to both the National Crime Recording Standard (NCRS) and the HOCR. Anti-Social Behaviour and Harassment offences have been subject to increased scrutiny nationally, which is reflected by a reduction in public order offences. This area of work remains under scrutiny, and further work is planned to ensure no crimes are being overlooked. Malicious Communication offences also remain in the spotlight to ensure the threshold is met before an offence is recorded.

35,905 crimes were assigned an outcome during 2025/26. 15% of these were Solved Outcomes (Previously referred to as 'Positive Outcomes': Outcomes 1 – 8, excluding Outcome 5), 4% were Resolved (Outcomes 5,9,10,20,22 – policing has done what it can, there is sufficient evidence, however offender not alive to prosecute, it is not in the public interest, or a diversionary route can address the behaviour). Noteworthy improvements have been made with the Solved Outcome rates for Sexual Offences (2025/26: 11%) and Shoplifting (2025/26: 35%).

The Force continues to maintain an effective and efficient 999 telephony service. 999 calls are, inevitably, prioritised above all others as they represent urgent emergency requests for assistance where time is of the essence. 67,545 999 calls were received during 2025/26 (9.3% increase). Reflecting on national reported data during the period 2025/26, the Force's average call wait time was 4.84 seconds. In terms of the Force's performance, cognisance must be given to the latency time – the time taken for a call to be transferred from the BT exchange to the Force Control Centre which is included within this reported data. Dyfed-Powys Police maintain a performance record which provides reassurance that, during the period 2025/26, 95.1% of 999 calls were answered in under 10 seconds. The Force has consistently met the monthly National Home Office 999 Key Performance Indicator (KPI) of

90% of all 999 calls presented to the Force answered within 10 seconds, monthly since January 2025. This performance evidences the continued positive impact of the new telephony and radio system that went live in November 2024, supported by additional staffing.

The public largely consider the 101 service to be a contact channel for reporting non-emergency incidents to the Police (generally, calls that do not warrant a 999 call). 176,971 101 calls were received during 2025/26 (2.5% increase). The Force has maintained its performance with answering 101 calls, with the average call waiting time for 2025/26 being 42 seconds. This is a vast improvement from 140 seconds recorded for 2024/25. This reduction in the answer time has consequently meant that callers have been less likely to abandon their calls whilst queuing, which has been positively reflected in the abandonment rate.

Abandonment levels on this service were recorded as 8.3% in March 2026. The Force has consistently remained within the national KPI of a 10% abandonment rate since January 2025. This is a vast improvement from the 33.09% abandonment rate recorded in April 2024.

The maintained increase in performance has been attributable to a number of considered measures introduced, namely the implementation of a new telephony system, a significant investment in staffing levels, changes to the existing operating model including the introduction of an omni-competent programme intended to strengthen resilience across the department, as well as the introduction of a new rota and shift pattern. This has enabled on-duty staffing levels to be maximised at any one time in line with the demand profile.

The Force offers a 24/7 Digital Contact Service which includes the Single Online Home online reporting platform (accessed via the Force website) and two-way social media communications.

During 2025/26, a total of 24,821 Single Online Home forms were submitted, an increase of 15.1% from the previous year (data source: Knowledge Hub). This demand is ever increasing with new submission form categories and services being introduced regularly. In terms of various social media channels and email communication, data shows that during 2025/26, a total of 17,897 conversations were held through social media (these include both direct messages and conversations on open channels) - this is a 7.8% increase from 16,595 conversations in 2024/25. While not yet fully quantified, direct email contact is estimated at approximately 200 emails per day.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

The Force was previously inspected under the HMICFRS's Police Effectiveness, Efficiency and Legitimacy (PEEL) 2023-25 Inspection Programme in 2023. Over this 12-month financial period, the Force has continued to make significant progress in relation to completing and signing off areas for improvement (AFIs) allocated from previous PEEL Inspections. During this period, 19 PEEL AFIs from the 2021-23 and 2023-25 inspection periods were signed off, verified and closed by HMICFRS. The remaining 4 areas for improvement have been signed off by the Force and are subject to review by HMICFRS as part the current ongoing 2025-27 PEEL inspection. An additional 5 areas for improvement from the HMICFRS thematic

inspection report in relation to Vetting, Misconduct and Integrity, have also been signed off and closed within the past 12-month period.

The Force is actively engaged in the current HMICFRS PEEL 2025-27 inspection programme, which has been ongoing over the past 12-month period. This PEEL inspection is due to conclude in early June 2026, following the final 2-week evidence gathering period.

From the last completed PEEL inspection in 2023, concerns had been highlighted, and areas for improvement allocated for: the abandonment of non-emergency calls and reviewing and understanding of risk and demand within the Force control room and the response to incidents. Both AFIs have been signed off and closed by HMICFRS following a significant programme of change, including a new contact telephony and radio system, increased resourcing and a new operating model to include omnicompetence with the Force Control Centre (FCC). This has improved service delivery, with the Force now consistently exceeding key performance indicators for call abandonment and answering times and improved focus on call volumes and ownership of incidents in lower response grades.

From the PEEL inspection in 2023, the Force were graded as 'requiring improvement' on building, supporting and protecting the workforce. Three areas for improvement were highlighted by the Inspectorate: improving training for supervisors, the effectiveness and value of the personal development reviews (PDR) and considering the welfare of officers and staff. The Force has initiated a significant programme of change through the ongoing Force and Operating Model Programme, to bolster uniform response teams whilst improving organisational effectiveness and efficiency. Training has been delivered to ensure supervisors are equipped for their roles and changes have been implemented to the PDR process to better reflect personal and departmental objectives. In addition, the Force has also invested significantly in Occupational Health and Wellbeing resources, with a focus on providing a broader range of wellbeing measures, including support for high-risk roles, and raising awareness of support services available to all staff and officers across the Force. The Force has met all these workforce AFIs over the past 12 months, with two verified by HMICFRS and one subject to review as part of the ongoing PEEL 2025-2027 inspection.

The Force has also addressed areas for improvement to increase visibility and accessibility of neighbourhood officers and improving the way it communicates with local people. The Force has a new Neighbourhood Policing Prevention Team (NPPT) Strategy & Engagement Plan, updated policy and guidance to reduce abstractions of NPPT resources. The Force has also launched a new community engagement application to improve contact and connection with our communities.

Dyfed-Powys Police has also addressed areas for improvement for protecting vulnerable people, highlighted from the PEEL Inspection in 2023. The Force has improved scrutiny and secondary review of all domestic abuse incidents, delivered comprehensive training for officers and staff in specialist vulnerability roles, and enhanced governance and performance monitoring to effectively protect vulnerable people. All these AFIs relating to the protection of vulnerable people have also been signed off and closed by HMICFRS within the past 12-month period.

Dyfed-Powys Police has also addressed areas for improvement in relation to standards of investigation, victim service and achieving appropriate outcomes for victims of crime. The Force has improved the process for quality assuring and auditing of crime investigations and has used technology to improve the capture of victim contract compliance and quality. Again, three AFIs that were previously allocated relating to improving investigation standards have also been signed off and closed by HMICFRS. The Force has also improved the effectiveness of governance processes to support its performance framework, and the understanding of how investments in ICT systems are improving productivity.

During this reporting period, the Force has also been subject to other HMICFRS inspection activity and direct involvement in inspection. The Force was inspected as part of the Serious and Organised Crime Inspection, (SOC) and has been graded as “Adequate” from this inspection with positive findings including: the prioritisation and management of the response to serious and organised crime, specialist resourcing, prevention work and improving the collection of intelligence to tackle SOC. Two areas for improvement were also identified around improving the overall workforce understanding of SOC and the management of offenders, which are already being addressed.

The Force was also involved in a South Wales area Joint Inspection of Case Building by the Police and CPS in June 2025. This report is not yet published.

From other HMICFRS thematic inspection activity conducted nationally, additional recommendations have also been allocated to all forces from reports published during this 12-month period. These include;

- Inspection into how effectively police investigate crime (8 Recommendations) – published March 2025
- Improving the response to organised immigration crime (4 Recommendations) – published May 2025
- How effectively do police record crime? PEEL Spotlight Report (3 Recommendations) – published August 2025
- The effectiveness of diverting children from the criminal justice system: meeting needs, ensuring safety, and preventing reoffending (1 Recommendation) – published October 2025
- Inspection of the effectiveness of police and law enforcement bodies’ response to group-based child sexual exploitation: A progress report (4 Recommendations) – published October 2025

Progress is being made with respect to all recommendations from these thematic inspections, which are reported to and discussed at the respective quarterly strategic governance board meetings. The Force has signed off 25 recommendations from thematic inspections during this reporting period.

As previously stated, at this time, the Force is actively engaged in the current HMICFRS PEEL 2025-27 inspection, due to conclude in early June 2026. The findings from this ongoing HMICFRS PEEL inspection will be published later this year and indeed the Force will again

ensure a proactive approach is taken to address any improvements, which might be required to continually maintain and enhance the service provided to our communities.

Force Management Statement (FMS)

The Chief Constable submitted the most recent FMS 8 (2025) to HMICFRS in May 2026, providing an updated assessment of operational capacity for Dyfed-Powys Police against current and expected future demand. The FMS is cognisant of several factors within the Force including:

- Priorities set out by the Chief (themed around domestic abuse, drugs, rape and sexual offences).
- Continuation of a Force Change Programme, now referred to as the Force Operating Model, remains a key driver for the identification of operational business improvements, with several workstreams at implementation or first-year evaluation stage.
- Further development of business intelligence dashboards to drive and support more effective performance frameworks and performance management. Momentum is building, supported by migration to a Fabric data environment and a focus on data literacy, quality, and accuracy.

The FMS is cognisant of each of the above factors and the impact they have had on the Force as a whole. It provides an update on key risks and any new risks that have emerged. Each business area section of the FMS considers the condition, performance, composition, capacity, capability, wellbeing, and security of supply of the Force's workforce and other assets against current and foreseeable future demand requirements. These are outlined in four steps that form part of HMICFRS guidance and directly support business planning and decision-making rationale, as part of the wider annual Strategic Planning and Assurance Cycle (S-PAC).

The FMS identified several cross-cutting themes and priorities, specifically in relation to service demand changes. It also highlighted the key areas of planning and prioritisation required to maintain and improve service provision, ensuring that these were reported via the S-PAC process. The report findings are summarised across the following headings:

- Workforce investment, training and accreditation, recruitment (including vetting), retention resilience, and wellbeing.
- Financial challenges; budgetary pressures remain with uncertainty linked to ongoing Home Office Police Reform considerations and potential reductions and/or changes to Government funding to overcome.
- Environmental issues and sustainability.
- Performance and demand analysis and the visualisation of data.
- Estates - long-term programme of investment to ensure we can maintain visibility as part of our Neighbourhood Policing and Prevention Strategy.

- Information Communications Technology (ICT) infrastructure and technical skills, and the increasing demand for the use of Artificial Intelligence and innovative technologies.
- Information and data management.

The current FMS approach is centrally coordinated and was more closely aligned to the Medium-Term Financial Plan (MTFP), strategic planning and budget process for 2025/26. The Force will continue to revise its methodology for producing the FMS to ensure the most efficient and effective approach to strategic planning. The next FMS cycle (FMS 9 - 2026) will see the introduction of Microsoft 365 products to increase efficiency in the analysis of qualitative data and improve visibility of our organisational risk assessment of each business area.

4 The Organisational Model

Dyfed-Powys Police is organised on both a geographical and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable, the Assistant Chief Constable, the Director of People and Organisation Development, and the Director of Finance.

The main responsibilities of the four positions supporting the Chief Constable are shown in the table below:

Deputy Chief Constable	Assistant Chief Constable	Director of People and Organisation Development	Director of Finance
Legal Department	Local Policing	Human Resources	Corporate Finance
Service Improvement/Force Review	Investigations	Occupational Health and Wellbeing	Information Systems and Technology
Information Management	Specialist Response	Development Services	Procurement
Performance	Force Contact Centre	Staff Associations and Employee Relations	Fleet
Collaboration	Scientific Support		Estates
Professional Standards	Custody and Criminal Justice		
Health and Safety	Partnerships		
HMICFRS Inspection	Corporate Communications		

The Force has an excellent track record of delivering strategic cost reductions of £14.8m since 2023/24 which, along with precept increases, have enabled the Force to improve financial resilience and make important prioritised investments. Such investments have successfully addressed key service challenges, cost pressures and enabled technology and infrastructure improvements. These have resulted in tangible improvements across a range

of services including the control room, custody, prevention initiatives and business support functions. The Force Operating Model work and governance meeting structures are ensuring that the Force continues to look inwardly and collaboratively at ways to improve services to meet the expectations of victims, the public, partners and ultimately the workforce itself.

The Force budget for 2025/26 incorporated a £2.8m saving. Comprehensive budget holder engagement, monitoring and Finance Business Partnering support has continued through the year.

The Force has continued to re-shape to meet demand. However, it is recognised that the landscape of policing is forever changing.

For the 2025/26 financial year, the Commissioner and Force had a budgeted establishment of 1,298 Police Officers, 133 PCSOs, and 924 Police Staff. A breakdown of the distribution of staffing is shown in the following table:

	Police Officers	PCSOs	Police Staff	Total
Budgeted Positions 2025/26	**Full Time Equivalent (FTE)**			
Local Policing	586	133	45	764
Investigations	457	0	163	620
Operational Support (including Call Handling)	127	0	177	304
Criminal Justice	2	0	80	82
Scientific Support and Digital Forensics	4	0	66	70
Professional Standards	10	0	21	31
Other (including Business Support)	36	0	320	356
Office of the Police and Crime Commissioner	0	0	22	22
Seconded and Funded Areas	76	0	30	106
Total	**1,298**	**133**	**924**	**2,355**

Recruitment intakes have been carefully planned and managed during the year to ensure optimal resourcing levels, availability of specialist skills, and to allow the proportionate geographical distribution of staff. The Police Education Qualifications Framework (PEQF) continues to see intakes of student constables each year with external course providers delivering core elements of their training.

The Force has experienced a high volume of police officers and staff leavers during the year. This, combined with unavoidable delays in the recruitment of staff and transferees, has resulted in significant pressure in recruitment and vetting teams and unplanned savings against pay budgets. As well as recruiting to replace normal retirements and leavers, the Force has also been increasing establishment in line with the Home Office Police Uplift Programme resulting in a headcount target of 1,314 officers by March 2026 which was maintained. In addition, the Force faced a target of increasing Neighbourhood Policing functions by 33 FTE by March 2026, and this was successfully delivered.

The Commissioner has an Office which supports him to deliver the statutory responsibilities as set out in The Policing Protocol Order 2011. In addition to the statutory roles of Monitoring

Officer and Chief Finance Officer, the Commissioner has a team of professionals to advise on matters relating to finance, policy, performance, engagement, commissioning, and partnerships. The Commissioner had a budgeted establishment of 22 FTE for 2025/26.

5 Financial Performance

The Group Statement of Accounts shows the financial performance of the Group. This has been prepared based on proper accounting practice to comply with the requirements of the CIPFA Code of Practice. This differs slightly from the budgets that are managed and monitored on a day-to-day basis as these exclude some elements such as depreciation and movements on pension liabilities which do not need to be financed fully in the year under statutory requirements.

The cost of services included within the Comprehensive Income and Expenditure Statement (CIES) shows that £139.4m has been spent on providing policing services to the public of Dyfed-Powys in 2025/26 (2024/25: £138.2m). The Statement provides an analysis across the main cost components. The largest element was spent on Police Officer Pay and Pensions, which accounted for £82.5m of the total in 2025/26 (2024/25: £82.6m). The variation in cost of service is impacted significantly by the movement in pension liabilities and capital depreciation entries.

The Balance Sheet provides a snapshot of the Commissioner's assets and liabilities at 31 March 2026.

The Group Balance Sheet is dominated by a long-term liability of £952.4m (2024/25: £922.9m) relating to future pension liabilities for police officers and staff. This represents the estimated amount that needs to be set aside at the balance sheet date to meet the cost of pension payments for all current/serving and retired officers and staff. This liability has been calculated independently on an actuarial basis, accounting for factors such as future salary levels, inflation, mortality rates, etc.

The next largest item on the Group Balance Sheet is £103.3m (2024/25: £97.7m) of property, plant and equipment owned by the Commissioner which was subject to formal independent revaluation at the end of March 2026. In addition to these long-term assets, the Commissioner held £34.3m (2024/25: £34.9m) of short-term assets which are predominately short-term debtors and cash. Current liabilities total £31.4m on 31 March 2026 (2024/25: £34.7m).

Financial Performance and Budget Variance Analysis 2025/26

The Commissioner set a revenue budget of £153.3m for the 2025/26 financial year, representing a 6.5% increase. This incorporated a use of reserves of £1.9m, as well as cost reduction measures totalling £2.8m (1.8%). This still left a council tax increase at Band D of 8.6%.

This funding level enabled the Force to continue to deliver its operational and strategic plans, despite significant cost pressures. It also provided investment in workforce modernisation,

including the redesign of 50 police officer positions, thus allowing them to be re-deployed to uniform policing. In addition, the budget also provided for 11 additional staff in the Criminal Justice Department to free officers from time consuming administrative tasks such as disclosure, redaction and PNC checking.

The 2025/26 budget needed to incorporate the impact of the 4.75% pay increase awarded in September 2024, alongside a significant increase in employer's National Insurance. The Force faced an array of other financial pressures with specific grant funding arrangements being conditional on maintaining the overall officer and PCSO workforce, whilst also adding 33 officers to Neighbourhood Policing functions.

The following table sets out the final out-turn position for 2025/26 and compares this to the revised budget. The revised budget reflects additional budgets and reserve movements agreed during the year for budget monitoring purposes, in line with the Corporate Governance Framework.

Variation Statement	Original Budget	Revised Budget	Actual	Variance (Positive for Saving)
Budget Holder	**£m**	**£m**	**£m**	**£m**
Police and Crime Commissioner				
Office and Commissioning Costs	3.3	3.3	3.2	0.1
Transfer to/(from) Reserves - Commissioner	0.0	0.0	0.1	(0.1)
Total Commissioner Revenue Budget Costs	**3.3**	**3.3**	**3.3**	**0.0**
Chief Constable				
Police Pay and Allowances	89.1	89.2	89.9	(0.7)
Police Officer Overtime	2.0	2.3	2.9	(0.6)
Bank Holidays	0.9	0.9	0.9	0.0
Police Staff Pay and Allowances	46.5	46.5	45.1	1.4
Police Staff Overtime	0.3	0.3	0.4	(0.1)
Pension Costs	1.9	1.9	1.8	0.1
Recruitment, Insurance and Training	2.0	2.0	1.7	0.3
Premises Costs	5.8	5.8	5.9	(0.1)
Other Non-Pay Costs	13.4	13.3	13.0	0.3
Telephone Analysis and Forensics	3.5	3.5	3.4	0.1
Collaboration and Agency Payments	5.2	5.2	5.2	0.0
Grants	(17.9)	(17.9)	(19.1)	1.2
Income	(4.8)	(4.4)	(5.6)	1.2
Capital Financing	4.5	4.8	4.7	0.1
Recharges	(0.5)	(1.2)	(0.7)	(0.5)
Total Budget - Force	**151.9**	**152.2**	**149.5**	**2.7**
Total Budget - Police and Crime Commissioner and Chief Constable	**155.2**	**155.5**	**152.8**	**2.7**
Contribution to/(from) Reserves - Chief Constable	(1.9)	(2.2)	0.5	(2.7)
Net Spending After Transfer from Revenue to Reserves	**153.3**	**153.3**	**153.3**	**0.0**
Holding Accounts and Self-Balancing Accounts				
Driver Retraining Programme	0.0	0.0	(0.4)	0.4
Transfer to/(from) Reserves - Driver Retraining	0.0	0.0	0.4	(0.4)
Movement on Commissioners Funds				
Net Cost of Services Funded from Reserves	0.8	0.8	0.1	0.7
Net Transfer to/(from) Earmarked Reserves	(0.8)	(0.8)	(0.1)	(0.7)
Utilisation of Capital Reserve				
Direct Revenue Financing (DRF) for Utilisation of Capital Reserves	0.0	0.0	2.4	(2.4)
Transfer From Reserves towards Capital Programme as DRF	0.0	0.0	(2.4)	2.4
Total Holding Accounts	**0.0**	**0.0**	**0.0**	**0.0**

The Police and Crime Commissioner's spending was within budget by £0.1m which resulted in a small movement in reserves being required. This reflected lower spending by the Force and partners.

The revenue out-turn position for the Force is very positive with an underspend of £2.7m in hand overall, before adjusting for budget reserve transfers earmarked for one-off cost pressures arising in 2026/27 in the Medium-Term Financial Plan.

The Force experienced significant pressure against officer and staff pay budgets because of a higher-than-anticipated pay award in September 2025. An additional grant of £0.8m was paid which helped to offset the additional costs. The Force also received other grants of £0.4m in the year which were not anticipated to fund some national ICT capital projects.

The police staff budget was £1.4m under budget despite the increased pay award and this was due to delays in recruiting police staff. In January 2025, the Neighbourhood Policing Grant was doubled which increased the staff recruitment requirement from 17 to 33. In addition, a further 17 staff positions were funded from the precept to help to retain officers on the front line. The appointment of many internal staff to these many roles, together with challenges in recruitment, occupational health and vetting, resulted in significant delays. These were anticipated at the time of setting the 2026/27 budget and Medium-Term Financial Plan. Despite these challenges, the Force did manage to release 33 officers into new neighbourhood policing teams by the end of the year and thereby claim most of the grant. The Force also met its officer uplift target which was set by the Home Office.

The negative variance against police officer overtime reflects the increased pay awards as well as the requirement to meet national mutual aid commitments and to ensure adequate specialist officer coverage in custody and other high-demand areas during peak times.

In terms of income headings, interest receipts were considerably higher than anticipated due to more favourable cashflows and interest rates remaining higher for longer, contributing £0.4m of the £1.2m saving against this heading. A significant rebate of £0.5 million above budget was earned through confiscation orders and the recovery of proceeds of crime. Mutual aid receipts were also £0.2m higher than anticipated, with the Force providing public order support on numerous occasions to support other forces over the summer – which put additional pressure on the workforce and Police overtime budgets.

The driver retraining programme earned a surplus of £0.4m in the year, which has been transferred to reserves to be utilised on road safety initiatives. The net movement on other funds was a contribution from reserves of £0.1m against a budget of £0.8m.

In terms of other areas, the Home Office paid additional grant equivalent to £0.4m for Dyfed-Powys Police in respect of the Serious and Organised Crime Unit – Tarian. It is likely that the grant available to Tarian will be cut in 2026/27 and therefore an earmarked reserve has been created. In terms of utilisation, the Force has earmarked £0.9m of the underspend towards future capital schemes as was anticipated at budget setting time. The remainder will be earmarked to meet current unfunded cost pressures such as anticipated 2026 pay awards, and fuel cost increases resulting from events in the Middle East, as well as an array of other financial pressures.

	Original Budget £m	Revised Budget £m	Actual Spending £m	Variance £m
Capitalised Expenditure				
Estates Programme	16.3	11.1	9.7	1.4
Vehicles	1.9	2.5	2.2	0.3
ICT Major Projects	0.4	0.2	0.1	0.1
ICT Infrastructure	0.8	0.3	0.2	0.1
Recurring ICT Device Replacements	2.6	2.6	2.4	0.2
Other Capital Equipment Replacements	2.2	0.8	0.6	0.2
Sub Total Capitalised Expenditure	**24.2**	**17.5**	**15.2**	**2.3**
Self/Own Revenue Financing Projects	0.0	0.1	0.2	(0.1)
Total Expenditure	**24.2**	**17.6**	**15.4**	**2.2**
Financing				
Direct Revenue Financing	2.7	2.7	2.9	(0.2)
Capital Receipts - Buildings	0.3	1.0	0.9	0.1
Capital Receipts - Vehicles	0.1	0.1	0.1	0.0
Capital Reserve Utilised	4.2	3.3	2.2	1.1
Prudential Borrowing	16.8	10.0	8.8	1.2
Capital Grant	0.1	0.1	0.0	0.1
Sub Total Financing	**24.2**	**17.2**	**14.9**	**2.3**
Self/ Own Revenue Financing Projects	0.0	0.4	0.5	(0.1)
Total Financing	**24.2**	**17.6**	**15.4**	**2.2**

In terms of capital, slippage in spending of £2.2m has meant that the Commissioner has not needed to borrow as much as anticipated. The Commissioner has approved slippage of £2.0m to be carried forward to support the capital schemes ongoing into 2026/27. This includes £1.0m towards the Tri-Force Firearms Range project, £0.3m towards other minor Estates projects, £0.2m towards vehicles and £0.5m towards CCTV replacement and other ICT projects.

6 Risks, Opportunities, and the Medium-Term Financial Outlook

Risks are managed at all levels of the organisation through the Governance Structure, and a Corporate Risk Register is used to record, manage, and mitigate the main risks which could affect the delivery of Police and Crime Plan outcomes and the Chief Constable's priorities.

The main risks that remained 'live' at the end of 2025/26 included:

- Electric Vehicles and Infrastructure - there is a risk that the Force may not meet net zero obligations set by the Government, with effective planning critical to the mitigation of two key factors: firstly, the availability of vehicles may become a constraint, if manufacturers fail to meet demand. Secondly, the infrastructure for charging at stations and on route locations. A data driven approach is being used to assess vehicle usage patterns and inform strategic decision making. [residual score 16]
- DPIA Process - there is a risk of delayed completion and sign-off of Data Protection Impact Assessments due to an existing backlog. A review of the process has been

complete, and recommendations are being implemented to help mitigate the risk. [residual score 20].

- Right Care Right Person - the delivery of phases 3 and 4 of the RCRP project may be impacted by insufficient partnership resources and infrastructure, however, the Force has successfully implemented phases 1 and 2, with strong regional and national communication maintained with partner service providers. [residual score 12].
- Vetting - there is a risk that the Force may not meet its vetting commitments due to increasing backlogs exceeding HMICFRS's tolerance threshold. Following a successful strategic planning assurance cycle bid additional resources have been allocated to mitigate the risk further. [residual score 9].
- Business Continuity Management - the Force may be unable to effectively respond to, and recover from, disruptive incidents due to the absence of a designated Business Continuity Officer. A temporary resource support has been provided to maintain administrative functions as a current control measure. [residual score 12].

The Corporate Risk Register is monitored regularly to ensure that risks are allocated a Risk Owner, who is responsible for applying appropriate mitigations and actions. Further details in relation to risk management are included within the Annual Governance Statement (AGS).

Budget and Medium-Term Financial Plan 2026/27

The Police and Crime Panel unanimously agreed a 7.47%, or £26.95, annual increase in council tax at Band D as proposed by the Police and Crime Commissioner in January 2026, resulting in a net budget of £165.1m for 2026/27. The budget includes:

- The maintenance of police officer numbers, despite the removal of the Home Office Police Officer uplift targets announced by the Home Secretary in January 2026.
- A further increase of 12 officers in Neighbourhood Policing functions, as awarded under the Government's Neighbourhood Policing Guarantee Grant as announced in January 2026.
- The incorporation of the 4.2% pay increase awarded to officers and staff in September 2025 which was significantly above the 2.8% assumed in the baseline budget the previous year. A further 3% increase was assumed from September 2026.
- A general inflation increase of 3% and unavoidable increases in interest and insurance costs.
- Net cost reductions of £3.5m (2.2%) which included a reduction in police staff employer's pension contributions, as well as reductions against energy costs and from local national and regional procurement activities.
- An increase in Direct Revenue Financing of £1.4m to fund the future capital programme, alongside £2.5m (1.6%) of strategic investment to address identified service gaps and opportunities to improve services. Service leads have developed costed plans to address these areas, which have been prioritised by Chief Officers, taking into account

consultation with stakeholders (including the workforce, victims, partners and the public), as well as service pressures identified through the Force Management Statement, risk management processes, audit reports and inspectorate findings.

Within the balanced Medium-Term Financial Plan, it was necessary to incorporate several key assumptions, as well as the implications of decisions already agreed, including:

- Reserves falling from £21.8m in March 2025 to £7.9m by March 2029.
- A 2026/27 Capital Programme of £25.3m, including Brecon Police Station and completion of the Tri-Force Firearms Training Range.
- An additional capital financing (borrowing) requirement of £28m by March 2029 and an external borrowing requirement of £35m, with capital financing costs fully reflected in the balanced future revenue budget.

The financial environment remains very challenging in terms of the overall economic position, with the cost-of-living crisis and further ongoing conflict and tensions which are creating further inflationary and interest rate risks. Cost reduction measures of over £11m have been achieved since 2023/24 with a further £3.5m being included in the budget for 2026/27. There remains a risk that the pay award in September 2026 will exceed the 3% assumed at budget setting time. The Police Remuneration Review Body recommends a pay increase of 3.5%, which could cost an additional £0.4m). In addition, fuel price escalations since March 2026 has led to weekly fuel costs increasing by around £6k, creating a further potential cost pressure.

With the Force Review ending, but the Force Operating Model work continuing into a third and fourth year, the Force has been able to set a balanced Medium-Term Financial Plan based on an initial set of assumptions for future years linked to Treasury inflation and funding indications.

The full MTFP document for 2026/27 can be found on the Police and Crime Commissioner's website at:

https://www.dyfedpowys-pcc.org.uk/en/finance/precept-and-medium-term-financial-plan/

Setting future inflationary assumptions is difficult, and with each percentage change from assumed levels making a significant difference in monetary terms. A 1% change in all Medium-Term Financial Plan assumptions would result in a £1.1m deficit/surplus in 2026/27, rising to £4.0m million deficit/surplus in future years. Cumulatively, this would need to be addressed through further cost reductions or council tax adjustments. The Plan is particularly sensitive to variations in pay awards, precept levels and settlements.

The second stage of the 2025 Comprehensive Spending Review, reported on 11 June 2025, included total policing allocations for three years from 2026/27. These were incorporated into the Medium-Term Financial Plan. Announcements on Police Reform came too late to be incorporated. Work on an updated MTFP for 2027/28 has commenced since June 2025.

The Commissioner and the Force face numerous unknown and uncertain potential future financial commitments and liabilities, which are referred to further in the Contingent Liabilities and Pensions notes. The UK Government recommenced the Funding Formula Review in May

2021, however this is unlikely to progress in the medium term and is being incorporated into wider considerations around Police Reform. The outcome of this work and potential financial consequences remains a risk.

Despite the assumed increases in council tax precept, there is a need for continued efficiency and productivity requirements over the term of the MTFP. Uncertainties around future core and specific grant funding, complexities in relation to pensions costs, Police Reform and the workforce set against the wider economic landscape mean that the financial environment is likely to remain challenging for the foreseeable future.

A Section 114 notice is a declaration required to be issued by a local authority's Finance Officer in England and Wales, where an Authority anticipates that its spending will exceed its income for any financial year. To confirm, Dyfed-Powys Police consider the requirements of Section 114 on a regular basis, as part of the budget setting and monitoring process. It is considered that forecasted income is sufficient to meet the forecasted expenditure in the short and medium-term and therefore no issues or notices are required to be reported at this stage.

7 Police Reform

In November 2025, the Home Secretary announced that the position of Police and Crime Commissioner is to be abolished from the end of the current term of office, in May 2028. In January 2026, the Government also published its White Paper on Police Reform, which included details of new governance arrangements for policing. In Wales, this likely means establishing Police and Crime Boards, with Local Authority leaders providing oversight of police force governance.

Since these announcements, Police and Crime Commissioners and their teams across Wales have been working with Welsh Government and Home Office officials to determine how Police and Crime Boards will operate in Wales. The detailed arrangements are still being finalised.

The Government White Paper on Police Reform seeks to: rationalise the number of forces across England and Wales; create a National Police Service; and ensure forces move to standardised systems and processes, with the aim of reducing duplication and reducing costs. Initial findings of the review led by Lord Hogan-Howe into the requirements of the White Paper are due to be published at the end of summer 2026.

Given the expected fundamental changes to both police forces and policing governance, great uncertainty exists within policing currently. This is in addition to the pressures of the current Comprehensive Spending Review (CSR), which sees real-terms funding reductions until at least 2028/29.

Timely and accurate preparation of the annual statements of accounts, and their publication and audit, will be an essential part of the OPCC's and Force's financial management arrangements during the transition to the new arrangements.

8 Basis of Preparation and Presentation

Both the Commissioner and Chief Constable as separate legal entities must produce their own Statement of Accounts, with the Commissioner being responsible for production of the Group Accounts, within which the Commissioner's accounts are contained.

The Accounts and Audit (Wales) Regulations 2014 as amended, require local government bodies to prepare a Statement of Accounts in accordance with proper practices. The CIPFA Code of Practice is identified as representing proper practices.

Below is an explanation of the statements that follow, their purpose and the relationship between them:

- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Commissioner and their Chief Finance Officer;
- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Group accounts presented give a 'true and fair view' of the financial position and operations of the Commissioner for 2025/26;
- **Expenditure and Funding Analysis (EFA)** - this statement shows how annual expenditure is used and funded by the Group from resources as reported by management, split across directorates and services in comparison with those resources consumed or earned by the Group, reported in accordance with generally accepted accounting practices;
- **Comprehensive Income and Expenditure Statement (CIES)** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses and related income on an accrual basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year;
- **Movement in Reserves Statement (MiRS)** - this statement shows the movement in the year on the reserves held by the Group, analysed into usable reserves (monies which can be applied to fund capital expenditure or to reduce local taxation) and unusable reserves (monies that cannot be used to provide services and exist through the application of accounting standards e.g. the pensions reserves which match the pension liability);
- **Balance Sheet** - this core statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Group. The Commissioner owns the land, buildings and other assets used by the Force. The net assets (assets less liabilities) are matched by the usable and unusable reserves;
- **Cash Flow Statement** - this statement summarises changes to cash and cash equivalents during the reporting period;
- **Police Pension Fund Account** - this statement shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows

the top-up grant due from the Group to the Pension Fund Account. The Home Office subsequently reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pension Fund Account were to show a surplus at the year-end;

- **Notes to the Financial Statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers' understanding of the main financial statements. They set out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;
- **Glossary of Terms** - these provide additional narrative to explain terms used within the statement with an aim of improving the readers' understanding as required by the Code of Practice;
- **A Joint Annual Governance Statement (AGS)** is published separately to this Statement of Accounts and sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit it continues to be a combined statement for 2025/26. This aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements and provides assurance on the systems of internal control.

Statement of Responsibilities

The purpose of this statement is to set out the responsibilities of the Commissioner and the Chief Financial Officer in respect of the Statement of Accounts.

The Commissioner's responsibilities

The Commissioner is required to:

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

I approve the Statement of Accounts for financial year 2025/26.



Police and Crime Commissioner for Dyfed-Powys **Date: 29 September 2026**

The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the 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 (the Code).

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

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Local Authority Code.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Group/Commissioner at the reporting date and of its expenditure and income for the year ended 31 March 2026.



Chief Financial Officer **Date: 29 September 2026**

The Report of the Auditor General for Wales to the Police and Crime Commissioner for Dyfed-Powys

Opinion on financial statements

I have audited the financial statements of the:

- Police and Crime Commissioner for Dyfed Powys;
- Police and Crime Commissioner for Dyfed Powys Group which comprises the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund

for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

The Police and Crime Commissioner for Dyfed Powys' financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The Police and Crime Commissioner for Dyfed Powys' Group financial statements comprise the Group Expenditure and Funding Analysis, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the material accounting policies.

The Dyfed Powys Police Pension Fund comprises the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund as at 31 March 2026 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those

standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;
- the information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the joint Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; and
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group financial statements and the Dyfed Powys Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for Dyfed

Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's and the Dyfed Powys Police Pension Fund's policies and procedures concerned with:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- Obtaining an understanding of the Police and Crime Commissioner for Dyfed Powys', the Police and Crime Commissioner for Dyfed Powys Group's and the Dyfed Powys Police Pension Fund's framework of authority as well as other legal and regulatory frameworks that the Police and Crime Commissioner for Dyfed Powys and the Police and Crime Commissioner for Dyfed Powys Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental

effect on the operations of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund; and

- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Joint Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Catherine Mealing-Jones
Auditor General for Wales
30 September 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of the Police and Crime Commissioner for Dyfed-Powys' website is his responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Expenditure and Funding Analysis

Expenditure and Funding Analysis 2025/26	Net Expenditure Chargeable to the General Fund £'000	Adjustments (please refer to Note 8 for details) £'000	Net Expenditure in the CIES £'000
Police Officer Pay and Pensions	94,669	(12,177)	82,492
Police Officer Overtime	3,899	0	3,899
Police Staff Pay and Pensions	47,443	81	47,524
Police Staff Overtime	412	0	412
Other Employee-Related Costs	1,693	283	1,976
Premises Costs	5,811	(394)	5,417
Transport Costs	2,383	270	2,653
Supplies and Services	17,011	878	17,889
Agency and Contracted Services	9,368	(916)	8,452
Capital Financing Costs	6,276	(201)	6,075
Grants	(21,994)	(2,111)	(24,105)
Other Income	(12,102)	(217)	(12,319)
Exceptional Items – Revaluation of Non-Current Assets	0	(978)	(978)
Net Cost of Services	**154,869**	**(15,482)**	**139,387**
Other Income and Expenditure	(153,303)	32,307	(120,996)
Surplus/(Deficit) (Before Reserve Transfers)	**1,566**	**16,825**	**18,391**
Transfers to Earmarked Reserves	(1,566)		
Surplus or Deficit for the Year	**0**		
Opening General Fund Balance as at 1 April 2025	(5,512)		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance as at 31 March 2026	**(5,512)**		

Expenditure and Funding Analysis 2024/25	Net Expenditure Chargeable to the General Fund £'000	Adjustments (please refer to Note 8 for details) £'000	Net Expenditure in the CIES £'000
Police Officer Pay and Pensions	88,431	(5,786)	82,645
Police Officer Overtime	3,389	0	3,389
Police Staff Pay and Pensions	43,457	1,573	45,030
Police Staff Overtime	296	0	296
Other Employee-Related Costs	1,750	194	1,944
Premises Costs	5,838	(364)	5,474
Transport Costs	2,282	141	2,423
Supplies and Services	15,569	795	16,364
Agency and Contracted Services	9,027	(1,349)	7,678
Capital Financing Costs	5,023	796	5,819
Grants	(19,843)	371	(19,472)
Other Income	(11,776)	(1,311)	(13,087)
Exceptional Items – Revaluation of Non-Current Assets	0	(299)	(299)
Net Cost of Services	**143,443**	**(5,239)**	**138,204**
Other Income and Expenditure	(143,902)	33,020	(110,882)
Surplus/(Deficit) (Before Reserve Transfers)	**(459)**	**27,781**	**27,322**
Transfers to Earmarked Reserves	459		
Surplus or Deficit for the Year	**0**		
Opening General Fund Balance as at 1 April 2024	(5,512)		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance as at 31 March 2025	**(5,512)**		

Comprehensive Income and Expenditure Statement

Group					Commissioner		
Gross Expend. £'000	Gross Income £'000	Net Expend. £'000	Comprehensive Income and Expenditure Statement 2025/26	Note	Gross Expend. £'000	Gross Income £'000	Net Expend. £'000
82,492	0	82,492	Police Officer Pay and Pensions		0	0	0
3,899	0	3,899	Police Officer Overtime		0	0	0
47,524	0	47,524	Police Staff Pay and Pensions		1,346	0	1,346
412	0	412	Police Staff Overtime		0	0	0
1,976	0	1,976	Other Employee-Related Costs		10	0	10
5,417	0	5,417	Premises Costs		0	0	0
2,653	0	2,653	Transport Costs		3	0	3
17,889	0	17,889	Supplies and Services		826	0	826
8,452	0	8,452	Agency and Contracted Services		3,871	0	3,871
6,075	0	6,075	Capital Financing Costs		607	0	607
0	(24,105)	(24,105)	Grants	31	0	(24,105)	(24,105)
0	(12,319)	(12,319)	Other Income	31	0	(12,319)	(12,319)
			Exceptional Items:				
948	(1,926)	(978)	Revaluation of Non-Current Assets	6	948	(1,926)	(978)
177.737	**(38,350)**	**139,387**	**Total Cost of Services**		**7,611**	**(38,350)**	**(30,739)**
200	(19,964)	(19,764)	Other Operating Income and Expenditure	11	200	(19,964)	(19,764)
54,614	(2,543)	52,071	Financing and Investment Income and Expenditure	12	1,631	(2,543)	(912)
0	(153,303)	(153,303)	Taxation and Non-specific Grant Income	13	0	(153,303)	(153,303)
0	0	0	Commissioning Costs (Intra-Group Transfer)		223,109	0	223,109
232,551	**(214,160)**	**18,391**	**Surplus/Deficit on Provision of Services**		**232,551**	**(214,160)**	**18,391**
		(2,373)	(Surplus) or Deficit on Revaluation of Fixed Assets	6			(2,373)
		11,371	Actuarial (Gains)/Losses on Pension Assets/Liabilities				69
		0	Commissioning Costs (Intra-group Transfer)				11,302
		27,389	**Total Comprehensive Income and Expenditure**				**27,389**

Group					Commissioner		
Gross Expend. £'000	Gross Income £'000	Net Expend. £'000	Comprehensive Income and Expenditure Statement 2024/25	Note	Gross Expend. £'000	Gross Income £'000	Net Expend. £'000
82,645	0	82,645	Police Officer Pay and Pensions		0	0	0
3,389	0	3,389	Police Officer Overtime		0	0	0
45,030	0	45,030	Police Staff Pay and Pensions		1,301	0	1,301
296	0	296	Police Staff Overtime		0	0	0
1,944	0	1,944	Other Employee-Related Costs		5	0	5
5,474	0	5,474	Premises Costs		0	0	0
2,423	0	2,423	Transport Costs		2	0	2
16,364	0	16,364	Supplies and Services		320	0	320
7,678	0	7,678	Agency and Contracted Services		2,613	0	2,613
5,819	0	5,819	Capital Financing Costs		616	0	616
0	(19,472)	(19,472)	Grants	31	0	(19,472)	(19,472)
0	(13,087)	(13,087)	Other Income	31	0	(13,087)	(13,087)
			Exceptional Items:				
1,496	(1,795)	(299)	Revaluation of Non-Current Assets	6	1,496	(1,795)	(299)
172,558	**(34,354)**	**138,204**	**Total Cost of Services**		**6,353**	**(34,354)**	**(28,001)**
312	(16,733)	(16,421)	Other Operating Income and Expenditure	11	312	(16,733)	(16,421)
52,125	(2,596)	49,529	Financing and Investment Income and Expenditure	12	1,604	(2,596)	(992)
0	(143,990)	(143,990)	Taxation and Non-specific Grant Income	13	0	(143,990)	(143,990)
0	0	0	Commissioning Costs (Intra-Group Transfer)		216,726	0	216,726
224,995	**(197,673)**	**27,322**	**Surplus/Deficit on Provision of Services**		**224,995**	**(197,673)**	**27,322**
		325	(Surplus) or Deficit on Revaluation of Fixed Assets	6			325
		(157,099)	Actuarial (Gains)/Losses on Pension Assets/Liabilities				18
		0	Commissioning Costs (Intra-group Transfer)				(157,117)
		(129,452)	**Total Comprehensive Income and Expenditure**				**(129,452)**

Movement in Reserves Statement

Financial Year 2025/26	Note Ref	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025		**(5,512)**	**(16,282)**	**(21,794)**	**0**	**(107)**	**(21,901)**	**847,802**	**825,901**
Movement in Reserves during 2025/26									
(Surplus) or Deficit on the Provision of Services	**CIES**	18,391	0	18,391	0	0	18,391	0	**18,391**
Other Comprehensive Income and Expenditure	**CIES**	0	0	0	0	0	0	8,998	**8,998**
Total Comprehensive Income and Expenditure		**18,391**	**0**	**18,391**	**0**	**0**	**18,391**	**8,998**	**27,389**
Adjustments between Accounting Basis and Funding Basis under Regulations	**9**	(16,825)	0	(16,825)	0	0	(16,825)	16,825	**0**
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves		**1,566**	**0**	**1,566**	**0**	**0**	**1,566**	**25,823**	**27,389**
Net Transfers (to)/from Earmarked Reserves	**10**	(1,566)	1,566	0	0	0	**0**	0	**0**
(Increase)/Decrease in 2025/26		**0**	**1,566**	**1,566**	**0**	**0**	**1,566**	**25,823**	**27,389**
Balance at 31 March 2026		**(5,512)**	**(14,716)**	**(20,228)**	**0**	**(107)**	**(20,335)**	**873,625**	**853,290**

Financial Year 2024/25	Note Ref	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024		**(5,512)**	**(15,823)**	**(21,335)**	**0**	**(107)**	**(21,442)**	**976,795**	**955,353**
Movement in Reserves during 2024/25									
(Surplus) or Deficit on the Provision of Services	**CIES**	27,322	0	27,322	0	0	27,322	0	**27,322**
Other Comprehensive Income and Expenditure	**CIES**	0	0	0	0	0	0	(156,774)	**(156,774)**
Total Comprehensive Income and Expenditure		**27,322**	**0**	**27,322**	**0**	**0**	**27,322**	**(156,774)**	**(129,452)**
Adjustments between Accounting Basis and Funding Basis under Regulations	**9**	(27,781)	0	(27,781)	0	0	(27,781)	27,781	**0**
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves		**(459)**	**0**	**(459)**	**0**	**0**	**(459)**	**(128,993)**	**(129,452)**
Net Transfers (to)/from Earmarked Reserves	**10**	459	(459)	0	0	0	**0**	0	**0**
(Increase)/Decrease in 2024/25		**0**	**(459)**	**(459)**	**0**	**0**	**(459)**	**(128,993)**	**(129,452)**
Balance at 31 March 2025		**(5,512)**	**(16,282)**	**(21,794)**	**0**	**(107)**	**(21,901)**	**847,802**	**825,901**

Balance Sheet

Group 2024/25 £'000	Commissioner 2024/25 £'000		Note	Group 2025/26 £'000	Commissioner 2025/26 £'000
97,744	97,744	Property, Plant and Equipment	14	103,303	103,303
1,925	1,925	Intangible Assets	14	1,558	1,558
2,896	2,896	Investment Property	15	3,351	3,351
610	610	Surplus Assets	14	7	7
7,215	7,215	Assets under Construction	14	14,318	14,318
110,390	**110,390**	**Long-term assets**		**122,537**	**122,537**
0	0	Short-Term Investments	17	2,083	2,083
521	0	Inventories		719	0
90	90	Assets Held for Sale	20	180	180
22,795	19,974	Short-Term Debtors	18	23,249	20,686
11,514	11,514	Cash and Cash Equivalents	19	8,090	8,090
0	3,342	Intra-Group Transfer		0	3,282
34,920	**34,920**	**Current Assets**		**34,321**	**34,321**
(10,610)	(10,610)	Short-Term Borrowing	17	(2,239)	(2,239)
(21,864)	(1,953)	Short-Term Creditors	21	(27,267)	(5,640)
(129)	(129)	Short-Term Creditors – IFRS16 Right of Use Asset Liability	34	(138)	(138)
(2,048)	(2,048)	Short-Term Provisions	22	(1,788)	(1,788)
0	(19,911)	Intra-Group Transfer		0	(21,627)
(34,651)	**(34,651)**	**Current Liabilities**		**(31,432)**	**(31,432)**
(10,000)	(10,000)	Long-Term Borrowing	17	(23,000)	(23,000)
(426)	0	Long-Term Creditors	21	(590)	0
(1,474)	(1,474)	Long-Term Creditors – IFRS16 Right of Use Asset Liability	34	(1,678)	(1,678)
(922,940)	(922,940)	Other Long-Term Liabilities	37	(952,384)	(952,384)
(1,720)	(1,720)	Long-Term Provisions	22	(1,064)	(1,064)
0	(426)	Intra-Group Transfer		0	(590)
(936,560)	**(936,560)**	**Long-Term Liabilities**		**(978,716)**	**(978,716)**
(825,901)	**(825,901)**	**Net (liabilities)/assets**		**(853,290)**	**(853,290)**
(21,901)	(21,901)	Usable Reserves	MIRS	(20,335)	(20,335)
847,802	847,802	Unusable Reserves	23	873,625	873,625
825,901	**825,901**	**Total Reserves**		**853,290**	**853,290**

Cash Flow Statement

2024/25 £'000		Note	2025/26 £'000
27,322	**Net Deficit or (Surplus) on the Provision of Services**	**CIES**	**18,391**
(30,279)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24	(28,018)
168	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	1,101
(2,789)	**Net Cash Flows from Operating Activities**	**24**	**(8,526)**
13,810	Investing Activities	25	16,805
(11,277)	Financing Activities	26	(4,855)
(256)	**Net Decrease or (Increase) in Cash and Cash Equivalents**	**19**	**3,424**
11,258	Cash and Cash Equivalents at the beginning of the reporting period	19	11,514
11,514	**Cash and Cash Equivalents at the end of the reporting period**	**19**	**8,090**

Police Pension Fund

Group 2024/25 £'000	Commissioner 2024/25 £'000	Fund Account	Group 2025/26 £'000	Commissioner 2025/26 £'000
		Contributions Receivable		
(19,728)	0	Employer Contributions	(20,794)	0
(444)	0	Other Income (Employers Ill Health Contributions)	(427)	0
(7,763)	0	Officers' Contributions	(8,041)	0
(27,935)	**0**	**Contributions Receivable**	**(29,262)**	**0**
(476)	**0**	**Transfers in from Other Pension Funds**	**(455)**	**0**
		Benefits Payable		
38,575	0	Pensions	39,519	0
6,468	0	Commutations and Lump Sum Retirement Benefits	9,333	0
45,043	**0**	**Benefits Payable**	**48,852**	**0**
		Payments to and on account of leavers		
83	0	Refunds of Contributions	37	0
18	0	Scheme Pays Tax Payments	281	0
101	**0**	**Payments to and on account of leavers**	**318**	**0**
0	**0**	**Transfers out to other pension funds**	**511**	**0**
16,733	**0**	**Net Amount Payable for the year**	**19,964**	**0**
(16,733)	(16,733)	Additional Contribution from the Police Fund (re: Home Office Grant)	(19,964)	(19,964)
0	16,733	Intra-Group Transfer	0	19,964
0	**0**	**Total**	**0**	**0**

2024/25 £'000	Net Assets Statement	2025/26 £'000
	Current Assets	
4,405	Debtor - Grant owed from the Home Office	6,245
491	Debtor - Transfer Values due	99
52	Debtor - McCloud Contributions and Interest owed under Remedy Scheme	86
4,948	**Current Assets**	**6,430**
	Current Liabilities	
(948)	Creditor - Payments due to Retiring Officers	(897)
0	Creditor – Transfer values payable	(505)
(112)	Creditor - Annual Allowances payable to HMRC	(44)
(3,888)	Creditor - Net Balance owed to the Police Fund	(4,984)
(4,948)	**Current Liabilities**	**(6,430)**

0	**Net Assets**	**0**

Notes to the Police Pension Fund Accounts

- The accounting policies followed, and assumptions made, regarding the Police Pensions Account are in line with those set out in Note 1 - Accounting Policies;
- The Police Pension Scheme is administered by Carmarthenshire County Council under a service level agreement;
- There are no investment assets in the fund. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contributions from the General Police Fund, which in turn is reimbursed by a specific Home Office grant (top-up grant). This grant is received by the Commissioner and passed on to the Chief Constable by way of an intra-group transfer;
- The Pension Fund's financial statements do not take account of future pension obligations after 31 March 2026. However, these are presented on the balance sheet under 'Other Long-Term Liabilities', with detailed disclosures in Note 37 – Defined Benefit Pension Schemes.

Notes to the Accounts

1. Accounting Policies

General Principles

The Statement of Accounts summarises the Group's transactions for the 2025/26 financial year and the position at the year-end of 31 March 2026. The Commissioner is required to prepare an annual Statement of Accounts for himself and the Group by the Accounts and Audit (Wales) Regulations 2014 as amended, which require them to be prepared in accordance with proper accounting practice. This practice primarily comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Previous Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Previous period adjustments may arise due to changes in accounting policies, or to correct material errors. 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.

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

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

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 the sale of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Revenue from the provision of services is recognised when the Group can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- 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 for the income that might not be collected.

Overheads and Support Services

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

Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement

(CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the financial performance of the Group.

Events after the balance sheet date

Events after the Balance Sheet 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 are not reflected in the Statement of Accounts.

Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an 'accruals' basis. 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.

Expenditure falling below a de-minimis level of £6,000 per item is treated as Revenue and charged when it is incurred.

Assets are initially measured at cost and are then carried in the balance sheet using the following measurement bases:

- Land – fair value;
- Assets under construction – historic cost;
- Operational buildings – fair value; Non-Specialised Assets – existing use value (EUV); Specialised Assets – depreciated replacement cost (DRC);
- Surplus assets – fair value – reviewed annually;
- Assets held for sale – fair value - reviewed annually;
- Investment properties – fair value - reviewed annually;
- All other fair value assets – revalued every four years and determined as the amount that would be paid for the asset in its existing use;
- Vehicles, equipment and furniture – historical cost.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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 as follows:

- 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 relevant service lines in the CIES.

Indexation

Following changes introduced to the 2025/26 CIPFA Code, the Police and Crime Commissioner will adopt indexation for property valuations from the 2026/27 financial year. A full valuation has been undertaken in 2025/26, and indexation will be applied in intervening years and full revaluations performed on a five-year cycle thereafter.

Indexation is a tool used to apply an inflationary increase to assets in the years between professional valuations. Indexation works by considering the relative change in value using indices based on a range of factors - for example, normal inflation, local cost pressures and, for some assets, the scarcity of resources for replacing the assets.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives on a straight-line basis. The useful economic lives of assets and their residual values are summarised in the following table:

Asset Category	Useful Economic Life	Residual Value
Land and Buildings		
Land	No depreciation	No depreciation
Operational buildings	10-155 years	Nil
Investment properties	No depreciation	No depreciation
Surplus assets	10-155 years	Nil
Assets under construction	No depreciation	No depreciation
Assets held for sale	No depreciation	No depreciation
Right of use assets	Based on lease term	Nil
Boats		
Boat 1 - Hull	32 years	Nil
Boat 2 - Engine	12 years	Nil
Boat 2	10 years	Nil
Vehicles		
Rapid response	3 years	Nil
Other	3-5 years	Nil
Equipment		
Computer and other equipment	5 years	Nil
Intangible assets		
Software Licences	3-5 years	Nil

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

The Group has applied the following de-minimis limits, below which the component is not separately quantified:

Life of component (years)	0-10	10-15	15-20	20-30	30-40	Over 40
De-minimis (£'000)	50	100	200	300	750	1,000

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.

Surplus Assets

Surplus assets are those that are not being actively used in the business (such as vacant properties) and that cannot be classed as 'assets held for sale'. Surplus assets will be

measured at fair value at each reporting date, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Disposals and 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 immediately 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 CIES.

Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Amounts received for a disposal of any asset above £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts reserve and can only be used for new capital investment (or set aside to reduce the Group's underlying need to borrow – the capital financing requirement).

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:

- 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.

Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Accounting for Annual Contribution from Revenue

The Group is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in their overall borrowing requirement. Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by a contribution in the General Fund Balance, with an adjusting transaction made through the Capital

Adjustment Account in the Movement in Reserves Statement to reflect the difference between the two.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance, but which are controlled by the Group due to past events (for example, software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Group can be determined by reference to an active market. In practice, no intangible asset held by the Group meets this criterion, and they are therefore carried at amortised cost.

Minimum Revenue Provision

The Local Authorities (Capital Finance and Accounting) Regulations 2003 requires the Commissioner to set aside an amount from revenue each year to provide for the repayment of debt. This is known as Minimum Revenue Provision (MRP). The MRP is measured by the underlying need to borrow rather than the actual debt. Commissioners are required to prepare an annual statement of their policy on making MRP in accordance with statutory guidance and should be calculated on a prudent basis. The policy for 2025/26 is as follows:

ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT

The following policy has been set by the Commissioner in relation to MRP for 2025/26.

Prudential Borrowing - Depreciation Method

MRP is to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by prudential borrowing or unsupported credit arrangements. This reflects the useful life of the asset which has been estimated at 50 years in respect of Estates assets, 10 years in respect of IT infrastructure assets (e.g. Control Room, RMS) and 5 years for other IT assets.

(a) MRP will continue to be made annually until the cumulative amount of such provision is equal to the expenditure originally financed.

(b) On disposal of the asset, the amount of the capital receipt will not be taken to the revenue account, and the Commissioner will comply with the normal requirements of the 2003 Act on the use of capital receipts.

(c) Where the percentage of the expenditure on the asset financed by prudential borrowing or unsupported credit arrangements is less than 100%, MRP will be equal to the same percentage of the provision required under depreciation accounting.

Financial Instruments

Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost. Annual charges to the 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 amount presented in the balance sheet is the outstanding principal plus accrued interest.

Financial Assets

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the 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 loans that the Group has made, this means that the amount presented in the balance sheet is the outstanding principal receivable plus accrued interest.

Foreign currency translation

Where the Group has been involved in a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

Inventories

Inventories are included in the balance sheet at current cost price. International Accounting Standard (IAS) 2 states that Inventories should be measured at the lower of cost and net realisable value. The policy does not therefore comply with IAS 2, but the difference is not material.

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 readily convertible to known amounts of cash and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Provisions and Contingent Liabilities

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

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will 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 are disclosed in a note to the accounts.

Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves. Revenue reserves are available to finance expenditure. Certain capital reserves created due to the capital accounting scheme are not available to meet current expenditure and include:

- Revaluation Reserve, which records the accumulated gains on the fixed assets held by the Group arising from increases in value, to the extent that these gains have not been consumed by subsequent downward movements in value;
- Capital Adjustment Account, which provides a balancing mechanism between the different rates at which assets are depreciated and are financed through the capital controls system, by accumulating:
  - On the debit side – the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal;
  - On the credit side – the resources that have been set aside to finance capital expenditure.

Joint Arrangements - Accounting for the consolidation of joint arrangements

Where the Commissioner or the Chief Constable have entered collaborative arrangements with other Commissioners and Chief Constables, an assessment has been made against IFRS 11 Joint Arrangements to determine the appropriate accounting treatment. IFRS 11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All such arrangements are classed as Joint Operations where the Commissioner or the Chief Constable is entitled to their fair share of the Joint Operation's Assets and Liabilities.

Further details can be found under the Collaborative Arrangements note.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled 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 the employees render service. An accrual is made for the cost of holiday entitlements (including time off in lieu and flexi leave) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable due to a decision by the Commissioner and the Chief Constable to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

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.

Post-Employment Benefits

Police officers and police staff have the option of belonging to one of two separate pension schemes relevant to them:

- Police Pension Scheme, administered through a Police Pension Fund.
- Local Government Pension Scheme, administered by Carmarthenshire County Council.

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

This Police Pension scheme is 'unfunded' which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the balance sheet. The liabilities of the Local Government Pension Scheme that are attributable to the Group 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 projections of earnings for current employees.

Discretionary Benefits

The Commissioner and the Chief Constable also have restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise due to 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.

Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations 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.

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 relevant service (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, 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. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Leases

From 1 April 2024, IFRS 16 was implemented which results in arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), now being included on the balance sheet as a right-of-use asset and a lease liability.

All leases previously classified (as at 31 March 2024) as operating leases were recategorized, subject to any exemptions, to a right-of-use asset on the balance sheet together with a lease liability in 2024/25.

Operating Leases

The Police and Crime Commissioner adopted the new mandatory standard IFRS 16 from 1 April 2024. Property, Plant and Equipment that fall under the scope of IFRS 16 are now classified as right-of-use assets on the balance sheet. In line with IFRS16, where leases previously classified as operating leases under IAS17 are considered as low value (below £10k asset original cost) or the lease has less than 12 months to run, then these will not be recognised on the balance sheet and considered ‘out of scope’. In these ‘out of scope’ instances, rentals paid are charged to the Comprehensive Income and Expenditure Statement as an expense.

Right of Use Asset

The Commissioner adopted IFRS 16 Leases with effect from 1 April 2024. The impact of IFRS 16 effectively now requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to former operating leases. A contract is a lease, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Commissioner elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expired on or before 31 March 2025, and new leases with a duration of less than 12 months.

As permitted by the Code, leases of low value assets (value when new, less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Property, plant and equipment recognised under IFRS16 is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Commissioner at the end of the lease period).

The Commissioner initially recognises lease liabilities measured at the present value of lease payments, discounting at the Commissioner's incremental borrowing rate where the interest rate implicit cannot be readily determined, that is the rate required to borrow funds, over a similar period, with a similar security, to acquire assets of similar value.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments, direct costs incurred, and lease incentives received. For peppercorn, nominal or zero consideration leases, the asset is measured at fair value.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs by the Group. VAT receivable is excluded from income.

2. Prior Period adjustments

There are no prior period adjustments that affect the Group/Commissioner Statement of Accounts for 2025/26.

3. Accounting Standards Issued but not yet Adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- *Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage Assets)* - issued in March 2024.
- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* - issued in May 2024.
- *Annual improvements to IFRS accounting standards – Volume 11* - issued in July 2024.
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)* - issued in December 2024.

It is anticipated that the above changes will have no impact on the current Financial Statements. When compiling the Financial Statements for 2026/27, the effect of the changes will be reassessed and if necessary, the comparative figures restated.

4. Critical Judgements in Applying Accounting Policies

As part of the Police Reform Programme, the Home Office announced in November 2025 that Police and Crime Commissioners will be abolished from May 2028. Wider reforms were subsequently set out in the White Paper, published in January 2026, including proposals for changes to police governance arrangements, future funding mechanisms, the establishment of a National Police Service and the potential restructuring of existing police force arrangements.

Management has exercised judgement in assessing the accounting implications of these proposals and whilst the planned abolition of Police and Crime Commissioners has been announced, significant uncertainty remains regarding the successor governance model, the transfer of statutory responsibilities, future funding arrangements and the ownership and accountability of assets, liabilities and reserves. In addition, no decisions have been made regarding the future structure of policing in Wales, including any changes to existing force boundaries or organisational arrangements.

Senior officers from the Office of the Police and Crime Commissioner and the Force are actively engaged in national and regional reform working groups, providing visibility of emerging proposals and contributing to discussions on future governance, funding and operating models. However, the final form and financial implications of the reforms remain subject to Government decisions and legislative change.

Based on the information available at the date of approval of the financial statements, there is insufficient certainty regarding the nature, timing and financial consequences of the reforms to determine their impact. Consequently, no adjustments have been made to the financial statements in respect of these proposals. The implications of the reform programme continue to be considered at Strategic Boards, Medium-Term Financial Planning arrangements and as part of the assessment supporting the going concern basis of preparation.

5. Assumptions and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Commissioner about the future, or figures that are otherwise uncertain. Estimates are made by considering 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 balance sheet as at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Commissioner will be able to sustain his current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes to retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the liability of changes in individual assumptions can be measured. For instance, an increase of 0.25% in pay award for the police officer pension scheme would result in an increase to the Police Pension Fund liability from £952m to £957m.

6. Material Items of Income and Expense

The following are included as material exceptional items, included on the face of the Group and Commissioner's Comprehensive Income and Expenditure Statement.

Revaluation of Non-Current Assets

A full valuation of Non-Current Assets has been undertaken in 2025/26.

The accounting entries in respect of the revaluations are as follows:

2024/25 £'000	Comprehensive Income and Expenditure Statement	2025/26 £'000
(299)	Cost of Services	(978)
(14)	Financing and Investment Income and Expenditure	(451)
325	Other Comprehensive Income and Expenditure	(2,373)
	Balance Sheet	
(382)	Property, Plant and Equipment	3,352
14	Investment Property	451
356	Surplus Assets	(3)
0	Assets Held For Sale	2
(313)	Capital Adjustment Account	(1,429)
325	Revaluation Reserve	(2,373)

7. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2026.

The Audited Statement of accounts was approved by the Chief Financial Officer in the Joint Audit Committee on 29 September 2026.

The Group/Commissioner's financial statements reflect a Post Balance Sheet Event in respect of a financial settlement which was agreed in August 2026 for an employee that left the organisation in the financial year 2025/26.

8. Note to the Expenditure and Funding Analysis

The following note presents further detail in support of the Expenditure and Funding Analysis and provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2025/26 **Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement**	**Adjustments for Capital Purposes (Column A)** **£'000**	**Net Change for the Pensions Adjustments (Column B)** **£'000**	**Other Differences (Column C)** **£'000**	**Total Adjustments** **£'000**
Police Officer Pay and Pensions	0	(12,915)	738	**(12,177)**
Police Officer Overtime	0	0	0	**0**
Police Staff Pay and Pensions	0	(2,026)	2,107	**81**
Police Staff Overtime	0	0	0	**0**
Other Employee-Related Costs	0	0	283	**283**
Premises Costs	0	0	(394)	**(394)**
Transport Costs	0	0	270	**270**
Supplies and Services	0	0	878	**878**
Agency and Contracted Services	0	0	(916)	**(916)**
Capital Financing Costs	(201)	0	0	**(201)**
Grants	0	0	(2,111)	**(2,111)**
Other Income	0	0	(217)	**(217)**
Exceptional Items – Revaluation of Non-Current Assets	(978)	0	0	**(978)**
Net Cost of Services	**(1,179)**	**(14,941)**	**638**	**(15,482)**
Other Income and Expenditure	(251)	33,014	(456)	**32,307**
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Service	**(1,430)**	**18,073**	**182**	**16,825**

2024/25 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement	Adjustments for Capital Purposes (Column A) £'000	Net Change for the Pensions Adjustments (Column B) £'000	Other Differences (Column C) £'000	Total Adjustments £'000
Police Officer Pay and Pensions	0	(6,589)	803	**(5,786)**
Police Officer Overtime	0	0	0	**0**
Police Staff Pay and Pensions	0	(330)	1,903	**1,573**
Police Staff Overtime	0	0	0	**0**
Other Employee-Related Costs	0	0	194	**194**
Premises Costs	0	0	(364)	**(364)**
Transport Costs	0	0	141	**141**
Supplies and Services	0	0	795	**795**
Agency and Contracted Services	0	0	(1,349)	**(1,349)**
Capital Financing Costs	796	0	0	**796**
Grants	0	0	371	**371**
Other Income	0	0	(1,311)	**(1,311)**
Exceptional Items – Revaluation of Non-Current Assets	(299)	0	0	**(299)**
Net Cost of Services	**497**	**(6,919)**	**1,183**	**(5,239)**
Other Income and Expenditure	210	33,785	(975)	**33,020**
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Service	**707**	**26,866**	**208**	**27,781**

Column A - Adjustments for Capital Purposes

For Services – adds in depreciation, impairment and revaluation gains and losses. Statutory Charges for Capital Financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from services as these are not chargeable under generally accepted accounting practices. Capital grants are adjusted for income not chargeable under Generally Accepted Accounting Practices (GAAP).

For Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Column B - Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS19 *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 CIES.

For Other Operating Income and Expenditure – the Home Office Pensions 'Top-Up Grant' is credited to the CIES.

Column C - Other Differences

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

For Services – adjusted by the 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.

For Financing and Investment Income and Expenditure – adjusted by the amount by which finance costs charged to the CIES in relation to Financial Instruments differ from finance costs chargeable in the year in accordance with statutory requirements.

Several presentational adjustments have also been made between Services and Other Income and Expenditure (i.e. above and below the line). Overall, these adjustments have a nil effect.

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group/Commissioner in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

2025/26	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
	£'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)	(18,073)	0	0	18,073
Holiday Pay (transferred to (or from) the Accumulated Absences Reserve)	(229)	0	0	229
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)	(5,947)	0	0	5,947
Total Adjustments to Revenue Resources	**(24,249)**	**0**	**0**	**24,249**
Adjustments between Revenue and Capital Resources				
Transfer of Non-Current Asset sale proceeds from revenue to the Capital Receipts Reserve	972	0	(972)	0
Statutory Provision for the Repayment of Debt (transfer from the Capital Adjustment Account)	703	0	0	(703)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,701	0	0	(5,701)
Total Adjustments between Revenue and Capital Resources	**7,376**	**0**	**(972)**	**(6,404)**
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance Capital Expenditure	0	0	972	(972)
Total Adjustments to Capital Resources	**0**	**0**	**972**	**(972)**
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	48	0	0	(48)
Total Other Adjustments	**48**	**0**	**0**	**(48)**
Total Adjustments	**(16,825)**	**0**	**0**	**16,825**

2024/25	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
	£'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)	(26,866)	0	0	26,866
Holiday Pay (transferred to (or from) the Accumulated Absences Reserve)	(154)	0	0	154
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)	(5,896)	0	0	5,896
Total Adjustments to Revenue Resources	**(32,916)**	**0**	**0**	**32,916**
Adjustments between Revenue and Capital Resources				
Transfer of Non-Current Asset sale proceeds from revenue to the Capital Receipts Reserve	12	0	(12)	0
Statutory Provision for the Repayment of Debt (transfer from the Capital Adjustment Account)	733	0	0	(733)
Capital Expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	4,444	0	0	(4,444)
Total Adjustments between Revenue and Capital Resources	**5,189**	**0**	**(12)**	**(5,177)**
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance Capital Expenditure	0	0	12	(12)
Total Adjustments to Capital Resources	**0**	**0**	**12**	**(12)**
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	(54)	0	0	54
Total Other Adjustments	**(54)**	**0**	**0**	**54**
Total Adjustments	**(27,781)**	**0**	**0**	**27,781**

10. Transfers to/from Earmarked Reserves

This note shows the amounts set aside from the Police Fund in earmarked reserves to provide financing for future expenditure plans. The note also shows the amounts posted back from earmarked reserves to meet Police Fund expenditure in 2025/26.

Reserve	As at 31 March 2024 £'000	Re-classifications 2024/25 £'000	Transfers in 24/25 £'000	Transfers out 24/25 £'000	As at 31 March 2025 £'000	Re-classifications 2025/26 £'000	Transfers in 25/26 £'000	Transfers out 25/26 £'000	As at 31 March 2026 £'000
Force Reserves:									
Sexual Assault Referral Centre (SARC) Reserve	**(107)**	0	0	53	**(54)**	0	0	0	**(54)**
Pay Inflation Reserve	**(403)**	403	0	0	**0**	0	(100)	0	**(100)**
Insurance and Litigation Reserve	**(401)**	(100)	(10)	140	**(371)**	0	0	0	**(371)**
Budget Mitigation Reserve	**(1,303)**	1,190	(778)	156	**(735)**	(235)	(449)	455	**(964)**
Police Education Qualifications Framework (PEQF) Reserve	**0**	(240)	(84)	238	**(86)**	0	0	86	**0**
Forensic Alliance Reserve	**0**	(253)	(87)	203	**(137)**	100	0	0	**(37)**
Chief Constable Operational Fund	**(545)**	0	0	0	**(545)**	0	0	0	**(545)**
Driver Retraining Scheme Reserve – Chief Constable	**(341)**	0	(51)	0	**(392)**	30	(402)	469	**(295)**
Transformational Projects Reserve	**(495)**	190	(190)	242	**(253)**	45	0	155	**(53)**
GoSafe Force Contingency Reserve	**(329)**	329	0	0	**0**	0	0	0	**0**
Ill Health Retirement Reserve	**0**	0	(216)	0	**(216)**	216	0	0	**0**

Reserve	As at 31 March 2024 £'000	Re-classifications 2024/25 £'000	Transfers in 24/25 £'000	Transfers out 24/25 £'000	As at 31 March 2025 £'000	Re-classifications 2025/26 £'000	Transfers in 25/26 £'000	Transfers out 25/26 £'000	As at 31 March 2026 £'000
Welsh Language/Translation Reserve	**(51)**	0	0	51	**0**	0	0	0	**0**
Police Race Action Reserve	**(77)**	0	0	0	**(77)**	0	0	61	**(16)**
Innovation Reserve – Robotic Process Automation (RPA)	**(640)**	0	0	0	**(640)**	0	0	198	**(442)**
People Services and Organisational Development Reserve	**(126)**	0	0	0	**(126)**	0	0	126	**0**
Disciplinary Hearing Reserve	**(42)**	0	0	0	**(42)**	0	0	42	**0**
Police Cadet's Reserve	**0**	0	(64)	4	**(60)**	0	0	2	**(58)**
Workforce Planning Reserve	**0**	0	0	0	**0**	(216)	0	0	**(216)**
Commissioner's Reserves:									
Office of the Police and Crime Commissioner (OPCC) Reserve	**(37)**	(84)	0	37	**(84)**	0	(29)	84	**(29)**
Commissioning Services Reserve	**0**	(138)	(19)	0	**(157)**	0	(201)	0	**(358)**
Forfeiture Reserve	**(101)**	(23)	(23)	23	**(124)**	0	(43)	5	**(162)**
Sale of Found Property Reserve	**(19)**	1	(3)	3	**(18)**	0	(3)	4	**(17)**
Proceeds of Crime Act Reserve	**(421)**	0	(201)	251	**(371)**	0	(460)	108	**(723)**
Commissioner's Fund	**(293)**	51	(51)	176	**(117)**	0	0	106	**(11)**
Driver Retraining Scheme Reserve – Commissioner	**(1,038)**	0	(219)	265	**(992)**	0	0	4	**(988)**

Reserve	As at 31 March 2024 £'000	Re-classifications 2024/25 £'000	Transfers in 24/25 £'000	Transfers out 24/25 £'000	As at 31 March 2025 £'000	Re-classifications 2025/26 £'000	Transfers in 25/26 £'000	Transfers out 25/26 £'000	As at 31 March 2026 £'000
Drug Intervention Programme Reserve	**(11)**	11	(11)	11	**0**	0	0	0	**0**
Police and Crime Commissioner Innovation Funding Reserve	**(1,000)**	(605)	(172)	11	**(1,766)**	60	0	229	**(1,477)**
Total Specific Earmarked Revenue Reserves	**(7,780)**	**732**	**(2,179)**	**1,864**	**(7,363)**	**0**	**(1,687)**	**2,134**	**(6,916)**
Sustainability Fund	**(494)**	0	0	494	**0**	0	0	0	**0**
Roads Policing Unit (RPU) Vehicle Reserve	**(235)**	0	0	235	**0**	0	0	0	**0**
Capital Reserve - CCTV	**0**	(732)	(350)	0	**(1,082)**	0	0	0	**(1,082)**
Other Earmarked Capital Reserve	**(7,314)**	0	(523)	0	**(7,837)**	0	(692)	2,230	**(6,299)**
Total Earmarked Capital Reserves	**(8,043)**	**(732)**	**(873)**	**729**	**(8,919)**	**0**	**(692)**	**2,230**	**(7,381)**
Regional Collaboration Reserve	**0**	0	0	0	**0**	0	(419)	0	**(419)**
Total Ring-Fenced Revenue & Capital Reserves	**0**	**0**	**0**	**0**	**0**	**0**	**(419)**	**0**	**(419)**
Total Usable Reserves	**(15,823)**	**0**	**(3,052)**	**2,593**	**(16,282)**	**0**	**(2,798)**	**4,364**	**(14,716)**

The purpose for each Reserve held by the Group is detailed below:

General Reserve

In accordance with CIPFA's Guidance Note on Local Authority Reserves and Balances, the Commissioner also maintains a General Reserve to act as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and a contingency to cushion the impact of unexpected events or emergencies.

Sexual Assault Referral Centre (SARC) Reserve

This reserve was set up to mitigate anticipated costs arising from the regionalisation project for Sexual Assault Referral Centres.

Pay Inflation Reserve

This reserve was created to mitigate against levels of future pay inflation being higher than those anticipated.

Insurance and Litigation Reserve

This reserve was created to assist in mitigating the financial impacts of changes to self-insured levels resulting from increases in insurance premiums and litigation exposure.

Budget Mitigation Reserve

The Commissioner initially set aside a specific reserve of £75k in 2021/22 to offset an error in the calculation of the council tax base that occurred during budget setting for 2022/23. This reserve was released during 2022/23 with the issue being addressed on a recurring basis as part of the 2023/24 and 2024/25 budget-setting process. The current balance represents one-off cost pressures which are to be funded non-recurringly over future years.

Police Education Qualifications Framework (PEQF) Reserve

This reserve provides funding for the transition from the PEQF scheme.

Forensic Alliance Reserve

This reserve provides funding for a transition project.

Chief Constable Operational Fund

This reserve assists in mitigating against the consequential costs of notable peaks in operational activity.

Driver Retraining Scheme Reserve – Chief Constable

This reserve is to support activities in relation to road and community safety initiatives.

Transformational Projects Reserve

This reserve was set up to fund activities seeking to deliver organisational transformational projects.

GoSafe Force Contingency Reserve

This contingency reserve was established to mitigate against uncertainties and financial deficits within the GoSafe Partnership.

Ill Health Retirement Reserve

This reserve is to fund ill health medical costs due to delays in the medical assessment arrangements.

Welsh Language/Translation Reserve

This reserve was set up to address the backlog in the translation of Freedom of Information (FOI) responses for publication on the Force website.

Police Race Action Reserve

This reserve is to fund a Police Race Action Plan Co-ordinator position to take forward this piece of work substantively.

Innovation Reserve – Robotic Process Automation (RPA)

This reserve is to enhance the delivery of RPA, continuous development, and Power BI dashboard development.

People Services and Organisational Development Reserve

This reserve is to fund changes within the People Services Department. This includes appointing a Head of Training/Talent, Wellbeing Lead, and Counselling Support to manage the wider recruitment and retention challenges.

Disciplinary Hearing Reserve

This reserve is to fund a part-time post to manage the workloads of disciplinary hearings.

Police Cadet's Reserve

One-off funding to support activity for Cadets.

Workforce Planning Reserve

Funding to support the recruitment of additional apprentice posts.

Office of the Police and Crime Commissioner (OPCC) Reserve

Funding to meet one-off short-term costs.

Commissioning Services Reserve

To support in-year cost increases due to recent changes in contract arrangements.

Forfeiture Reserve

Money seized under Section 27 Misuse of Drugs Act 1971 and following forfeiture at Court is transferred to the Forfeiture Reserve for use by the Commissioner. The reserves are utilised to fund operations targeting drug-related crime and drug abuse.

Sale of Found Property Reserve

The Sale of Found Property Fund is made up of monies received by the Commissioner from the sale of found property. It is current policy to provide annual donations to local charities.

Proceeds of Crime Act Reserve

Funds are allocated from confiscation orders that arise from proceeds of crime. The reserves are utilised to support operational activities which assist in bringing criminals to justice.

Commissioner's Fund

This reserve is to support Term 3 - Police and Crime Plan priorities.

Driver Retraining Scheme Reserve - Commissioner

This reserve is to support activities in relation to road and community safety initiatives.

Drug Intervention Programme Reserve

This reserve was set up to support drug testing.

Police and Crime Commissioner Innovation Funding Reserve

This reserve is to deliver innovation projects in line with the Commissioners priorities e.g. Rural Crime initiatives/pilot projects.

Sustainability Fund

This reserve was created to assist in funding 'invest to save' and sustainability activities.

Roads Policing Unit (RPU) Vehicle Reserve

Funding for additional RPU vehicles following a change to the Roads Policing model.

Capital Reserve – CCTV

Earmarked Capital Reserve to fund Close Circuit Television Cameras (CCTV).

Other Earmarked Capital Reserve

This reserve will be used to support the significant capital investment in Estates, Information Communication Technology and Fleet, as outlined within the MTFP and Capital Strategy.

Regional Collaboration Reserve

This reserve represents the share of funds held for collaborative police services, including the Regional Organised Crime Unit and the Regional Task Force.

11. Other Operating Income and Expenditure

This line contains corporate items of income and expenditure that cannot reasonably be allocated or apportioned to services.

Group 2024/25 £'000	Commissioner 2024/25 £'000		Group 2025/26 £'000	Commissioner 2025/26 £'000
312	312	Gain/Loss on the Disposal/De-Recognition of Non-Current Assets	200	200
(16,733)	(16,733)	Home Office Police Officer Pension Top-Up Grant	(19,964)	(19,964)
(16,421)	**(16,421)**	**Total**	**(19,764)**	**(19,764)**

12. Financing and Investment Income and Expenditure

This line contains corporate items of income and expenditure arising from involvement in financial instruments and similar transactions involving interest.

Group 2024/25 £'000	Commissioner 2024/25 £'000		Note	Group 2025/26 £'000	Commissioner 2025/26 £'000
994	994	Interest payable and similar charges	17	1,171	1,171
50,518	(3)	Net interest on the net defined benefit liability	37	52,978	(5)
182	182	Deficit on revaluation of investment properties	15	0	0
(196)	(196)	(Surplus) on revaluation of investment properties	15	(451)	(451)
0	0	(Gain)/Loss on the disposal of investment properties		0	0
(1,312)	(1,312)	Interest receivable and similar income	17	(1,027)	(1,027)
(1,085)	(1,085)	Income in relation to investment properties and changes in their fair value		(1,060)	(1,060)
428	428	Expenditure in relation to investment properties and changes in their fair value		460	460
49,529	**(992)**	**Total**		**52,071**	**(912)**

13. Taxation and Non-Specific Grant Incomes

This note consolidates all grants and contributions that cannot be identified to a particular service.

Group 2024/25 £'000	Commissioner 2024/25 £'000		Note	Group 2025/26 £'000	Commissioner 2025/26 £'000
(79,364)	(79,364)	Precept income		(86,365)	(86,365)
(192)	(192)	National Non-Domestic Rates (NNDR)	31	(191)	(191)
(64,346)	(64,346)	Non-ring-fenced government grants	31	(66,747)	(66,747)
(88)	(88)	Capital grants and contributions	31	0	0
(143,990)	**(143,990)**	**Total**		**(153,303)**	**(153,303)**

14. Property, Plant and Equipment

2025/26	Land £'000	Buildings £'000	Boats £'000	Vehicles £'000	Equipment £'000	Right of Use Asset £'000	Total Property, Plant & Equipment £'000	Intangible Assets £'000	Surplus Assets £'000	Assets Under Construction £'000
Cost or valuation at 1 April 2025	**6,803**	**78,504**	**746**	**9,610**	**18,344**	**1,823**	**115,830**	**2,292**	**610**	**7,215**
Additions	109	2,527	0	2,319	3,327	309	**8,591**	56	0	7,103
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(38)	2,156	0	0	0	263	**2,381**	0	0	0
Revaluation increases/(decreases) recognised in surplus/deficit on the Provision of Services	(32)	1,016	0	0	0	(14)	**970**	0	(3)	0
Derecognition – disposals	(26)	(753)	(58)	(789)	(213)	0	**(1,839)**	0	(430)	0
Assets reclassified	(3)	(7)	0	(56)	0	0	**(66)**	0	(168)	0
Other Movements	0	0	0	0	0	59	**59**	0	0	0
Write-off of Accumulated Depreciation on Revaluation	0	(2,001)	0	0	0	0	**(2,001)**	0	(2)	0
At 31 March 2026	**6,813**	**81,442**	**688**	**11,084**	**21,458**	**2,440**	**123,925**	**2,348**	**7**	**14,318**
Accumulated depreciation and impairment at 1 April 2025	**0**	**0**	**(174)**	**(5,130)**	**(12,622)**	**(160)**	**(18,086)**	**(367)**	**0**	**0**
Depreciation charge	0	(2,030)	(40)	(1,345)	(2,085)	(150)	**(5,650)**	(423)	(4)	0
Derecognition disposals	0	29	35	780	213	0	**1,057**	0	2	0
Assets reclassified	0	0	0	56	0	0	**56**	0	0	0
Write-off of Accumulated Depreciation on Revaluation	0	2,001	0	0	0	0	**2,001**	0	2	0
Accumulated depreciation and impairment at 31 March 2026	**0**	**0**	**(179)**	**(5,639)**	**(14,494)**	**(310)**	**(20,622)**	**(790)**	**0**	**0**
Net book value at 31 March 2026	**6,813**	**81,442**	**509**	**5,445**	**6,964**	**2,130**	**103,303**	**1,558**	**7**	**14,318**
Net book value at 31 March 2025	**6,803**	**78,504**	**572**	**4,480**	**5,722**	**1,663**	**97,744**	**1,925**	**610**	**7,215**

2024/25	Land £'000	Buildings £'000	Boats £'000	Vehicles £'000	Equipment £'000	Right of Use Asset £'000	Total Property, Plant & Equipment £'000	Intangible Assets £'000	Surplus Assets £'000	Assets Under Construction £'000
Cost or valuation at 1 April 2024	**7,251**	**78,830**	**918**	**8,129**	**18,878**	**0**	**114,006**	**1,125**	**55**	**1,278**
Adjustment to cost/value as at 1/4/24	0	(991)	0	0	0	0	**(991)**	0	0	0
Additions	0	2,552	0	2,468	810	0	**5,830**	1,167	0	5,937
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	(134)	0	0	0	(308)	**(442)**	0	117	0
Revaluation increases/(decreases) recognised in surplus/deficit on the Provision of Services	5	278	0	0	0	(223)	**60**	0	239	0
Derecognition – disposals	(11)	(109)	0	(987)	(1,344)	0	**(2,451)**	0	0	0
Transition of Right of Use Assets - IFRS 16	0	0	0	0	0	1,568	**1,568**	0	0	0
Assets reclassified	(442)	(139)	(172)	0	0	786	**33**	0	201	0
Write-off of Accumulated Depreciation on Revaluation	0	(1,783)	0	0	0	0	**(1,783)**	0	(2)	0
At 31 March 2025	**6,803**	**78,504**	**746**	**9,610**	**18,344**	**1,823**	**115,830**	**2,292**	**610**	**7,215**
Accumulated depreciation and impairment at 1 April 2024	**0**	**(991)**	**(210)**	**(4,905)**	**(11,442)**	**0**	**(17,548)**	**(178)**	**(1)**	**0**
Adjustment to Accumulated Depreciation as at 1/4/24	0	991	0	0	0	**0**	**991**	0	0	0
Depreciation charge	0	(1,783)	(45)	(1,126)	(2,516)	**(160)**	**(5,630)**	(189)	(1)	0
Derecognition disposals	0	0	0	901	1,336	**0**	**2,237**	0	0	0
Assets reclassified	0	0	81	0	0	**0**	**81**	0	0	0
Write-off of Accumulated Depreciation on Revaluation	0	1,783	0	0	0	**0**	**1,783**	0	2	0
Accumulated depreciation and impairment at 31 March 2025	**0**	**0**	**(174)**	**(5,130)**	**(12,622)**	**(160)**	**(18,086)**	**(367)**	**0**	**0**
Net book value at 31 March 2025	**6,803**	**78,504**	**572**	**4,480**	**5,722**	**1,663**	**97,744**	**1,925**	**610**	**7,215**
Net book value at 31 March 2024	**7,251**	**77,839**	**708**	**3,224**	**7,436**	**0**	**96,458**	**947**	**54**	**1,278**

Indexation

Following changes introduced to the 2025/26 CIPFA Code, the Police and Crime Commissioner will adopt indexation for property valuations from the 2026/27 financial year. A full valuation has been undertaken in 2025/26, and indexation will be applied in intervening years and full revaluations performed on a five-year cycle thereafter.

Revaluations

Revaluations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The two approaches used are:

1. Valuations based on comparable market evidence (Current Value and Fair Value), and;
2. Valuations based on a Depreciated Replacement Cost (DRC).

No significant assumptions have been applied.

15. Investment Properties

Some of the Commissioner's property is being held solely to earn rentals and/or for capital appreciation purposes rather than for use in administrative purposes.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2024/25 £'000		2025/26 £'000
1,085	Rental income from investment property	1,060
(428)	Direct operating expenses arising from investment property	(460)
657	**Net gain/(loss)**	**600**

There are no restrictions on the Commissioner's ability to realise the value inherent in his investment property or on the Commissioner's right to the remittance of income and the proceeds of disposal. The Commissioner has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year.

2024/25 £'000		2025/26 £'000
3,288	Balance at start of year	2,896
0	Additions in the year	4
0	Disposals in the year	0
(406)	Reclassifications	0
14	Net gains/(losses) from fair value adjustments	451
2,896	**Balance at end of year**	**3,351**

Investment properties are measured at fair value based on market evidence.

Details of the Commissioner's investment properties and information about the fair value hierarchy as at 31 March 2026 and 31 March 2025 are as follows:

31 March 2026	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair value as at 31 March 2026 £'000
Radio Mast Sites	0	2,003	0	2,003
Office Units	0	1,348	0	1,348
31 March 2025	**Quoted prices in active markets for identical assets (level 1) £'000**	**Other significant observable inputs (level 2) £'000**	**Significant unobservable inputs (level 3) £'000**	**Fair value as at 31 March 2025 £'000**
Radio Mast Sites	0	1,982	0	1,982
Office Units	0	914	0	914

Valuation techniques used to determine level 2 and 3 fair values for investment properties

Significant observable inputs – level 2.

The fair value for the radio mast sites and office units has been based on the market approach using current market conditions, the duration of leases and rental income.

16. Capital Commitments

Future expenditure commitments under outstanding purchase orders for capital schemes are as follows:

2024/25 £'000	Capital Commitments	2025/26 £'000
9,408	Land and Buildings	2,918
3,321	Equipment	1,878
689	Vehicles	396
13,418	**Total**	**5,192**

The table above includes contractual commitments only and does not reflect other schemes that the Force plans to progress as outlined in the Capital Programme.

The contractual commitment for Equipment includes ICT projects, including Body-Worn Video (£483k) and Digital Interviewing (£400k), as well as Wireless CCTV (£200k), and Contact Management System (£264k).

The contractual commitment of £2,918k for Land and Building in 2025/26 includes £2,377k as the Force contribution towards the Tri-Force Firing Range training facility which is currently under construction. The commitment takes the project to completion.

17. Financial Instruments

A Financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Commissioner and can be represented by a contractual obligation to deliver cash or financial assets. It is also an obligation to exchange financial assets and liabilities with another entity that are potentially unfavourable to the Commissioner.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Commissioner that is represented by cash or other instruments. It is also a contractual right to receive cash or another financial asset.

Financial Instruments – balances

The financial liabilities disclosed in the group balance sheet are analysed across the following categories:

Financial Liabilities	Long-Term		Short-Term	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
At amortised cost:				
PWLB Loans:				
- Principal sum borrowed	(10,000)	(23,000)	(10,357)	(2,001)
- Accrued Interest	0	0	(253)	(238)
Total Borrowing	**(10,000)**	**(23,000)**	**(10,610)**	**(2,239)**
At amortised cost:				
Other liabilities:				
- Creditors	(426)	(590)	(21,864)	(27,267)
- IFRS16 Right of Use Asset Liability	(1,474)	(1,678)	(129)	(138)
Total Creditors	**(1,900)**	**(2,268)**	**(21,993)**	**(27,405)**
Total Financial Liabilities	**(11,900)**	**(25,268)**	**(32,603)**	**(29,644)**

The financial assets disclosed in the group balance sheet are analysed across the following categories:

Financial Assets	Long-Term		Short-Term	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
At amortised cost:				
Investments:				
- Principal sum invested	0	0	0	2,000
- Accrued Interest	0	0	0	83
Total Investments	**0**	**0**	**0**	**2,083**
At amortised cost:				
Short-term deposits (Call Accounts):				
- Principal sum invested	0	0	6,000	3,000
- Accrued Interest	0	0	38	0
Cash held	0	0	19	19
Bank Current Accounts	0	0	5,457	5,071
Total Cash and Cash Equivalents	**0**	0	**11,514**	**8,090**
At amortised cost:				
Other Assets:				
- Debtors	0	0	22,795	23,249
Total Debtors	**0**	**0**	**22,795**	**23,249**
Total Financial Assets	**0**	**0**	**34,309**	**33,422**

Gains and Losses

Financial Instruments – Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following items:

2024/25 £'000		Financial Liabilities – Amortised cost £'000	Financial Assets – Amortised cost £'000	2025/26 £'000
(994)	Interest expense	(1,171)	0	(1,171)
1,312	Interest income	0	1,027	1,027
318	**Net Gain/(Loss) for the year**	**(1,171)**	**1,027**	**(144)**

Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arm's-length transaction:

- Where liabilities are held as an asset by another party, such as the Commissioner's borrowing, the Public Works Loan Board (PWLB) has assessed the fair values by

calculating the amounts the Commissioner would have had to pay to extinguish the loans on these dates;

- No early repayment or impairment is recognised for any financial instrument;
- For creditors, debtors, cash and cash equivalents, the carrying value has been used as a reasonable approximation of fair value;
- Fair values are shown in the table below, split by their level in the fair value hierarchy:
    1) Level 1 – Fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices. This also applies to property valuations for surplus assets, assets held for sale, and investment properties;
    2) Level 2 – Fair value is calculated from inputs other than quoted prices that are observable for the asset or liability e.g. interest rates or yields for similar instruments;
    3) Level 3 – Fair value is determined using unobservable inputs e.g. non-market data such as cash flow forecasts or estimated creditworthiness;

There were no transfers between input levels 1 and 2 during the year and there has been no change in the valuation technique used during the year.

	Fair Value Level	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 (restated) £'000	Balance Sheet 31 March 2026 £'000	Fair Value 31 March 2026 £'000
Financial Liabilities held at amortised cost:					
Borrowing*	**2**	(20,610)	(20,656)	(25,239)	(25,086)
Liabilities for which fair value is not disclosed:					
Creditors		(22,290)	(22,290)	(27,857)	(27,857)
IFRS16 Right of Use Asset Liability		(1,603)	(1,603)	(1,816)	(1,816)
Total Financial Liabilities		**(44,503)**	**(44,549)**	**(54,912)**	**(54,759)**
Assets for which fair value is not disclosed:					
Debtors		22,795	22,795	23,249	23,249
Investments		0	0	2,083	2,083
Cash and Cash Equivalents		11,514	11,514	8,090	8,090
Total Financial Assets		**34,309**	**34,309**	**33,422**	**33,422**

*MUFG Corporate Markets will provide fair values using both premature redemption and new borrowing (certainty rate) discount rates. CIPFA have previously advised that the new loan rate is used in the disclosure table. The alternative valuations using the premature repayment rates would be £25,527k (2024-25 £20,968k).

18. Debtors

Short-Term Debtors

Group 31 March 2025 £'000	Commissioner 31 March 2025 £'000		Group 31 March 2026 £'000	Commissioner 31 March 2026 £'000
3,139	3,139	Trade receivables	2,462	2,462
16,835	16,835	Other receivables	18,226	18,224
2,821	0	Prepayments	2,561	0
22,795	**19,974**	**Total**	**23,249**	**20,686**

19. Cash and Cash Equivalents

	31 March 2025 £'000	31 March 2026 £'000	Increase or (decrease) in Cash and Cash Equivalents £'000
Cash held	19	19	0
Bank current accounts	5,457	5,071	(386)
Short-term deposits	6,038	3,000	(3,038)
Total	**11,514**	**8,090**	**(3,424)**

20. Assets Held for Sale

	31 March 2025 £'000	31 March 2026 £'000
Balance outstanding at start of year	8	90
Assets newly classified as held for sale	90	178
Revaluation gains/(losses)	0	2
Assets sold	(8)	(90)
Balance outstanding at year end	**90**	**180**

21. Creditors

Long-Term Creditors

Group 31 March 2025 £'000	Commissioner 31 March 2025 £'000		Group 31 March 2026 £'000	Commissioner 31 March 2026 £'000
(426)	0	Collaboration Fair Share adjustment	(379)	0
0	0	Other Long-Term Creditors - Taser Cartridges	(211)	0
(426)	**0**	**Total**	**(590)**	**0**

Short-Term Creditors

Group 31 March 2025 £'000	Commissioner 31 March 2025 £'000		Group 31 March 2026 £'000	Commissioner 31 March 2026 £'000
(3,580)	(423)	Trade payables	(4,533)	(112)
(15,976)	(1,511)	Other payables	(21,985)	(5,439)
(2,308)	(19)	Receipts in advance	(749)	(89)
(21,864)	**(1,953)**	**Total**	**(27,267)**	**(5,640)**

22. Provisions

Provisions represent sums set aside in respect of liabilities that or known or are certain to occur, but for which the timing and value are uncertain.

Short-Term Provisions

These are amounts which are expected to be paid within 12 months of the reporting period.

	Statutory Funds £'000	Injury Awards and Ill Health Retirements £'000	Total £'000
Balance at 31 March 2025	**(1,361)**	**(687)**	**(2,048)**
Additional provisions made	(674)	(545)	**(1,219)**
Amounts used	1,093	138	**1,231**
Unused amounts reversed	0	248	**248**
Reclassification	0	0	**0**
Balance at 31 March 2026	**(942)**	**(846)**	**(1,788)**

Statutory Funds

The Commissioner is empowered to seize monies or property used, or intended for use, for the purpose of crime. These seized monies are held pending a ruling by the courts. Once this ruling is made, the funds can be disposed of in line with relevant legislation.

Injury Awards and Ill Health Retirements

A provision has been established to meet the cost of injury awards and ill health retirement payments for those employees who, at the year-end, were deemed unlikely to return to work but for whom the full health assessment had yet to be completed.

Long-Term Provisions

These are amounts which are expected to be paid more than 12 months after the reporting period.

	Insurance and Litigation Provision £'000	Municipal Mutual Insurance Ltd £'000	Total £'000
Balance at 31 March 2025	**(1,263)**	**(457)**	**(1,720)**
Additional provisions made	(1,359)	0	(1,359)
Amounts used	463	0	463
Unused amounts reversed	191	0	191
Reclassified as Contingent Liabilities (Note 38)	1,361	0	1,361
Balance at 31 March 2026	**(607)**	**(457)**	**(1,064)**

Insurance and Litigation Provision

An assessment of the likely settlement of insurance claims to be made by the Commissioner has been carried out and this amounted to £439k (2024/25: £1,095k).

On 10 October 2022, the High Court of Justice handed down judgement in the case of KSO and others v Commissioner of Police of the Metropolis (2019) in favour of the Claimants who sought settlement of on call provision for dedicated source handling duties. The Chief Constable has settled all claims for debt, leaving only the settlement of claimant costs to resolve; a provision of £15k has been made for these costs (2024/25: £15k).

Further on call claims for debt have been brought against Chief Constables nationally by undercover officers. A national mediation exercise in March 2024 successfully brokered agreement as to how the claims will be served and evidenced. There was also National agreement for the sharing of costs based on Net Revenue Expenditure (NRE). A provision of £106k (2024/25: £106k) has been made, along with an additional £44k (2024/25: £44k) to cover our associated legal costs.

In addition to the above, an amount of £2.4k (2024/25: £2.4k) has also been set aside for the likely settlement of Civil proceedings arising from conduct of an officer seconded to the National Public Order Intelligence Unit (NPOIU).

Based on the information currently available, it has been established that there is uncertainty around a high volume of the insurance and litigation claims that had been included in the opening balance of £1,263k. As a result, a large proportion of the provisions have now been reclassified as Contingent Liabilities. Please refer to Note 38 – Contingent Liabilities, for further information.

Municipal Mutual Insurance Ltd. (MMI)

MMI is a former insurer of public bodies which ceased trading in 1992. The Commissioner is in a scheme of arrangement to meet all claims that were outstanding at the time the company ceased trading.

23. Unusable Reserves

2024/25 £'000		2025/26 £'000
(28,176)	Revaluation Reserve	(29,193)
(49,068)	Capital Adjustment account	(51,853)
1,680	Accumulated Absences account	1,909
922,940	Pensions Reserve	952,384
426	Collaboration Fair Share Reserve	378
847,802	**Total**	**873,625**

Revaluation Reserve

This reserve represents the accumulated gains on the fixed assets held by the Commissioner/Group arising from increases in value, due to inflation and other factors, to the extent that these gains have not been consumed by subsequent downward movements in value.

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 £'000		2025/26 £'000
(29,108)	**Balance at 1 April**	**(28,176)**
325	(Upward)/downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on Provision of Services	(2,373)
(28,783)	**(Surplus) or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services**	**(30,549)**
	Amount written off to the Capital Adjustment Account:	
0	Accumulated gains on assets sold or scrapped	758
607	Difference between fair value depreciation and historical cost depreciation	598
(28,176)	**Balance at 31 March**	**(29,193)**

Capital Adjustment Account

The Capital Adjustment Account is used to manage the timing differences arising from the different arrangements for accounting, for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive

Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties, as well as gains recognised on donated assets that have yet to be consumed by the Group/Commissioner.

In addition, the account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007.

2024/25 £'000		2025/26 £'000
(49,168)	**Balance at 1 April**	**(49,068)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
5,818	Charges for depreciation and impairment of non-current assets	6,075
1,496	Revaluation losses on property, plant and equipment	948
(1,795)	Revaluation gains on property, plant and equipment	(1,926)
480	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	1,301
	Adjusting amounts written out of the revaluation reserve:	
(607)	Fair Value Deprecation	(598)
0	Accumulated gains on assets sold or scrapped	(758)
(43,776)		**(44,026)**
	Capital financing applied in the year	
(12)	Use of Capital Receipts to finance new capital expenditure	(972)
(880)	Use of Reserves to finance new capital expenditure	(2,231)
(89)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	0
0	Application of grants to capital financing from the Capital Grants Unapplied Account	0
(733)	Statutory provision for the financing of capital investment charged against the Police Fund	(703)
(3,564)	Capital expenditure charged against the General Fund	(3,470)
(5,278)		**(7,376)**
(14)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(451)
(49,068)	**Balance at 31 March**	**(51,853)**

Accumulated Absences Account

This 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. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to, or from, the Account.

2024/25 £'000		2025/26 £'000
1,526	**Balance at 1 April**	**1,680**
(1,526)	Settlement or cancellation of accrual made at the end of the preceding year	(1,680)
1,680	Amounts accrued at the end of the current year	1,909
1,680	**Balance at 31 March**	**1,909**

Pensions 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 Chief Constable 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 Chief Constable makes employer contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the 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 £'000		2025/26 £'000
1,053,173	**Balance at 1 April**	**922,940**
(157,099)	Remeasurements of the net defined benefit (liability)/asset	11,371
(16,733)	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	(19,964)
43,599	Employer's pensions contributions and direct payments to pensioners payable in the year.	38,037
922,940	**Balance at 31 March**	**952,384**

Collaboration Fair Share Reserve

The Collaboration Fair Share Reserve has been set up to represent the restatement of collaborative costs and reflects the difference between the fair value of collaborative costs and actual expenditure incurred in accordance with accounting standards.

2024/25 £'000		2025/26 £'000
372	**Balance at 1 April**	**426**
54	In-year movement	(48)
426	**Balance at 31 March**	**378**

24. Cash flow statement – Operating activities

The cash flows from operating activities include the following items:

2024/25 £'000		2025/26 £'000
1,312	Interest received	1,027
(72)	Interest paid on Right of Use Assets	(82)
(922)	Interest paid	(1,089)
318	**Total**	**(144)**

2024/25 £'000		2025/26 £'000
27,322	**Net (Surplus) or Deficit on the Provision of Services**	**18,391**
	Adjustments for Non-Cash Movements	
(5,818)	Depreciation	(6,077)
299	Impairment and Upward (Downward) Valuations	978
(321)	Contribution (to)/from Provisions	916
14	Movement in Fair Value of Investment Properties	451
(119)	Increase/(Decrease) in Inventories	198
6,859	Increase/(Decrease) in Debtors	453
(3,653)	(Increase)/Decrease in Creditors	(5,660)
(26,866)	Movement in Pension Liability	(18,073)
(480)	Carrying amount of Non-Current Assets sold or derecognised	(1,301)
(194)	Other Non-Cash Movements charged to the Surplus or Deficit on Provision of Services	97
(30,279)		**(28,018)**
	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	
168	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	1,101
168		**1,101**
(2,789)	**Net Cash Flows from Operating Activities**	**(8,526)**

25. Cash Flow Statement – Investing Activities

2024/25 £'000		2025/26 £'000
12,154	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	15,847
0	Other Movements – Right of Use Assets	59
1,824	Transition of Right of Use Assets – IFRS 16	0
78,000	Purchase of Short-Term and Long-Term Investments	65,000
(168)	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,101)
(78,000)	Proceeds from Short-Term and Long-Term Investments	(63,000)
13,810	**Net Cash Flows from Investing Activities**	**16,805**

26. Cash Flow Statement – Financing Activities

2024/25 £'000		2025/26 £'000
(21,807)	Cash Receipts of Short- and Long-Term Borrowing	(15,449)
10,326	Repayments of Short- and Long-Term Borrowing	10,357
204	Repayment of Lease Liability	237
(11,277)	**Net Cash Flows from Financing Activities**	**(4,855)**

27. Agency Services

Where the Police and Crime Commissioner is acting as an agent, transactions are not reflected in an authority's financial statements, with the exception of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position and the net cash position is included in financing activities in the Cash Flow Statement.

Another exception is where the authority receives payment for acting as an agent, in which case any amount of commission received, or receivable shall be recognised as revenue in the authority's financial statements.

Details of arrangements where the Commissioner acts as agent are provided below.

GoSafe

Since April 2015, the Police and Crime Commissioner for Dyfed-Powys has been the strategic lead for the financial administration of the GoSafe Partnership. GoSafe is the public facing image of the Wales Road Casualty Reduction Partnership which comprises the four Welsh police forces, 22 unitary authorities for Wales and the Welsh Government (as the trunk road authority).

Income and Expenditure in relation to GoSafe is shown below:

2024/25 £'000		2025/26 £'000
10,747	Expenditure	11,973
(5,338)	Grant Income	(5,477)
(5,409)	Income from Speed Awareness Courses	(6,496)
0	**Net Expenditure / Income**	**0**

Balances held in the group balance sheet on behalf of GoSafe are as follows:

31 March 2025 £'000		31 March 2026 £'000
(1,691)	Creditors – Grant Income Received in Advance	0
(2,862)	Creditors – Payments due to Other Forces	(3,737)
4,362	Debtors – Grant Income due	1,195
934	Debtors – Speed Awareness Income due	955
743	**Net Balance Sheet**	**(1,587)**

Photo at the Roadside (PARS) and Law Enforcement Database (LEDS)

In 2021/22, the Police and Crime Commissioner, on behalf of the Home Office, was designated as the national lead for two agency arrangements known as 'PARS – (Photo at the Roadside)' and 'LEDS – (Law Enforcement Database)'. LEDS is a Home Office capital project for the replacement of the Police National Computer and Police National Database ICT systems. The Police and Crime Commissioner has been administering the distribution of grant funding to forces on behalf of the Home Office.

There has been no adverse financial impact as costs incurred in providing the administration function have been refunded under the arrangements.

From 31 March 2024 onwards, we have been advised by the Home Office to amalgamate the balances that are being held in respect of these two agency arrangements. At 31 March 2026, the Commissioner held £133k of undistributed funds (31 March 2025: £133k) and it is anticipated that this balance will be distributed in future years.

Income and Expenditure in relation to PARS/LEDs is shown below:

2024/25 £'000		2025/26 £'000
5,976	Expenditure	8,981
(5,976)	Grant Income	(8,981)
0	**Net Expenditure / Income**	**0**

Balances held in the group balance sheet on behalf of PARS/LEDS are as follows:

31 March 2025 £'000		31 March 2026 £'000
(133)	Creditors – Undistributed Funds	(133)
(1,084)	Creditors – Payments due to Other Forces	(4,581)
1,084	Debtors – Grant Income due	2,579
(133)	**Net Balance Sheet**	**(2,135)**

28. Collaborative Arrangements

Police forces in Wales have a long, successful history of collaborating to develop specialist areas of policing. This included those under the remit of the former Police Authorities of Wales Joint Committee. Future collaboration will be driven by the need to satisfy the Strategic Policing Requirement and by the outcomes of the Regional Strategic Assessment of threats, risks and harm to the southern region of Wales.

The Police and Crime Commissioner for each police force will be responsible for ensuring the Strategic Policing Requirement is met. As part of this, the Commissioner will look to work in collaboration with other Commissioners and Forces to provide the most effective service possible. Such agreements are regulated by Section 22A of the Police Act 1996, as amended by the Police Reform and Social Responsibility Act 2011.

The collaborative services and their funding continue under revised commissioner and force governance arrangements. These are in effect considered as 'pooled budgets' with agreements for funding contributions made and varied from time to time, supported by certain specific government grants. The pooled budgets are effectively hosted by the Police and Crime Commissioner and Chief Constable for South Wales Police on behalf of the four police forces in Wales.

The total costs of the collaborative team in 2025/26 were £577k (2024/25 £506k) and Dyfed-Powys Police's contribution to these costs was £148k in 2025/26 (2024/25 £130k).

Income and Expenditure for the main activities of the collaborative units is presented below along with the funding contributions made by each participating force.

Included in accounting policies under collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS 11 - Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly, expenditure in the Comprehensive Income and Expenditure Statement has been increased by £3,196k (2024/25: £2,397k) and income/grants have been increased by £3,244k (2024/25: £2,343k); a net decrease in expenditure of £48k (2024/25: increase of £54k). This net decrease has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of forces as the balances are not considered to be material.

Expenditure and Income Statements for 2025/26 for the main collaborative arrangements were as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch National Policing £'000	Counter Terrorism Specialist Advisors National Policing £'000	Counter Terrorism Port/Dedicated Security National Policing £'000	Regional Organised Crime Unit Intelligence Investigation £'000	Regional Task Force Intelligence £'000	Joint Firearms Unit Specialist Operations £'000	Total £'000
Pay Expenditure	11,189	651	3,886	14,940	2,142	17,160	**49,968**
Non-Pay Expenditure	2,689	38	1,988	2,184	501	2,661	**10,061**
Gross Expenditure	**13,878**	**689**	**5,874**	**17,124**	**2,643**	**19,821**	**60,029**
Specific Grant Income	(13,824)	(689)	(5,867)	(9,887)	0	(1,697)	**(31,964)**
Income	(54)	0	(7)	(103)	(26)	(686)	**(876)**
Total Income & Grants	**(13,878)**	**(689)**	**(5,874)**	**(9,990)**	**(26)**	**(2,383)**	**(32,840)**
(Surplus) or Deficit – to be funded from Force contributions as follows	**0**	**0**	**0**	**7,134**	**2,617**	**17,438**	**27,189**
Dyfed-Powys	0	0	0	(1,451)	(532)	(5,231)	**(7,214)**
Gwent	0	0	0	(1,853)	(680)	(3,488)	**(6,021)**
South Wales	0	0	0	(3,830)	(1,405)	(8,719)	**(13,954)**
Total Force Contributions	**0**	**0**	**0**	**(7,134)**	**(2,617)**	**(17,438)**	**(27,189)**

Each force's contribution towards Expenditure and Income for 2025/26 was as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch National Policing (Population – national benefit basis) £'000	Counter Terrorism Specialist Advisors National Policing (Population – national benefit basis) £'000	Counter Terrorism Port/Dedicated Security National Policing (Population – national benefit basis) £'000	Regional Organised Crime Unit Intelligence/ Investigation (Population – national benefit basis) £'000	Regional Task Force Intelligence (Agreed Financial Contribution – local delivery) £'000	Joint Firearms Unit Specialist Operations (Agreed Financial Contribution – local delivery) £'000	Total £'000
Dyfed-Powys	2,283	113	410	3,606	538	5,946	**12,896**
Gwent	2,620	130	470	4,139	686	3,964	**12,009**
North Wales*	3,036	151	3,929	0	0	0	**7,116**
South Wales	5,939	295	1,065	9,379	1,419	9,911	**28,008**
Gross Expenditure	**13,878**	**689**	**5,874**	**17,124**	**2,643**	**19,821**	**60,029**
Dyfed-Powys	(2,283)	(113)	(410)	(2,104)	(5)	(715)	**(5,630)**
Gwent	(2,620)	(130)	(470)	(2,414)	(7)	(477)	**(6,118)**
North Wales	(3,036)	(151)	(3,929)	0	0	0	**(7,116)**
South Wales	(5,939)	(295)	(1,065)	(5,472)	(14)	(1,191)	**(13,976)**
Total Income and Grants	**(13,878)**	**(689)**	**(5,874)**	**(9,990)**	**(26)**	**(2,383)**	**(32,840)**

** North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police contribute to the Northwest Region of England and North Wales.*

Expenditure and Income Statements for 2024/25 for the main collaborative arrangements are as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch National Policing £'000	Counter Terrorism Specialist Advisors National Policing £'000	Counter Terrorism Port/Dedicated Security National Policing £'000	Regional Organised Crime Unit Intelligence Investigation £'000	Regional Task Force Intelligence £'000	Joint Firearms Unit Specialist Operations £'000	Total £'000
Pay Expenditure	9,656	651	3,774	13,950	1,793	15,897	45,721
Non-Pay Expenditure	1,934	75	1,086	2,254	584	2,594	8,527
Gross Expenditure	**11,590**	**726**	**4,860**	**16,204**	**2,377**	**18,491**	**54,248**
Specific Grant Income	(11,532)	(726)	(4,859)	(7,571)	0	(1,415)	(26,103)
Income	(58)	0	(1)	(67)	(72)	(738)	(936)
Total Income & Grants	**(11,590)**	**(726)**	**(4,860)**	**(7,638)**	**(72)**	**(2,153)**	**(27,039)**
(Surplus) or Deficit – to be funded from Force contributions as follows	**0**	**0**	**0**	**8,566**	**2,305**	**16,338**	**27,209**
Dyfed-Powys	0	0	0	(1,742)	(469)	(4,901)	**(7,112)**
Gwent	0	0	0	(2,225)	(599)	(3,268)	**(6,092)**
South Wales	0	0	0	(4,599)	(1,237)	(8,169)	**(14,005)**
Total Force Contributions	**0**	**0**	**0**	**(8,566)**	**(2,305)**	**(16,338)**	**(27,209)**

Each force's contribution towards Expenditure and Income for 2024/25 is as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch National Policing (Population – national benefit basis) £'000	Counter Terrorism Specialist Advisors National Policing (Population – national benefit basis) £'000	Counter Terrorism Port/Dedicated Security National Policing (Population – national benefit basis) £'000	Regional Organised Crime Unit Intelligence/ Investigation (Population – national benefit basis) £'000	Regional Task Force Intelligence (Agreed Financial Contribution – local delivery) £'000	Joint Firearms Unit Specialist Operations (Agreed Financial Contribution – local delivery) £'000	Total £'000
Dyfed-Powys	1,914	120	417	3,425	484	5,547	**11,907**
Gwent	2,181	137	475	3,902	617	3,698	**11,010**
North Wales*	2,534	159	2,889	0	0	0	**5,582**
South Wales	4,961	310	1,079	8,877	1,276	9,246	**25,749**
Gross Expenditure	**11,590**	**726**	**4,860**	**16,204**	**2,377**	**18,491**	**54,248**
Dyfed-Powys	(1,914)	(120)	(417)	(1,614)	(15)	(646)	**(4,726)**
Gwent	(2,181)	(137)	(475)	(1,840)	(19)	(431)	**(5,083)**
North Wales	(2,534)	(159)	(2,889)	0	0	0	**(5,582)**
South Wales	(4,961)	(310)	(1,079)	(4,184)	(38)	(1,076)	**(11,648)**
Total Income and Grants	**(11,590)**	**(726)**	**(4,860)**	**(7,638)**	**(72)**	**(2,153)**	**(27,039)**

Counter Terrorism Intelligence Unit expenditure for 2024/25 excludes £197k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Specialist Advisors expenditure for 2024/25 excludes £5k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

Counter Terrorism Port/Dedicated Security expenditure for 2024/25 excludes £89k of Employer's Pension Costs which were directly funded by the officers' home forces. This expenditure is unable to be re-distributed on a collaborative basis and is therefore considered not-in-scope of this note.

** North Wales Police are basing their Dedicated Security Post (DSP) costs on income and expenditure rather than an allocation based on population in Wales. They are not included in the Regional Task Force, which operate in the Southern Welsh Forces. For the Regional Organised Crime Unit, North Wales Police contribute to the Northwest Region of England and North Wales.*

Tri-Force Firing Range – Capital Project

The Tri-Force Firing Range Project is a joint capital project between South Wales Police, Gwent Police and Dyfed-Powys Police to construct and operate a joint asset which will deliver a new operational training facility for the Joint Firearms Unit. The Asset is being constructed within the South Wales Police Force area but will be jointly funded, owned, and operated by the three forces.

Total Expenditure on the Assets Under Construction (AUC) at 31 March 2025 was £26,328k, with expenditure of £25,064k during the financial year 2025/26, giving an AUC expenditure of £51,392k at 31 March 2026. The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the table below:

Assets Under Construction 2025/26	Dyfed-Powys Police 26.72%	South Wales Police 44.35%	Gwent Police 28.93%	Total
	£'000	£'000	£'000	£'000
Opening Balance at 1 April	**7,035**	**11,676**	**7,617**	**26,328**
Expenditure during the year	6,697	11,116	7,251	**25,064**
Closing Balance at 31 March	**13,732**	**22,792**	**14,868**	**51,392**

29. Officers' Remuneration

Senior Employees 2025/26	From	To	Full-time equivalent salary as at 31/03/26 or end date £	Actual salary, including allowances £	Benefits in kind – lease cars £	Benefits in kind – relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2025	15/06/2025	**199,734**	40,211	0	0	0	**40,211**	14,194	**54,405**
Chief Constable	07/10/2025	31/03/2026	**188,658**	91,286	0	0	0	**91,286**	32,224	**123,510**
Chief Constable (Temp)	16/06/2025	06/10/2025	**188,658**	56,593	0	0	0	**56,593**	19,977	**76,570**
Deputy Chief Constable (Temp)	16/06/2025	31/03/2026	**155,643**	122,000	3,897	0	0	**125,897**	43,066	**168,963**
Deputy Chief Constable	01/04/2025	15/06/2025	**149,799**	30,356	1,773	0	0	**32,129**	10,716	**42,845**
Assistant Chief Constable (Temp) [4]	15/02/2026	31/03/2026	**125,190**	15,649	984	0	0	**16,633**	4,731	**21,364**
Assistant Chief Constable (Temp) [4]	16/06/2025	31/03/2026	**125,190**	98,129	4,757	0	0	**102,886**	34,640	**137,526**
Assistant Chief Constable (Temp)	01/04/2025	15/06/2025	**120,489**	25,102	2,005	0	0	**27,107**	8,861	**35,968**
Assistant Chief Constable (Temp) – All-Wales Collaboration [3]	01/04/2025	04/02/2026	**133,116**	104,505	0	0	0	**104,505**	36,890	**141,395**
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2025	31/03/2026	**112,572**	110,681	0	0	0	**110,681**	18,594	**129,275**
Director of People and Organisation Development	01/04/2025	31/03/2026	**99,015**	97,351	0	0	0	**97,351**	16,355	**113,706**
Commissioner	01/04/2025	31/03/2026	**71,064**	70,826	0	0	0	**70,826**	11,899	**82,725**
Chief Financial Officer to the Commissioner [1]	01/04/2025	11/06/2025	**97,053**	12,933	0	0	39,832	**52,765**	2,173	**54,938**
Chief Financial Officer to the Commissioner (Temp) [1,2]	01/04/2025	31/03/2026	**96,933**	95,304	0	0	0	**95,304**	16,011	**111,315**
Chief Executive [1]	01/04/2025	31/03/2026	**101,130**	99,431	0	0	0	**99,431**	16,704	**116,135**
Director of Commissioning and Partnership [1]	01/04/2025	31/03/2026	**66,231**	65,119	0	0	0	**65,119**	10,940	**76,059**
Total 2025/26				**1,135,476**	**13,416**	**0**	**39,832**	**1,188,724**	**297,975**	**1,486,699**

[1] Staff under the direction and control of the Commissioner

[2] There was temporary cover provided for the Chief Financial Officer position during the year due to the permanent Chief Financial Officer being off work for an extended period of time. The substantive CFO left the organisation on 11/06/2025 and received holiday pay, a Payment in Lieu of Notice, and a financial settlement, which are included in the relevant column above

[3] The costs of this post were 25% funded by a Counter Terrorism Policing grant, and 75% shared between the four Welsh forces participating in Police Collaboration Wales. Dyfed-Powys Police's share of these costs for 2025/26 was £29,457

[4] There was a crossover of employment of the Assistant Chief Constable position to ensure there was sufficient cover in place while one ACC was out of force, attending the Executive Leadership Programme

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1)This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Senior Employees 2024/25	From	To	Full-time equivalent salary as at 31/03/25 or end date £	Actual salary, including allowances £	Benefits in kind – lease cars £	Benefits in kind – relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Constable	01/04/2024	31/03/2025	**191,331**	186,379	0	0	0	**186,379**	65,792	**252,171**
Deputy Chief Constable [4]	21/07/2024	31/03/2025	**144,687**	99,996	6,950	0	0	**106,946**	35,298	**142,244**
Deputy Chief Constable (Temp) [4]	01/04/2024	31/08/2024	**138,127**	57,640	3,316	0	0	**60,956**	20,029	**80,985**
Assistant Chief Constable	01/04/2024	20/07/2024	**122,307**	37,152	3,037	0	0	**40,189**	13,115	**53,304**
Assistant Chief Constable (Temp)	21/07/2024	31/03/2025	**120,489**	83,272	7,059	0	0	**90,331**	29,395	**119,726**
Assistant Chief Constable – All-Wales Collaboration (Temp) [3]	06/01/2025	31/03/2025	**120,489**	28,521	0	0	0	**28,521**	10,061	**38,582**
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2024	31/03/2025	**108,033**	105,992	0	0	0	**105,992**	17,807	**123,799**
Director of People and Organisation Development	01/04/2024	31/03/2025	**93,024**	91,267	0	0	0	**91,267**	15,333	**106,600**
Commissioner	01/04/2024	31/03/2025	**68,202**	68,202	0	0	0	**68,202**	11,458	**79,660**
Chief Financial Officer to the Commissioner [1]	01/04/2024	31/03/2025	**97,053**	64,337	0	0	0	**64,337**	10,809	**75,146**
Chief Financial Officer to the Commissioner (Temp) [1, 2]	01/05/2024	31/03/2025	**91,065**	82,099	0	0	0	**82,099**	13,793	**95,892**
Chief Executive [1]	01/04/2024	31/03/2025	**97,053**	94,593	0	0	0	**94,593**	15,892	**110,485**
Director of Commissioning and Partnership [1]	01/04/2024	31/03/2025	**63,561**	62,360	0	0	0	**62,360**	10,476	**72,836**
Total 2024/25				**1,061,810**	**20,362**	**0**	**0**	**1,082,172**	**269,258**	**1,351,430**

[1] Staff under the direction and control of the Commissioner

[2] There was temporary cover provided for the Chief Financial Officer position during the year due to the permanent Chief Financial Officer being off work for an extended period of time

[3] The costs of this post were 25% funded by a Counter Terrorism Policing grant, and 75% shared between the four Welsh forces participating in Police Collaboration Wales. Dyfed-Powys Police's share of these costs for 2024/25 was £8,038.

[4] There was a crossover of employment for the Deputy Chief Constable post as a handover was given due to the nature of this role

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1)This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Other Employees – (Excludes Senior Officers – itemized above)

The other Group employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) in bands of £5,000 were:

2024/25 Number of employees		2025/26 Number of employees
107	£60,000 - £64,999	116
71	£65,000 - £69,999	94
13	£70,000 - £74,999*	36
3	£75,000 - £79,999	12
8	£80,000 - £84,999	6
2	£85,000 - £89,999	2
5	£90,000 - £94,999	4
2	£95,000 - £99,999	6
4	£100,000 - £104,999	2
3	£105,000 - £109,999	4
0	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	1
0	£125,000 - £129,999	0

* Remuneration includes a compensation for loss of office payment in 2025/26.

Salary over £150,000

Three police officers had an annual salary over £150,000 in 2025/26. They were:

Dr Richard Lewis, Chief Constable – £199,734 (left on 15/06/2025)

Ifan Charles, Chief Constable – £188,658

Gary Phillips, Deputy Chief Constable (Temp) – £155,643

In 2024/25, there was only one police officer – Dr Richard Lewis, Chief Constable – £191,331.

Ratio of Chief Constable Remuneration/Chief Executive Remuneration

The Accounts and Audit Regulations (Wales) 2014, as amended, require disclosure of the following ratio information:

a) the remuneration of the body's Chief Constable/Chief Executive during the year to which the accounts relate;

b) the median full-time equivalent remuneration of all the body's employees in post at 31 March 2026; and

c) the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b).

Remuneration includes basic salary, overtime, allowances and benefits in kind.

Commissioner – Chief Executive

The remuneration of the Chief Executive for 2025/26 was £101,130 (2024/25: £97,053).

The median full-time equivalent remuneration of all the Commissioner's employees as at 31 March 2026 was £41,487 (2024/25: £39,813).

The ratio of the Chief Executive's remuneration to the median Commissioner employee's remuneration is 2:44:1 for 2025/26 (2024/25: 2:44:1).

Chief Constable

The annualised remuneration for the Chief Constable was £188,658 for 2025/26 (2024/25: £191,331). The Chief Constable received no benefit in kind during 2025/26 (2024/25: nil).

The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2026 was £42,303 (2024/25: £40,781).

The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration is 4:46:1 for 2025/26 (2024/25: 4:69:1).

Joint Audit Committee Members

The following amounts were paid to members:

Group 2024/25 £'000	Commissioner 2024/25 £'000		Group 2025/26 £'000	Commissioner 2025/26 £'000
10	10	Allowances	13	13
10	**10**	**Total**	**13**	**13**

30. External Audit Costs

The Commissioner and the Chief Constable jointly incurred costs in relation to the audit of the statement of accounts provided by Dyfed-Powys Police's external auditors. In addition to the amounts below, a further payment of £29k was made in respect of supplementary work carried out in connection with the 2024/25 Statement of Accounts.

2024/25 £'000	Area of Audit Work	2025/26 £'000
105	Fees payable to Audit Wales regarding external audit services carried out under the Code of Audit Practice prepared by the Audit General for Wales	110
105	**Total**	**110**

31. Grants and Other Income

The Commissioner credited the following grants to the Comprehensive Income and Expenditure Statement:

2024/25 £'000		2025/26 £'000
	Credited to Taxation and Non-specific Grant Income:	
(37,530)	Police Revenue Grant	(38,930)
(18,595)	Welsh Floor Grant	(19,909)
(8,221)	Revenue Support Grant	(7,908)
(192)	National Non-Domestic Rates (NNDR)	(191)
(88)	Capital Grants and Contributions	0
(64,626)	**Total grants credited to Taxation and Non-specific grant income**	**(66,938)**
	Credited to Services – Revenue Grants:	
(2,287)	Police Community Support Officers	(2,451)
(3,229)	Counter-Terrorism Grants	(3,642)
(4,067)	Specific Grant – pensions	(3,731)
(739)	McCloud Remedy Compensation Grant	(203)
(480)	Additional Recruitment Top-Up Grant	(527)
(3,010)	Police Uplift Programme	(2,479)
(1,160)	Home Office Special Grant – Pay Award	(850)
(272)	Private Finance Initiative	(258)
(400)	Disclosure and Barring Grant	(545)
(195)	Capital Loans Grant	(195)
(103)	National Law Enforcement Data (LEDS) Programme Grant	(209)
(337)	Policing Education Qualifications Framework (PEQF) Grant	(337)
(155)	Office of the Police Chief Scientific Advisor (OPCSA) Grant	0
(187)	Serious Violence Duty Grant	(185)
(100)	Grant for the co-ordination of NPCC actions in the End-to-End plan	0
(101)	XL Bully Dogs Kennelling Cost Grant	0
(104)	Specialist Cyber Crime - Option 3 Grant	(101)
(701)	Anti-Social Behaviour (ASB) Hotspot Funding	(1,036)
(49)	General Election Funding 2024	0
(100)	Robotic Process Automation Funding	(100)
(77)	Emergency Services Mobile Communication Programme (ESMCP) – Covert Airwaves	(78)
0	National Insurance Grant	(2,130)
0	Neighbourhood Policing Guarantee	(1,293)
(223)	Other Revenue Grants	(218)
(18,076)	**Total Revenue Grants accounted for by the Force**	**(20,568)**

(1,412)	Victim Support Services	(1,426)
(355)	Safer Streets Fund	0
(1,767)	**Total Revenue Grants accounted for by the Commissioner**	**(1,426)**
	*** Collaborative Grants*	
371	Counter-Terrorism and Joint Firearms Unit grants – fair share adjustment	(2,111)
(19,472)	**Total Revenue Grants credited to services**	**(24,105)**

The Commissioner credited the following other income to the Comprehensive Income and Expenditure Statement:

2024/25 £'000		2025/26 £'000
	Credited to Services	
	Other Income	
(306)	Mutual Aid to Other Police Forces	(392)
(695)	Contributions from Other Public Bodies	(741)
0	Proceeds of Crime Act / Asset Recovery Incentivisation Scheme income	(460)
(2,586)	Income from Secondments	(2,692)
(674)	Sales and Charges	(841)
(49)	Insurance Receipts	(26)
(103)	Vehicle Recovery Scheme	(75)
(253)	Prosecution Costs Recovered	(237)
(66)	Donations	0
(24)	Custody Charging – Home Office	(15)
(1,690)	Fees and Charges – Driver Retraining	(2,258)
(1,456)	Other Income/Recoverables – GoSafe (Dyfed-Powys Police element)	(1,569)
(1,067)	Other Income	(773)
(191)	Internal Recharge Income - ICT	(93)
(1,212)	Internal Recharge Income - Other	(1,014)
(10,372)	**Total Other Income accounted for by the Commissioner**	**(11,186)**
	*** Collaborative Income*	
(2,715)	Collaborative Arrangements – Fair Share Adjustment	(1,133)
(13,087)	**Total Other Income credited to Services**	**(12,319)**

**Police and Crime Commissioners and police forces in Wales are complying with requirements arising from the CIPFA guidance on "Accounting for Collaboration". This guidance requires them to assess all collaborative activity and to adjust for their fair share of grant and other income in their individual accounts.

32. Related Parties

IAS24 requires the Group/Commissioner to disclose material transactions with related parties, i.e. bodies or individuals that have the potential to control or influence the Group/Commissioner, or to be controlled or influenced by the Group/Commissioner. Disclosure of these transactions allows readers to assess the extent to which the Group/Commissioner may have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Group/Commissioner.

This disclosure note has been prepared based on specific declarations between 1 April 2025 and 31 March 2026, in respect of related party transactions.

Central Government and Other Public Bodies

Central Government has significant influence over the general operations of the Group/Commissioner – it is responsible for providing the statutory framework within which the Group/Commissioner operates, provides the majority of its funding in the form of grants, which are presented in Note 13 – Taxation and Non Specific Grant Income, and prescribes the terms of many of the transactions that the Group/Commissioner has with other parties.

Grants received from Government Departments are set out in Note 31- Grants and Other Income, most of which have strict terms and conditions. The Group/Commissioner has direct control over their financial and operating policies.

Senior Officers

The Commissioner is a board member for the National Police Air Support Service (NPAS). NPAS provides air support to police forces across England and Wales. The Police and Crime Commissioner for Dyfed-Powys are invoiced by the Police and Crime Commissioner for West Yorkshire for this service.

During 2025/26, one officer employed by the Force was seconded to NPAS (Police and Crime Commissioner for West Yorkshire) on a full cost recovery basis. During 2024/25, there were two officers seconded, for nine months of the year.

The related party transactions between the Police and Crime Commissioner for Dyfed-Powys, and the Police and Crime Commissioner for West Yorkshire for 2025/26 and 2024/25 are as follows:

2025/26						
Position	Relationship	Related Party	Expenditure £'000	Income £'000	Creditors as at 31/3/26 £'000	Debtors as at 31/3/26 £'000
Police and Crime Commissioner	Board Member	Police and Crime Commissioner for West Yorkshire	468	(82)	(75)	21

2024/25						
Position	Relationship	Related Party	Expenditure £'000	Income £'000	Creditors as at 31/3/25 £'000	Debtors as at 31/3/25 £'000
Police and Crime Commissioner	Board Member	Police and Crime Commissioner for West Yorkshire	438	(128)	(2)	20

No other Senior Officers declared any related party relationships for 2025/26 or 2024/25.

A robust process is also in place to approve and register the business interests of both Police Staff and Police Officers.

33. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred during the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Group/Commissioner, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Group/Commissioner that has yet to be financed.

2024/25 £'000		2025/26 £'000
23,758	**Opening Capital Financing Requirement**	**33,235**
12,933	Property, Plant and Equipment	15,441
0	Investment Properties	4
0	Assets Held for Sale	0
1,733	Right of Use Assets	309
	Sources of finance:	
(12)	Capital Receipts	(972)
0	Government Grants and other contributions	0
(880)	Sum set aside from Revenue (Earmarked Capital Reserve)	(2,230)
(3,564)	Direct Revenue Contributions	(3,470)
(733)	Minimum Revenue Provision	(703)
33,235	**Closing capital financing requirement**	**41,614**
	Explanation of movements in year:	
733	Capital Financing (Minimum Revenue Provision)	703
(10,210)	Increase in underlying need to borrowing (unsupported by government financial assistance)	(9,082)
(9,477)	**(Increase)/Decrease in Capital Financing Requirement**	**(8,379)**

The CFR measures the underlying need to borrow for capital purposes, although this borrowing may not necessarily take place externally. The table above represents any increase in the need to borrow, less any Minimum Revenue Provisions (MRP).

In 2025/26 the MRP is £703k (2024/25: £733k). MRP is chargeable in the year after the asset becomes operational, in line with the MRP policy included in the Treasury Management Strategy 2025/26, outlined in the Accounting Policy section.

34. Leases

Group/Commissioner as Lessee - Operating Leases

The Group/Commissioner leases property from other property owners where appropriate and affordable, to provide suitable accommodation for operational policing and support. The Group/Commissioner also has operating leases for plant and equipment which includes photocopiers.

IFRS16 Leases has been adopted by the Code of Practice for Local Authority Accounting in the United Kingdom and Dyfed-Powys Police have implemented from 1 April 2024 (2024/25) as required by statute.

Plant, Property and Equipment that fall under the scope of IFRS 16 have now been reclassified as Right of Use Assets (ROU) on the balance sheet.

The future minimum lease payments as at 31 March 2026 are £nil as the operating leases have been re-categorised as Right of Use Assets (2024/25: £nil).

Group/Commissioner as Lessee - Right of Use

IFRS 16 Lease Accounting

With effect from 1 April 2024 the Group/Commissioner implemented IFRS16 Leases and consequently is required to classify leases with an underlying Right of Use Asset now capitalised on the balance sheet.

The main impact of the new requirements is that arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) are now accounted for as right-of-use assets and a corresponding lease liability is recognised. Leases for low value items and of short duration (expiring on or before 31 March 2026) are exempt from IFRS 16 disclosure requirements.

As a lessee, the Group/Commissioner has previously classified leases as either operating, or finance leases, based on an assessment of whether all the risks and rewards incidental to ownership of the underlying asset were substantially transferred to the Group/Commissioner. The group also holds several leased properties which do not require disclosure under IFRS 16 if, for example, they are of low value or are of short duration. None of the properties are sub-let.

Under IFRS 16, the Group/Commissioner recognises right-of-use assets and corresponding lease liabilities where applicable. However, the Group/Commissioner has decided to apply the available recognition exemptions and has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a term of 12 months or less) and leases of low-value assets. The Group/Commissioner recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always been applied. However, they have been recognised in the year of adoption and not by adjusting prior year figures and are presented within a separate column within Note 14 – Property, Plant and Equipment.

Lease liabilities have been calculated using the equivalent of a weighted average PWLB rate of 4.62%.

Right of Use assets within Property, Plant and Equipment:

Group 2024/25 £'000	Commissioner 2024/25 £'000		Group 2025/26 £'000	Commissioner 2025/26 £'000
0	0	Right-of-Use Assets as at 1 April	1,663	1,663
1,823	1,823	Transition of Right of Use Assets - IFRS 16	0	0
0	0	Other Movements	59	59
0	0	Additions during the year	309	309
(160)	(160)	Depreciation	(150)	(150)
0	0	Disposals	0	0
0	0	Revaluation/Indexation	249	249
1,663	**1,663**	**Right-of-Use Assets as at 31 March**	**2,130**	**2,130**

The minimum lease payments will be payable over the following periods:

Lease Payments					Lease Liabilities			
Group 2024/25 £'000	Commissioner 2024/25 £'000	Group 2025/26 £'000	Commissioner 2025/26 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000	Group 2025/26 £'000	Commissioner 2025/26 £'000
204	204	215	215	Not later than one year	129	129	138	138
736	736	844	844	Later than one year and not later than five years	335	335	602	602
1,321	1,321	1,227	1,227	Later than five years	1,139	1,139	1,076	1,076
2,261	**2,261**	**2,286**	**2,286**	**Total**	**1,603**	**1,603**	**1,816**	**1,816**

Transactions under leases

The Group/Commissioner incurred the following expenses and cashflows in relation to leases:

Group 2024/25 £'000	Commissioner 2024/25 £'000		Group 2025/26 £'000	Commissioner 2025/26 £'000
72	72	Interest on Lease Liabilities	82	82
21	21	Expenses relating to short-term leases	0	0
13	13	Expenses relating to exempt leases of low values	14	14
106	**106**	**Total**	**96**	**96**

Group/Commissioner as Lessor

Operating Leases

The Group/Commissioner leases out part of its property portfolio to provide suitable and affordable accommodation for Public Sector/Other Organisations.

The future minimum lease payments receivable under non-cancellable leases in future years are:

Group 2024/25 £'000	Commissioner 2024/25 £'000		Group 2025/26 £'000	Commissioner 2025/26 £'000
297	297	Not later than one year	629	629
1,035	1,035	Later than one year and not later than five years	1,151	1,151
491	491	Later than five years	290	290
1,823	**1,823**	**Total**	**2,070**	**2,070**

35. Impairment Losses

There were no Impairment Losses during 2025/26 (2024/25: £nil).

36. Termination Benefits

Five exit packages (including payment in lieu of notice) were paid during 2025/26 (2024/25: 3).

The £0 - £20,000 and £20,001 - £40,000 bandings have been merged to avoid being able to identify individual exit packages in both 2025/26 and 2024/25.

	2024/25			2025/26		
	Number of departures agreed (exc. compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (inc. payment in lieu of notice and compulsory redundancies)	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (inc. payment in lieu of notice and compulsory redundancies)
Exit package cost band	FTE	FTE	£'000	FTE	FTE	£'000
£0 - £40,000	3.0	0.0	51	5.0	0.0	88
£40,001 - £60,000	0.0	0.0	0	0.0	0.0	0
£60,001 - £80,000	0.0	0.0	0	0.0	0.0	0
£80,001 - £100,000	0.0	0.0	0	0.0	0.0	0
£100,001 - £150,000	0.0	0.0	0	0.0	0.0	0
	3.0	**0.0**	**51**	**5.0**	**0.0**	**88**

37. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Group makes contributions towards the cost of post-employment benefits. Although these benefits are not payable until employees retire, the Group has an obligation to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Group participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally by Carmarthenshire County Council – this is a funded defined benefit CARE (Career Average Revalued Earnings) scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The Police Pension Scheme – this is an unfunded defined benefit CARE scheme, consequently the fund has no investment assets. Benefits payable, are funded by contributions from employers and employees with any difference between benefits payable and contributions receivable being met by a top-up grant from the Home Office.

Valuation of Scheme Liabilities

As a key part of the annual Statement of Accounts compilation exercise, actuaries are engaged to undertake an assessment of pension liabilities, assets and costs for inclusion in the balance sheet and CIES under IFRS. Traditionally these have been undertaken on a full valuation basis every three years with a roll-forward approach being applied in the interim years.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Group 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 table describes transactions that have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year.

An intra-group transfer has been processed from the Chief Constable's accounts to the Commissioner's accounts, as the Chief Constable is not responsible for holding reserves.

Local Government Pension Scheme		Police Pension Scheme			Local Government Pension Scheme		Police Pension Scheme	
Group 2024/25 £'000	Commiss. 2024/25 £'000	Group 2024/25 £'000	Commiss. 2024/25 £'000		Group 2025/26 £'000	Commiss. 2025/26 £'000	Group 2025/26 £'000	Commiss. 2025/26 £'000
				Comprehensive Income and Expenditure Statement (CIES)				
				Cost of services				
(5,225)	(122)	(15,665)	0	Current service cost	(3,930)	(123)	(11,214)	0
(135)	0	0	0	Other	(182)	0	0	0
				Financing and Investment Income and Expenditure				
139	3	(50,657)	0	Net interest expense	162	5	(53,140)	0
(5,221)	**(119)**	**(66,322)**	**0**	**Total Post-Employment Benefit charged to the Surplus or Deficit on the Provision of Services**	**(3,950)**	**(118)**	**(64,354)**	**0**
				Other Post-Employment Benefit charged to the CIES				
				Remeasurement of the net defined benefit liability comprising:				
(5,286)	(124)	0	0	Return on plan assets (excluding the amount included in the net interest expense)	5,518	173	0	0
382	9	1,724	0	Remeasurement gains and losses arising on changes in demographic assumptions	1,867	59	(3,448)	0
31,789	743	156,114	0	Remeasurement gains and losses arising on changes in financial assumptions	2,700	85	(57)	0
(141)	(3)	40	0	Remeasurement gains/(losses) arising from experience	(1,157)	(36)	(5,670)	0
(27,523)	(643)	0	0	IFRIC 14 surplus adjustment	(11,124)	(349)	0	0
(6,000)	**(137)**	**91,556**	**0**	**Total Post-Employment Benefit charged to the CIES**	**(6,146)**	**(186)**	**(73,529)**	**0**
0	(5,863)	0	91,556	Commissioning Costs (intra-group transfer)	0	(5,960)	0	(73,529)
(6,000)	**(6,000)**	**91,556**	**91,556**	**Total net cost**	**(6,146)**	**(6,146)**	**(73,529)**	**(73,529)**
				Movement in Reserves Statement				
5,221	5,221	66,322	66,322	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post - employment benefits in accordance with the Code	3,950	3,950	64,354	64,354
				Actual amount charged against the General Fund Balance for pensions in the year				
(5,690)	(5,690)	(38,987)	(38,987)	Employers' contributions payable to scheme	(6,138)	(6,138)	(44,093)	(44,093)

IFRIC Surplus Adjustment

The IAS 19 balance sheet was showing an uncapped surplus for the Local Government Pension Scheme of £73.454m at 31 March 2026 (2024/25: £58.848m).

'IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction' addresses the extent to which an IAS 19 surplus can be recognised on the balance sheet and states that when an entity has a surplus, it shall measure the net defined benefit asset as the lower of:

a) The surplus in the defined benefit plan; and

b) the asset ceiling, determined using the discount rate (IAS 19).

The asset ceiling is 'the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan'.

Calculations were performed and it was determined that an asset ceiling adjustment was required. This is to stop the Local Government Pension Scheme (LGPS) showing an asset which belongs to the scheme members rather than the scheme itself. An unfunded liability of £318k remains (2024/25: £310k).

Pension assets and liabilities recognised in the balance sheet

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

2025/26	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(165,055)	(952,066)	(1,117,121)
Fair value of plan assets	238,509	0	238,509
IFRIC 14 surplus adjustment	(73,772)	0	(73,772)
Net liability arising from defined benefit obligation (Group)	**(318)**	**(952,066)**	**(952,384)**

2024/25	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
Present value of the defined benefit obligation	(158,180)	(922,630)	(1,080,810)
Fair value of plan assets	217,028	0	217,028
IFRIC 14 surplus adjustment	(59,158)	0	(59,158)
Net liability arising from defined benefit obligation (Group)	**(310)**	**(922,630)**	**(922,940)**

Pensions Liability

The pension liability which is disclosed on the group balance sheet reflects the underlying commitment that the Chief Constable has, to pay retirement benefits.

Recognition of the total liability has a substantial impact on the net worth as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Group remains healthy as actual pensions and commuted lump sums are being met directly by the Police Pension Fund Account, which is funded by the Home Office via the Commissioner. In the year 2026/27, the Chief Constable will make a pension contribution of 35.3% (2025/26: 35.3%) for Police Officers and 12.0% (2025/26: 16.8%) for Police Staff.

Reconciliation of the movements in the fair value of scheme (plan) assets

	Local Government Pension Scheme		Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Opening fair value of scheme assets	**208,653**	**217,028**	**0**	**0**
Interest income	10,309	12,900	0	0
Remeasurement gain/(loss) - the return on plan assets excluding the amount included in the net interest expense	(5,286)	5,518	0	0
Contributions from employer into the scheme	5,690	6,138	38,987	44,093
Contributions from employees into the scheme	2,208	2,397	7,360	7,816
Benefits paid	(4,411)	(5,290)	(46,347)	(51,909)
Other	(135)	(182)	0	0
Closing fair value of scheme assets	**217,028**	**238,509**	**0**	**0**

Most of the employment costs are incurred by the Chief Constable, therefore assets and liabilities relating to post-employment benefits remain within the Chief Constable and Group accounts.

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Opening Balance 1 April	**(178,496)**	**(158,180)**	**(1,053,173)**	**(922,630)**
Current service cost	(5,225)	(3,930)	(15,665)	(11,214)
Interest cost	(8,692)	(9,248)	(50,657)	(53,140)
Contributions from scheme participants	(2,208)	(2,397)	(7,360)	(7,816)
Remeasurement gains/(losses) arising from changes in demographic assumptions	382	1,867	1,724	(3,448)
Remeasurement gains/(losses) arising from changes in financial assumptions	31,789	2,700	156,114	(57)
Remeasurement gains/(losses) arising from experience	(141)	(1,157)	40	(5,670)
Losses/(gains) on curtailment	0	0	0	0
Benefits Paid	4,411	5,290	46,347	51,909
Closing balance 31 March	**(158,180)**	**(165,055)**	**(922,630)**	**(952,066)**

Fair Value of Scheme Assets (LGPS Scheme)

The LGPS scheme held assets as follows:

Fair value of scheme assets (LGPS)	31 March 2025 £'000	31 March 2026 £'000
Cash and cash equivalents	1,953	1,475
Equity instruments	157,259	164,998
Bonds	19,923	22,699
Property	22,658	30,977
Alternatives	15,235	18,360
Total Assets	**217,028**	**238,509**

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 including mortality rates and salary levels.

Both the LGPS and Police Pension Scheme liabilities have been estimated by Mercer Limited, an independent firm of actuaries.

The significant assumptions used by the actuary have been:

Mortality and Other Assumptions	Local Government Pension Scheme		Police Pension Scheme	
	2024/25	2025/26	2024/25	2025/26
Longevity at age 65 (age 60 for police scheme) for current pensioners				
Men	21.5	21.2	25.6	25.7
Women	23.9	23.6	28.2	28.1
Longevity at age 65 (age 60 for police scheme) for future pensioners				
Men	22.9	22.4	27.5	27.7
Women	25.7	25.3	29.9	29.9
Other assumptions				
Rate of inflation	2.6%	2.9%	2.6%	2.8%
Rate of increase in salaries	4.1%	4.4%	4.0%	4.3%
Rate of increase in pensions	2.7%	3.0%	2.7%	2.9%
Rate for discounting scheme liabilities	5.9%	6.3%	5.9%	6.1%

The assumptions for the Police Pension Scheme have been prepared on a weighted average basis of the combined group of plans in use. The estimation of the defined benefit obligation is sensitive to actuarial assumptions set out in the table above.

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. The sensitivity analyses assume for each change that the assumption analysed changes, while 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 analyses 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 analyses below did not change from those used in the previous period.

Local Government Pension Scheme 2025/26	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	3,174	0
Rate of inflation (increase by 0.25%)	6,679	0
Rate of increase in salaries (increase by 0.25%)	1,298	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	12,588

Police Pension Scheme 2025/26	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	19,508	0
Rate of inflation (increase by 0.25%)	34,720	0
Rate of increase in salaries (increase by 0.25%)	4,594	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	65,500

Impact on the Group's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next three years. The latest Actuarial Valuation was completed on 31 March 2026, and details of the current and future employer's rates are shown below:

Year	Employer rate
2027/28	12.0%
2026/27	12.0%
2025/26	16.8%

Legal Cases

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 & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Due to the differing benefits structures, the Actuary expects most eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018/19 pension disclosures as a past service cost for four years remedy service from 2015 to 2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

As part of the 2022 accounting exercise, the Actuary assumed that eligible members would opt for legacy scheme benefits, and IAS19 liabilities made approximate allowance for this based on the membership data provided. This means all McCloud liabilities are held within the legacy scheme where benefits are expected to be paid from.

After receipt of the Remedial Service Statement or upon retirement, eligible members have been able to elect which scheme they wish to receive benefits from.

From 31 March 2022 onwards all members have accrued Career Average benefits in the 2015 Scheme, although those active members who have 1987/2006 Scheme service prior to 31 March 2022 still retain a final salary link on such benefits.

Given that the administration team has now implemented the McCloud remedy (for the majority of members), for 2025/26 the Actuary hasn't had to apply the same level of approximation as for the 2022 exercise given the membership data provided reflects the remedy (e.g., final salary benefits for those members eligible up to 2022 where relevant).

Impact on Pension Liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period has led to an increase in the Police Pension Scheme liabilities. For the Police and Crime Commissioner, this affects the vast majority of pre-2012 joiners. Scheme actuaries originally estimated the increase in scheme liabilities to be 5.4% or £85.5m of the total Police Pension Scheme liabilities of £1.589 billion. This was recognised in the 2018/19 and 2019/20 accounts.

The accounting figures prepared subsequently over the period to 2025 have included an allowance for the McCloud remedy that is substantially in line with the eligibility criteria and assumed that protected members currently accrue benefits in their legacy schemes. The 2026 accounting figures have been based on membership data provided by the administration team that reflects the remedy as mentioned above. The extent to which the previous estimated impact of McCloud differs to the actual impact will now therefore emerge in the remeasurements (experience) emerging in the figures prepared by the Actuary.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgements on contribution rates for employers and employees was measured as part of the last Police Pension valuation. Employer contribution rates were 35.3% in 2025/26 (2024/25: 35.3%).

The outcomes of the 2024 Police Pension valuation are currently awaited.

The impact of an increase in annual pension payments arising from the McCloud/Sargeant judgements is determined through the Police Pension Fund Regulations 2007. These require a police body 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 Commissioner in the form of a central government top-up grant.

38. Contingent Liabilities

Undercover Policing Inquiry

The purpose of this inquiry is to investigate and report on undercover police operations conducted by English and Welsh police forces in England and Wales since 1968. The inquiry is examining the contribution undercover policing has made to tackling crime, how it was and is supervised and regulated, and its effect on individuals involved – both police officers and others who are/were in contact with them.

A liability has been established and along with eleven other forces, external solicitors are engaged to represent serving officers. There is an agreement for Dyfed-Powys Police to meet a 5% share of generic preparation costs incurred by the legal firm and all costs incurred to date have been reflected in revenue accounts.

At this stage, the inquiry is not far enough progressed to reliably estimate future costs therefore no provision has been made in the 2025/26 Accounting Statements.

Legal Claims

The Commissioner has a large amount of potential legal claims outstanding at the balance sheet date. These relate to matters arising in the normal course of business.

Based on the information currently available, including legal advice where appropriate, the Commissioner considers that no present obligation exists that would require the recognition of a provision under the Code of Practice on Local Authority Accounting.

As there remains a possibility that future costs may arise, these matters are disclosed as contingent liabilities. The estimated potential financial exposure associated with these claims is approximately £1,361k. The timing and ultimate outcome of these matters remains uncertain.

Employment Tribunals

A small number of employees are claiming against the Chief Constable in Employment Tribunals which will be heard in the next financial year. Based on the outcome of the cases the Chief Constable could have to pay all, some or none of the claims and at this stage no reliable estimate can be made.

39. Nature and Extent of Risks arising from Financial Instruments

The Commissioner has adopted CIPFA's Revised Code of Practice on Treasury Management (2021 version) and complies with the Revised Prudential Code of Capital Finance for Local Authorities (updated in 2021).

As part of the adoption of the Treasury Management Code, the Commissioner approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Commissioner also produces Treasury Management Practices, specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Welsh Government's Investment Guidance for Local Authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Commissioner's Treasury Management Strategy, together with their Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- Credit Risk: the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Commissioner.
- Liquidity Risk: the possibility that the Commissioner might not have the cash available to make contracted payments on time.
- Market Risk: the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk

Investments

The Commissioner manages credit risk by ensuring that investments are placed with banks and building societies having sufficiently high creditworthiness, as set out in the Annual Investment Strategy. These include commercial entities with a high minimum long-term credit rating of A-, the UK Government, other local authorities, and organisations without credit ratings upon which the Commissioner has received independent investment advice.

All investments longer than 365 days (non-specified) will be made with a cautious approach to cash flow requirements, and advice from the treasury management advisors will be sought as necessary. Where the organisation invests, or plans to invest, for periods longer than a year, an upper limit is set for each forward financial year period for the maturing of such investments. This controls the exposure to the risk of incurring losses by seeking early repayment of long-term investments.

Recent experience has shown that it is rare for entities to be unable to meet their commitments. A risk of non-recoverability applies to all the Commissioner's deposits, but there was no evidence at 31 March 2026 that this was likely to crystallise.

The table below summarises the nominal value of the Commissioner's investment portfolio at 31 March 2026, and confirms that all investments were made in line with the approved credit rating criteria:

Counterparty	Single Counterparty Limit £'000	Credit rating criteria met when investment placed	Credit rating criteria met on 31 March 2026?	Balance invested as at 31 March 2026					
				Up to 1 month £'000	> 1 month and < 3 months £'000	> 3 months and < 6 months £'000	> 6 months and < 12 months £'000	Over 12 months £'000	Total £'000
UK Banks	2,000	Yes	Yes	2,083	0	0	0	0	**2,083**
Bonds	2,000	N/A	N/A	0	0	0	0	0	**0**
Money Market	3,000	Yes	Yes	3,000	0	0	0	0	**3,000**
Local Authorities	3,000	N/A	N/A	0	0	0	0	0	**0**
UK Government	Unlimited	N/A	N/A	0	0	0	0	0	**0**
Total				**5,083**	**0**	**0**	**0**	**0**	**5,083**

The above analysis shows that all deposits outstanding as at 31 March 2026 met the Commissioner's credit rating criteria.

Outstanding Debts

The Commissioner does not generally allow credit for debtors, including balances owing by government departments, other local authorities, business organisations, and individuals. The overdue (but not impaired) debt can be analysed by age as follows:

31 March 2025 £'000		31 March 2026 £'000
62	Less than one month overdue	285
30	One to two months overdue	125
7	Two to three months overdue	126
92	More than three months overdue	379
191	**Total overdue debt**	**915**
40	Value of doubtful debts impaired	**32**
20.9%	Impairment of doubtful debts as % of total overdue debt	**3.5%**

Liquidity Risk

The Commissioner has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Commissioner will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Commissioner will be bound to replenish a significant proportion of his borrowings at a time of unfavourable interest rates.

The maturity analysis of financial liabilities is as follows:

31 March 2025 £'000	Loans maturing within	31 March 2026 £'000
10,610	Under 1 Year	2,239
10,610	**Total Current Borrowing under 1 year**	**2,239**
0	1 – 2 years	17,000
10,000	2 – 5 years	6,000
10,000	**Total Long-Term Borrowing more than 12 months**	**23,000**

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Commissioner is exposed to risk in terms of exposure to interest rate movements on his borrowings and investments. Movements in interest rates have a complex impact on the 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 fixed rates – the fair value of the assets will fall.

Price Risk

The Commissioner does not invest in pooled funds or equity shares and therefore is not subject to any price risk (i.e., the risk that the Commissioner will suffer loss due to adverse movements in the price of financial instruments).

Foreign Exchange Risk

The Commissioner has no financial asset or liabilities denominated in a foreign currency and therefore has no exposure to loss arising through adverse movements in exchange rates.

Glossary of Terms

Term	Definition
2025/26	This refers to the period covered by these accounts - 1 April 2025 to 31 March 2026.
2024/25	This refers to the period covered for comparative purposes by these accounts – 1 April 2024 to 31 March 2025.
Accounting policies	A set of rules and codes of practice used when preparing the accounts.
Accruals	The accounting treatment, where income and expenditure is recorded when it is earned or incurred, not when the money is received or paid.
Amortisation	The measure of the wearing out, consumption or other reduction in the useful life of intangible assets.
Capital expenditure	Expenditure on the acquisition or construction of assets, or expenditure which adds to the value of an existing asset, which have a long-term value to the Group (e.g., land and buildings).
Capital receipts	Income from the sale of non-current assets, which can only be used to finance new capital expenditure or repay outstanding debt on assets financed from loans. Usable capital receipts are those capital receipts which are not set aside for specific purposes but are available to be used for any capital purchases.
Carrying value	The value of the asset or liability that is recorded in the balance sheet.
CIPFA	The Chartered Institute of Public Finance and Accountancy, one of the professional accountancy bodies in the UK. CIPFA specialises in public services and has responsibility for setting accounting standards for these services.
Commissioning	The entire cycle of assessing the needs of people in a local area, designing services, and then securing them.
Consumer Price Index (CPI)	Official measure of the general level of inflation as reflected in the retail price of goods and services, excluding mortgage interest payments, council tax and other housing costs.

Term	Definition

Contingent liabilities	These exist where:
	• a possible obligation arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or
	• a present obligation arises from past events but is not recognised because:
	  ○ it is not probable that a transfer of economic benefits will be required to settle the obligation; or
	  ○ the amount of the obligation cannot be measured with sufficient reliability.

Corporation sole	A legal entity consisting of a single ('sole') incorporated office, occupied by a single ('sole') man or woman (i.e. The Commissioner and Chief Constable are both corporations sole under the PRSRA).
Creditors	Individuals or organisations to whom the Commissioner/Group owes money at the end of the financial year, split into short-term (within 12 months) and long-term.
Current assets	Items that can be readily converted into cash. By convention, the items are ordered by reference to the ease that such conversion into cash can be carried out.
Current liabilities	Items that are due immediately or in the short-term.
Current service cost (Pensions)	An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.
Debtors	Individuals or organisations that owe the Commissioner/Group money at the end of the financial year, split into short-term (within 12 months) and long-term.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.
Depreciation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.

Term	Definition
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A derivative financial instrument is a financial contract that derives its value from changes in underlying assets or indices.
Fixed Assets	Items such as land, buildings, vehicles and major items of equipment, which give benefit to the Commissioner/Group over more than one year.
IAS	International Accounting Standard.
IFRS	International Financial Reporting Standard.
IFRIC	International Financial Reporting Interpretations Committee.
General Fund	The main revenue fund of the Commissioner/Group and includes the net cost of all services financed by local taxpayers and government grants.
Group accounts	The financial statements of the Group i.e. the two corporations sole, presented as a single economic entity.
Impairment	A reduction in the value of a non-current asset, below its' carrying amount in the balance sheet.
Intangible Assets	Assets that do not have a physical substance but are identifiable and controlled by the Commissioner/Group e.g. software, licences and patents.
Inventories	Amounts of unused or unconsumed stocks held in expectation of future use at the balance sheet date.
Leases	Where a rental is paid for the use of an asset for a specified period. Two forms of lease exist: finance leases and operating leases.
Materiality	An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.
Minimum Revenue Provision	The prudent amount that the Commissioner/Group is statutorily required to set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment.

Term	Definition
National Non-Domestic Rates (NNDR)	The non-domestic rates, or business rates, collected by local councils are the way businesses and others who occupy non-domestic property contribute towards the cost of local services. The rates are pooled by central government and redistributed to local councils and Police and Crime Commissioners according to a formula.
Net Book Value (NBV)	The amount at which non-current assets are included in the balance sheet i.e., their historical cost or current value less the cumulative amounts provided for depreciation.
Net Realisable Value (NRV)	The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.
Net Interest Cost (Pensions)	For a defined benefit scheme, this occurs during the period when the net defined benefit liability (asset) arises from the passage of time.
Non-current assets	Items such as land, buildings, vehicles and major items of equipment, which give benefit over more than one year.
Operating Leases	Involves the lessee paying a rental for the hire of an asset for a period that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.
Past service cost	For a defined benefit scheme, these arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.
PCC	Abbreviation of the Police and Crime Commissioner. The PCC is a separate corporation sole which was established on the 22 November 2012 under the Police and Social Responsibility Act 2011. Also referred to as the Office of the Police and Crime Commissioner (OPCC).
Police Reform and Social Responsibility Act (PRSRA)	An Act of the Parliament of the United Kingdom which transferred the control of police forces from police authorities to elected Police and Crime Commissioners.
Precept	The amount levied and collected by the four Dyfed-Powys local authorities (Carmarthenshire, Pembrokeshire, Ceredigion and Powys) and paid over to the PCC/Group.

Term	Definition
Provisions	A liability of uncertain timing or amount. A provision is recognised if the following criteria are fulfilled: • an entity has a present obligation resulting from a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; • a reliable estimate can be made of the amount of the obligation.
Prudential borrowing	Borrowing by local authorities without government financial support, but in accordance with the CIPFA Prudential Code of local authority borrowing.
PWLB	Public Works Loan Board, an organisation financed by the Government. It lends money to Commissioners on set terms so that they can buy capital items.
Reserves	Balances that represent resources set aside for purposes such as general contingencies and cash flow management. Earmarked reserves are those set aside for specific policy purposes.
Retail Price Index (RPI)	Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services, including mortgage costs, council tax and other household costs.
Revaluation of Non-Current Assets	A technique required to accurately record the true value of capital assets held in the balance sheet. The purpose of a revaluation is to bring into the accounts the fair market value of non-current assets.
Revenue Budget	The estimate of annual income and expenditure requirements, which sets out the financial implications of policies and the basis of the annual precept to be levied on collection funds.
Revenue Support Grant (RSG)	A general government grant in support of local authority expenditure (including Commissioners), fixed each year in relation to spending levels.
Right of Use (ROU) Asset	A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time. A right-of-use asset (ROU asset) is a lessee's entitlement to use a leased asset over the lease term, representing the right to obtain economic benefits from that asset. It's recognised on the balance sheet along with a lease liability, reflecting the lessee's obligation to make lease payments. The ROU asset is initially measured at the present value of lease payments and is subsequently depreciated over the lease term.

Term	Definition
Senior Employee	An employee whose salary is more than £150,000 per year, or one whose salary is at least £60,000 per year (calculated pro rata for a part-time employee) and who is the designated head of paid service and a statutory chief officer. Typically, the Commissioner's Chief Executive and statutory Chief Officers.
The CIPFA Code of Practice (The Code)	Incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003.