

Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

STATEMENT OF ACCOUNTS FOR 2025/26



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

UNAUDITED

Officers of the Police and Crime Commissioner Group

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



Police and Crime Commissioner
Alison Hernandez



Chief Executive
Frances Hughes



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



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James Vaughan
From 13/12/2024



Chief Financial Officer
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From 30/09/2024

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Statement of Accounts 2025/26

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Accompanying Reports



PCC
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Narrative Report by Nicola Allen, Chief Financial Officer

1.0 INTRODUCTION

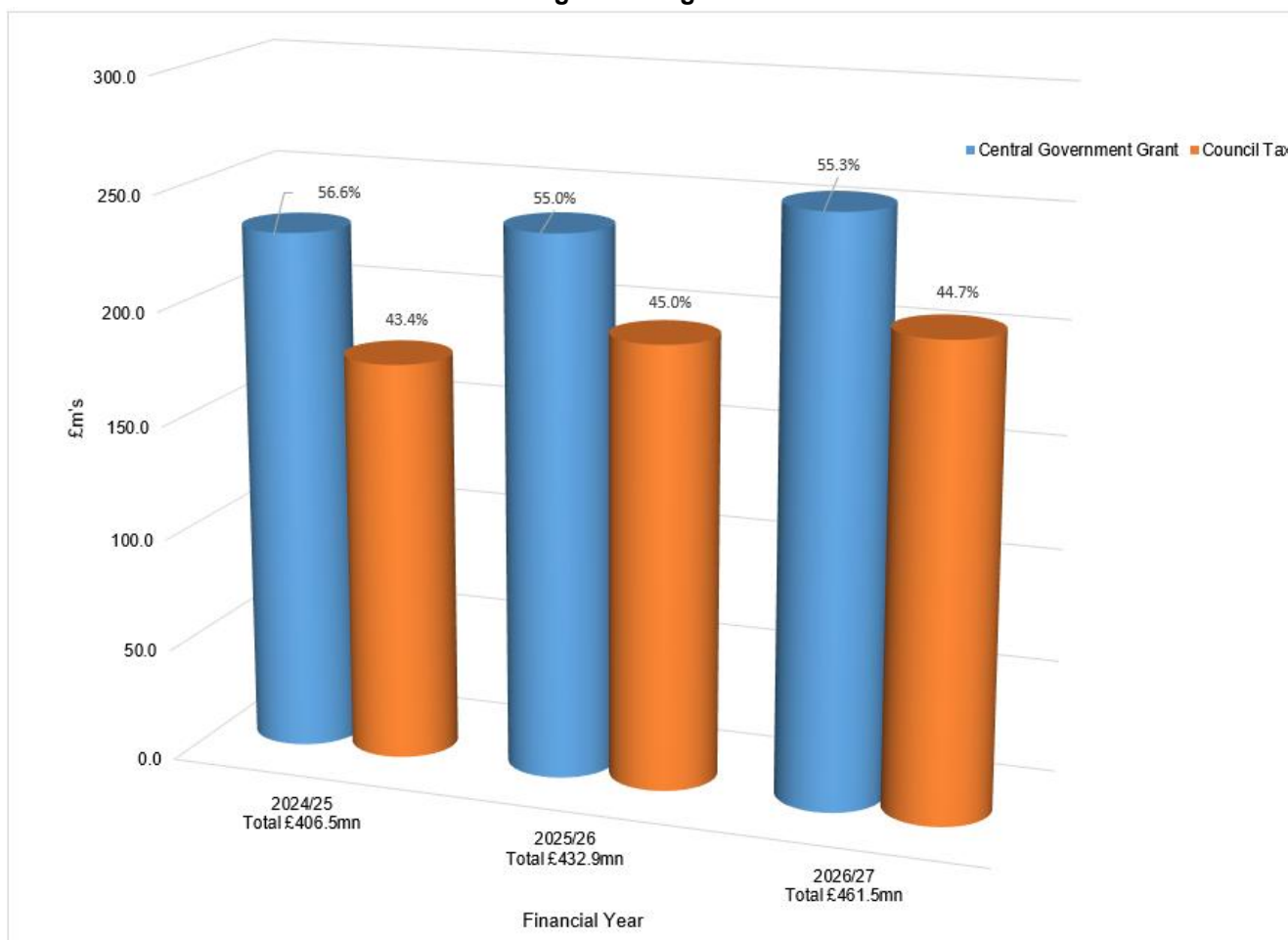
- 1.1 Welcome to the Police and Crime Commissioner's (PCC) Statement of Accounts for 2025/26. The statement of accounts present the income and expenditure on service provision for the year and the value of the Police and Crime Commissioner's assets and liabilities at the end of the financial year. This is done in accordance with proper accounting practices as defined in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 1.2 The primary function of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police service in Devon, Cornwall and the Isles of Scilly, and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996. The Police and Crime Commissioner and the Chief Constable form an accounting group for reporting purposes. This set of accounts includes the Statements for the Police and Crime Commissioner Group and for the Police and Crime Commissioner as a single entity. The Chief Constable's single entity accounts are published in a separate document. Further information on the structure of the group is provided within the accounts.
- 1.3 The aim of this narrative report is to provide an easily understandable explanation of the Police and Crime Commissioner Group's financial performance in 2025/26 and the position at the end of the financial year.

2.0 RESOURCES AVAILABLE IN 2025/26

- 2.1 In December 2024 the government provided policing with a one-year funding settlement for 2025/26 ahead of a comprehensive spending review announced in the spring of 2025. The government maintained its investment in policing with the settlement continuing the uplift of police officers and introducing a new neighbourhood policing grant.
- 2.2 The 2025/26 budget was set in the context of an increase of Police Grant funding of 6.0%, which included Devon and Cornwall's share of the uplift funds allocated nationally for the 20,000 additional officers. The settlement confirmed national increases of £657m in 2025/26.
- 2.3 As part of the 2025/26 overall central government funding settlement, the council tax flexibility provided to Police and Crime Commissioners was set at a maximum of £14 per Band D equivalent property before a referendum was required. The Police and Crime Commissioner, in consultation with the Police and Crime Panel, increased the council tax element for policing by £13.70 (4.99%) allowing services to the public to be maintained. Council tax was set at £288.20 for a band D property.
- 2.4 The graph below shows the revenue budget funding sources in 2025/26 as well as the funding in the previous and following year for comparative purposes. It shows that the central grant as a proportion of revenue funding decreases slightly after 2024/25 (2024/25 56.6%, 2025/26 55.0%, and 2026/27 55.3%).

Narrative Report by Nicola Allen, Chief Financial Officer Continued

Revenue Budget funding 2024/25 – 2026/27



3.0 THE FINANCIAL STRATEGY FOR 2025/26

- 3.1 The Police and Crime Commissioner takes a multi-year approach to financial planning, considering the budget year and the subsequent three years.
- 3.2 The Police and Crime Plan 2025-2029 sets out the Police and Crime Commissioner's vision for **Safe, Resilient and Connected** communities. This vision is underpinned by priorities for Devon, Cornwall and the Isles of Scilly which are shown below.

Narrative Report by Nicola Allen, Chief Financial Officer Continued



- 3.3 The Medium-Term Financial Strategy (MTFS), Capital Strategy, Reserves Strategy and Treasury Management Strategy are updated and approved annually during the budget setting process.
- 3.4 The overall impact in 2025/26 of increases to the Home Office core grant and special grant, and Council Tax increases relating to the precept, taxbase and surplus was an increase of funding of £26.4m, resulting in a budget of £432.9m (2024/25 budget £406.5m).

Narrative Report by Nicola Allen, Chief Financial Officer Continued

3.5 The table below outlines how these additional funds were allocated.

Summary	2025/26	
	£'m	£'m
Additional Funding		
Core Grant and Council Tax	26.4	
Specific Grant	7.1	
		33.5
Increase		
Additional Investments	3.6	
Regional Growth	1.0	
		4.6
Unavoidable Changes		
Pay Award Inflation	15.3	
Incremental Increases	5.1	
Other Pay Changes	(3.0)	
National Insurance Increase	6.3	
Neighbourhood Policing - additional	2.3	
Inflation	1.7	
Non-Pay Costs	4.4	
Capital Funding	1.8	
		33.9
Investment		1.2
Change in the use of Reserves		0.1
Investment Interest		(0.5)
Increased Income		(5.8)
Savings		0.0

3.6 The 2025/26 budget also included funding and strategic investment for:

- Maintaining officer numbers at 3,610 by 31 March 2026
- Prioritising spending areas that are essential to the delivery of the Police and Crime Plan and to improving the long term efficiency of policing

3.7 The 2025/26 budget also made a provision for a number of unavoidable costs such as pay inflation, increments and existing policy commitments.

3.8 Pay awards were budgeted at 2.8%, and inflation was applied on non-pay budgets only to areas subject to inflationary pressures. The Consumer Price Index (CPI) at November 2024 was 2.6%, a decrease of 1.3% when compared to 3.9% in November 2023; electricity and gas contracts are based on market prices and were expected to decrease, with other inflationary/contractual pressures assumed at 2%.

4.0 2025/26 OUTCOMES

Uplift Officers

4.1 The government's three-year Uplift Programme was designed to deliver 20,000 additional police officers nationally by 31 March 2023; this was successfully achieved and provided Devon and Cornwall with 564 additional officers over the course of the programme taking the force to a total officer number of 3,610 full time equivalents (FTE).

4.2 The provisional finance settlement announced in December 2024 outlined the government's intention to maintain the increased officer levels, and the financial settlement for 2025/26 included a ringfenced grant of £8.2m to maintain the uplift headcount (3,679). Payment was subject to maintaining the increased headcount at 30 September 2025 and 31 March 2026.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

4.3 Due to a higher number of leavers at the start of 2025 the target was not achieved in September 2025 and a financial penalty of £1.680m was incurred. However, by 31 March 2026 the actual headcount was 3,704, which achieved 25 over the target.

4.4 The Force was able to achieve these additional posts partly as a result of the Police and Crime Commissioner's decision to fund officers in excess of the uplift target, funded through precept. This means that as these officers were already included within the budgeted FTE of 3,610 the additional headcount uplift does not take the establishment over the assumed position. The Force ended the year with 3,623 FTE, 13 FTE above the budgeted number.

Investment

4.5 The 2025/26 the MTFs identified ongoing revenue investments of £3.6m. This supported:

- Improving public confidence by reducing time taken to investigate complaints
- Police and Crime Commissioner Strategic Investments Fund
- Investments in: - Digital Asset Management System, crime investigation, legal support, and health/wellbeing initiatives.

Savings

4.6 Savings of £3.2m were built into the 2025/26 budget to be achieved through reviews of Criminal Justice, Contact, and Workforce Mix. The savings were identified in full but there was only a part year delivery in 2025/26.

Vision Zero South West Road Safety Partnership

4.7 The Office of Police and Crime Commissioner is the lead treasurer for the Vision Zero South West Road Safety Partnership. The partnerships ambition is to cut road deaths and serious injuries in Devon and Cornwall to zero by 2040, and to reduce current numbers by 50% by 2030.

4.8 Total income for the financial year, including Speed Awareness Courses and Court Costs recovered, was £8.044m, the Force accounted for running costs during the year and a deficit of £396k was transferred from the reserve at the year end.

4.9 The Vision Zero reserve balance started the financial year at £2.466m, with spend on vehicle investment, camera equipment and Road Safety Delivery Plan of £1.314m, with the additional deficit of £396k the closing reserve balance is £756k.

5.0 ACTUAL EXPENDITURE 2025/26

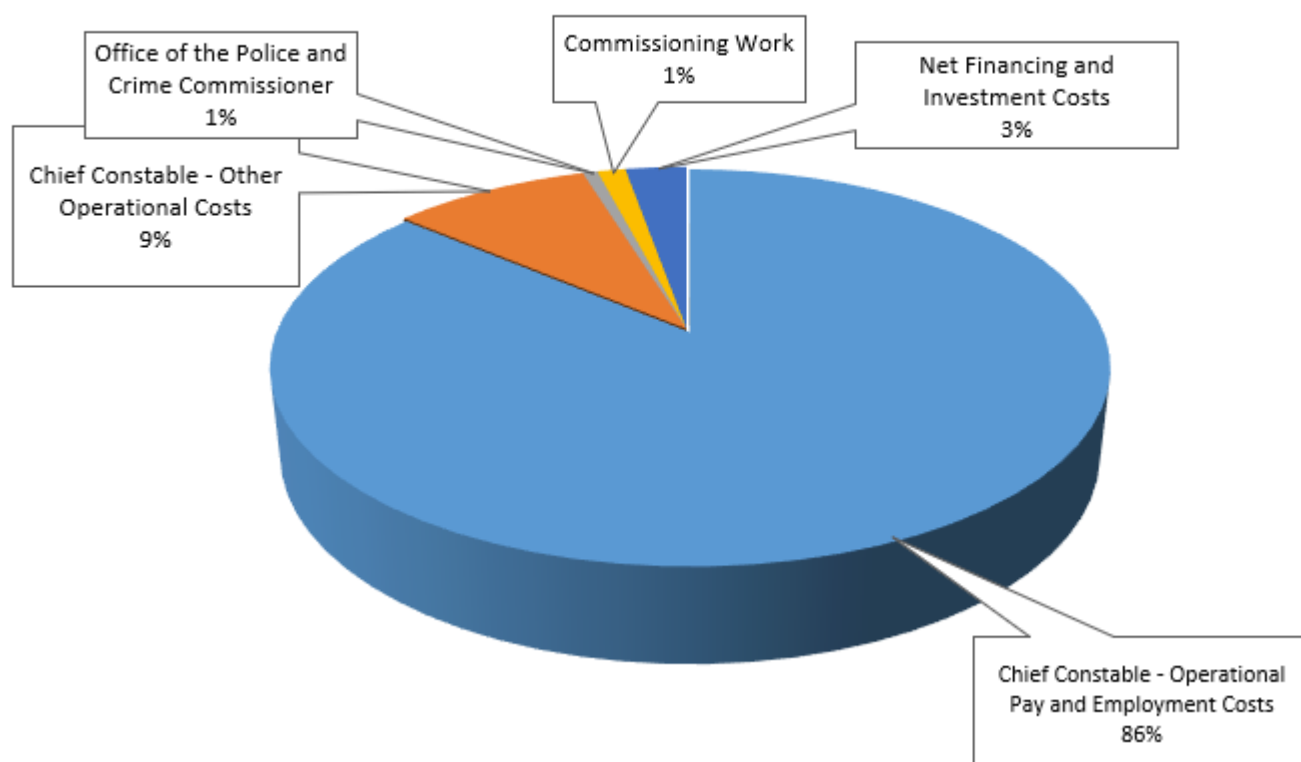
5.1 The Police and Crime Commissioner Group spent £430.556m against a budget allocation of £432.954m, resulting in an underspend of £2.398m. The outturn of £432.979m shown below is the net position after £2.423m of the underspend was approved to be carried forward into 2026/27 making the net overspend £25k, which will be charged to general balances.

5.2 The approved net revenue budget for 2025/26 was £432.913m, however additional precept of £41k was received from the Isles of Scilly increasing the budget to £432.954m. £424.420m of budget was under the direct control of the Chief Constable and £8.534m was under the direct control of the Police and Crime Commissioner.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

5.3 The chart below shows a breakdown of actual net revenue expenditure for 2025/26 by category of spend.

Analysis of Net Revenue Expenditure 2025/26



Summary of final outturn	Revised Budget £'m	Outturn £'m	(Under)/Over £'m
Chief Constable	424.420	424.445	0.025
OPCC and Commissioning	8.534	8.534	0.000
Grand Total	432.954	432.979	0.025

5.4 Although the budget for 2025/26 was set within the context of high inflation, with CPI increasing from 2.6% to 3.3% during the year. The pay award of 4.2% award was significantly above the budgeted level of 2.8%, with the cost of living, resourcing and supply chains still under extreme pressure. This level of inflation was higher than originally estimated when setting the budget. These pressures not only had a cash effect on the Force but also affected the ability to deliver projects within timescales and on budget.

5.5 The Bank of England base rate reduced to 3.75%, dropping from the 5.25% peak in August 2023.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

5.6 There were a number of over and underspends during the year; the most significant of which are detailed below:

- Police Officer Pay - Higher than budgeted levels of leavers, sickness and career breaks, along with a lower starting FTE compared to when the budget was set, higher regional officers and secondments, reduced NI and changes to geographical charging have contributed to an underspend against police officers pay of £3.860m.
- Police Officer Overtime - The continual strain on overtime budgets has created an overspend of £1.872m.
- Police Community Support Officer (PCSO) Pay - An overspend position of £400k is offset by Neighbourhood Policing Grant income.
- Police Staff/Agency - An underspend position of £5.087m is shown, however presentation is distorted because the Neighbourhood Policing grant spend was budgeted in full against Police staff when in reality significant costs fell elsewhere (PCSO, Revenue Contribution to Capital, Non-Pay and Officers).
- Non pay - An overspend position of £3.381m due to overspends on supplies and services and transport, along with outturn accounting adjustments such as provisions and stock, offset by savings in communications and computing and estates.
- Income - Overall income is £6.341m higher than originally expected. A proportion of this (Circa £1.3m) is in relation to income from seconded officers and staff. Other contributions, such as S27, Proceeds of Crime Act and Apprentice Levy income received offset charges elsewhere in the forecast.

5.7 Throughout the financial year the Executive agreed spend mitigations on overtime and overheads totalling £2.5m

5.8 After taking into account carry-forward of £2.423m the £2.398m underspend reduces to a small residual overspend of £25k, which was charged to General Balances.

6.0 RESERVES

6.1 Reserves are held to support both Capital and Revenue spending. A Reserves Strategy is produced annually which looks at the resilience of the reserves of the group. The strategy takes a risk-based approach to assess the adequacy of the general balances. This strategy is reviewed by the Independent Audit Committee each year with recommendations for improvement referred back to the Police and Crime Commissioner and Chief Constable. There has been a Home Office requirement to ensure that reserves held are not excessive and are used to support policing within the area.

6.2 The Reserves Strategy states the intention to maintain general balances at no more than 5% and no less than 3% of overall funding levels each year. The level at 31 March 2026 was 3.81% of the 2026/27 net revenue budget.

6.3 The table below summarises the most recent level of reserves and balances forecast for 2025/26, compared with the actual level:

	Planned Balance (revised 26/27 MTFS) 31/03/2026 £'m	Actual Balance 31/03/2026 £'m
Reserves - Capital	11.966	14.157
Earmarked Reserves - Revenue	5.898	11.262
General Balances	15.469	17.597
Total Reserves and Balances	33.333	43.016

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 6.4 The key reasons for the higher than originally planned level of reserves were further slippage on the capital programme, the agreed revenue carry forwards into 2026/27 and movement of one off funding to reserves.
- 6.5 The following table outlines the details of the reserves over the MTFS period. The future years forecast on each earmarked reserve are as per 2026/27 MTFS.

	Actual Balance 31/3/2026 £000's	Forecast Balance 31/3/2027 £000's	Forecast Balance 31/3/2028 £000's	Forecast Balance 31/3/2029 £000's	Forecast Balance 31/3/2030 £000's
Revenue Reserves					
Estates Development Reserve	14	15	15	15	15
Capital Financing Reserve	8,719	7,871	7,021	5,271	3,000
ESN Capital Reserve	4,101	4,101	3,265	0	0
VZSW (Ringfenced)	756	126	16	565	984
Improvement Reserve	106	0	0	0	0
Budget Management Fund	8,690	3,075	2,000	1,000	0
Police and Crime Plan Reserve	1,696	1,579	1,579	1,579	1,579
Total Revenue Reserves	24,082	16,767	13,896	8,430	5,578
Capital Reserves					
Capital Grant	360	360	360	360	360
Capital Receipts	977	977	977	977	977
Total Capital Reserves	1,337	1,337	1,337	1,337	1,337
General Balances	17,597	16,997	17,997	18,997	18,997
Total Reserves and Balances	43,016	35,101	33,230	28,764	25,912
<i>General Balances as % of Revenue Budget</i>	<i>3.81%</i>	<i>3.68%</i>	<i>3.79%</i>	<i>3.87%</i>	<i>3.76%</i>

- 6.6 In line with the Capital Strategy there is an aspiration to reduce the level of reserves, which is in line with the Home Office direction. Slippage in the capital programme over the last two years has reduced the call on the Capital Financing Reserve and kept reserves at a temporarily higher level than had been previously anticipated.

7.0 CAPITAL PROGRAMME

- 7.1 The table below shows the Police and Crime Commissioner Groups capital expenditure, and funding, during 2025/26. This consists of an ongoing programme of rationalisation, replacement and enhancement of property and other assets, all with an expected life of more than one year, and with a value in excess of £20k.

	2025/26 Revised Plan £m's	2025/26 Actual £m's
Capital Investment		
Vehicles	2.904	3.513
Land and Buildings	9.266	5.708
Equipment and ICT	7.523	5.018
Total	19.693	14.239
Funded by		
Grants	0.204	0.000
Capital Financing Reserve	3.223	1.095
Capital Receipts and Asset Disposal	0.000	0.025
Revenue Funding	6.682	8.061
Reserves	0.333	1.052
Borrowing	9.251	4.006
Total	19.693	14.239

Narrative Report by Nicola Allen, Chief Financial Officer Continued

- 7.2 The 2025/26 original capital programme was estimated to be £33.951m, but actual spending was £14.239m. The programme was revised during the year to reflect changes in the timing of a number of projects.
- 7.3 Vehicle expenditure related to the continual acquisition of replacement vehicles, to ensure that the vehicle fleet remains fit for purpose. During the year purchases were also made on behalf of Vision Zero South West Road Safety Partnership.
- 7.4 Building spend primarily related to refurbishments of Camborne and three properties at headquarters.
- 7.5 It is important for officers and staff to have access to the most suitable IT and equipment in order to deliver their service. This year has seen replacement programmes for mobiles, PC's and core infrastructure, whilst work towards a new contact centre system and data management system has started but will be delivered in future years.

8.0 2025/26 WORKFORCE

8.1 Workforce costs made up 86% of the annual expenditure of Devon and Cornwall Police.

8.2 Police Officers

31/03/25 (FTE)		31/03/26 (FTE)
3,610	Police Officers - Budgeted	3,610
3,605	Police Officers - Actual	3,623
(5)	(Under)/Over	13

Police Officer numbers were maintained during the year in line with national uplift targets, which were not achieved at 30 September but were achieved at 31 March.

8.3 Police Community Support Officer's

31/03/25 (FTE)		31/03/26 (FTE)
150	Police Community Support Officer's - Budgeted	199
141	Police Community Support Officer's - Actual	174
(9)	(Under)/Over	(25)

PCSO numbers were increased during the year as part of the Neighbourhood Policing Guarantee.

8.4 Police Staff

The analysis of police staff numbers is made complex by the use of temporary and agency staff. In addition, the financial arrangements for the Alliance with Dorset Police mean some staff employed by one Force will be charged to another. For the purposes of this report, the numbers below reflect the FTE number of police staff charged against the Police and Crime Commissioner's Group accounts.

31/03/25 (FTE)		31/03/26 (FTE)
2,195	Police Staff - Actual	1,922
35	OPCC - Actual	33
2,230	Total	1,955

There was a net decrease in FTE during the year as a result of changes made within the MTFs, short term temporary funded posts, use of agency staff and posts funded by third parties.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

9.0 PERFORMANCE

External Indicators

- 9.1 The principal independent financial indicators available to the Police and Crime Commissioner Group are as follows:
- 9.2 HMICFRS PEEL Report – His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) review each Force to examine their Efficiency, Effectiveness and Legitimacy. The most recent published review was June 2026. The inspection looked at how well the Force performed in nine areas of policing, and gave graded judgements in eight of the nine, as follows:

Outstanding	Good	Adequate	Requires improvement	Inadequate
		Police powers and public treatment	Leadership and force management	Investigating crime
		Preventing and deterring crime	Developing a diverse and inclusive workforce	Safeguarding children and adults
			Responding to the public	
			Managing fraud	

On the 30 July 2025 His Majesty’s Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) officially confirmed that the Force has been removed from the Engage phase, its enhanced phase of monitoring. The report from the latest PEEL inspection review undertaken in early 2026 has now been published. HMICFRS commented on the report – “Devon and Cornwall police is making progress, particularly in its financial management, control room and prevention work. Continued focus on developing the workforce, improving investigation standards and safeguarding vulnerable people will be essential for sustained improvement. I expect to see more progress in the areas we have set out where it needs to improve, and I will continue to monitor performance”.

- 9.3 Auditor’s Annual Report – External auditors will provide a commentary on the arrangements in place to secure economy, efficiency and effectiveness in the use of resources for both the Police and Crime Commissioner and the Chief Constable for the year ending 31 March 2026.
- 9.4 The HMICFRS Value for Money Profile 2025 – this does not provide an opinion but states key financial and performance information of Devon and Cornwall Police in comparison to other Forces. The report did not indicate any significant outliers within Devon and Cornwall Police’s information.

Office of the Police and Crime Commissioner Performance Measures

- 9.5 As stated in the introduction, the primary function of the Police and Crime Commissioner is to secure the maintenance of an efficient and effective police service in Devon, Cornwall and the Isles of Scilly and to hold the Chief Constable to account for the exercise of operational policing duties under the Police Act 1996.
- 9.6 The Commissioner has developed a number of performance metrics as one of the means to enable her to continue to hold the Chief Constable to account on improving policing and crime services, and to monitor crime levels in some areas. The Commissioner has set the Chief Constable performance targets and developed a suite of other indicators which will be monitored to assess performance. The performance judgements and progress against targets will be regularly presented to the Police and Crime Panel.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

I will monitor...	
Crime	<ul style="list-style-type: none"> Office for National Statistics (ONS) crime rate (based on total recorded crime) ONS crime rate violence against the person ONS crime rate drug offences ONS crime rate theft offences ASB incident rate to align with ONS reporting period (data to be provided by from D&C police)
I expect to see...	
Contact	<ul style="list-style-type: none"> 90% of 999 calls answered within 10 seconds 90% of 101 calls answered within 10 minutes Fewer reports made to the Commissioner regarding Police Enquiry Offices that have closed before advertised opening times in the quarter
Investigations	<ul style="list-style-type: none"> 95% of crime to be recorded accurately (CDI compliance) Increase percentage of positive outcomes
Public confidence	<ul style="list-style-type: none"> Increase percentage who agree that the police would treat you with respect Increase the percentage that say the police would treat you fairly Increase overall percentage in confidence in police Increase percentage of victim satisfaction (based on priority victims) Reduce the number of repeat victims
HMICFRS* PEEL judgements	<ul style="list-style-type: none"> No service standards judged as inadequate by HMICFRS* Force to be removed from the 'engage' status of enhanced monitoring
*His Majesty's Inspectorate of Constabularies and Fire & Rescue Services	

9.7 The metrics are published in the Police and Crime Commissioner's Police and Crime Plan, and a scorecard is presented to the Police and Crime Panel at each meeting and is published quarterly on the Office of the Police and Crime Commissioner website to monitor progress.

Force Demand

9.8 The total number of calls for service received are detailed in the table below.

No. of Contacts	2024/25	2025/26	% Change	Notes
Calls: -				
999	298,001	307,865	3%	
101	443,489	474,997	7%	
Other incoming call lines	41,077	40,427	(2%)	This includes Blue Light, Alarms, vulnerable victims, X-Directory, FIM, Firearms, Press.
Interactions: -				
Emails	93,956	104,395	11%	
Texts	363	1,667	359%	
Webchats	0	9	-	
Total	876,886	929,360	6%	

The data shows a 6% increase across all categories.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

10.0 FUTURE FINANCIAL OUTLOOK

- 10.1 The Chief Constable and the Police and Crime Commissioner formally update the MTFS annually during the budget setting process.
- 10.2 Grant funding for 2026/27 was provided by the new government as a one-year settlement ahead of a comprehensive spending review that reported in June 2025. Excluding food and energy prices inflation rose by 3.2% in the year to November 2025. Electricity and gas contracts are based on market energy prices and are expected to level out in 2026/27. The full year effect of the 2025/26 pay award of 4.2% must be accounted for in future years.
- 10.3 The government has permitted a maximum council tax increase of £15 for 2026/27 within its overall funding announcement, but even with this additional funding a gap remains.
- 10.4 2026/27 was only a one-year funding settlement, the Force has considered a longer term, strategic approach to the workforce to protect and enhance service delivery and, critically, to maintain and enhance public confidence in policing; whilst enabling a balanced budget to be achieved.
- 10.5 The 2026/27 budget supports a structured financial approach to facilitate additional and sustainable resources to:
- Maintain police officer numbers at 3,610
 - Support the neighbourhood policing guarantee (13,000 more staff nationally)
 - Provide additional investment to support complaint handling
 - Modernisation of ICT systems
- 10.6 Planning for beyond 2026/27 remains very challenging. There are a number of things which will impact on this planning, including:
- Future pay awards for officers and staff
 - Ongoing inflationary pressures
 - Staff turnover and, in particular, police officer leavers
 - Future government spending reviews and funding settlements
 - Future council tax referendum principles
 - Ongoing impact of council tax premiums for second homes
 - Police Reform impact, including the abolishment of the Police and Crime Commissioner role
 - Review of the police funding formula
 - Centrally driven ICT programmes such as the replacement of Airwave
- 10.7 In November 2025, the Government announced the abolishment of the role of the Police and Crime Commissioners from May 2028. This announcement was not expected and therefore a great deal of work is now underway to clarify the impact and delivery on both organisations in the Group. Subsequently, a further announcement was made relating to the Reform of both the structure and functions of territorial policing.

11.0 GOVERNANCE ARRANGEMENTS

- 11.1 The Annual Governance Statement is published alongside this document. The Annual Governance Statement describes the internal control environment for the Police and Crime Commissioner. It also comments on the effectiveness of the governance arrangements and identifies issues that require further work.
- 11.2 The Police and Crime Commissioner and the Chief Constable maintain separate risk registers and collaborate to ensure their accuracy and appropriateness. Further details are set out in the Annual Governance Statement.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

12.0 THE STATEMENT OF ACCOUNTS

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

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

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

Summary Movement in Reserves	Balance as at	Movements	Balance as at
	31/03/2025		31/03/2026
	£'000	£'000	£'000
General Fund	18,369	(772)	17,597
Earmarked Reserves	23,631	451	24,082
Capital Receipts	977	0	977
Capital Grants	360	0	360
Total Usable Reserves	43,337	(321)	43,016
Unusable Reserves	(2,353,889)	8,974	(2,344,915)
Total Reserves	(2,310,552)	8,653	(2,301,899)

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

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

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

Summary Comprehensive Income and Expenditure Statement	Gross Expenditure	Gross Income	Net Expenditure
	2025/26	2025/26	2025/26
	£'000	£'000	£'000
Net Cost of Services	481,695	(87,463)	394,232
Other Operating Income and Expenditure	637	(61,998)	(61,361)
Financing and Investment Income and Expenditure	166,392	(23,870)	142,522
Taxation and Non-Specific Grant Income	0	(432,018)	(432,018)
(Surplus)/Deficit on Provision of Services	648,724	(605,349)	43,375
Other Comprehensive Income and Expenditure	0	(52,028)	(52,028)
Total Comprehensive Income and Expenditure	648,724	(657,377)	(8,653)

The statement highlights that the expenditure is dominated by the net cost of providing services which is mainly the costs of policing. The other most significant cost is shown in the Financing Investment Income and Expenditure section and relates to the pensions interest cost (£142.257m which is included in the net balance of £142,522m). This cost is calculated in accordance with generally accepted accounting practices and reflects the cost of the pensions at the time employees earn their retirement benefits even though the benefits will not actually be payable until employees retire.

Narrative Report by Nicola Allen, Chief Financial Officer Continued

The "Other Comprehensive Income and Expenditure" section reflects the net movement in the revaluation of assets (£1.029m) and the remeasurement of the pension liabilities (£53.057m).

Balance Sheet as at 31 March 2026, shows how the resources available to the Group and the Police and Crime Commissioner are held in the form of assets and liabilities.

The table below is a summary of the Group Balance Sheet:

Summary Balance Sheet	Balance as at 31/03/2025 £'000	Balance as at 31/03/2026 £'000	Movement £'000
Long Term Assets	281,259	279,433	(1,826)
Current Assets	55,427	70,650	15,223
Current Liabilities	(70,969)	(89,300)	(18,331)
Long Term Liabilities	(2,576,269)	(2,562,682)	13,587
Net Liabilities	(2,310,552)	(2,301,899)	8,653
Unusable Reserves	(2,353,889)	(2,344,915)	8,974
Usable Reserves	43,337	43,016	(321)
Total Reserves	(2,310,552)	(2,301,899)	8,653

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

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

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

Summary Cash Flow Statement	Cash Flows 2024/25 £'000	Cash Flows 2025/26 £'000
Cash and Cash Equivalents as at 1 April	(18,867)	(20,499)
Net Cash Flow from:		
Operating Activities	(11,981)	(8,003)
Investing Activities	10,580	14,947
Financing Activities	(231)	(1,185)
Movement	(1,632)	5,759
Cash and Cash Equivalents as at 31 March	(20,499)	(14,740)

Narrative Report by Nicola Allen, Chief Financial Officer Continued

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

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

Reconciliation	2025/26 £'000
Expenditure and Funding Analysis	
Net Cost of Services - Chief Constable	424,154
Net Cost of Services - Office of the Police and Crime Commissioner	2,957
Net Cost of Services - Commissioning	5,577
Financing and Investment Income and Expenditure	266
Total net expenditure funded by Taxation and Non-Specific Grant Income	432,954
Outturn	
PCC Group	432,979
Underspend transferred to General Balances	(25)
Total net expenditure funded by Taxation and Non-Specific Grant Income	432,954

- 12.2 HM Treasury carried out a Thematic Review of non-investment asset valuations which has led to changes being introduced in the 2025/26 CIPFA Code of Practice on Local Authority Accounting. The changes strengthen the use of indexation, allowing for up-to-date asset values between formal valuations using appropriate observed indices. The aim is to improve consistency, transparency and timeliness of asset valuations and a reduction in cost is anticipated. Further information can be found in the accounting policies and the property, plant and equipment note.
- 12.3 The notes to the financial statements include the accounting policies and gives further information on the entries within the main statements as well as supplementary information. All notes relate to the Group Statements unless it is otherwise specified. These are further supplemented by a glossary of terms.

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner
15 June 2026

Further Information

This publication provides a review of the financial performance of the Police and Crime Commissioner for 2025/26. It complements the information in the [Single Entity Accounts of the Chief Constable](#) and the [Police and Crime Plan](#).

Independent Auditor's Report to the Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly

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

Statement of Responsibilities

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required to:

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

Approval of the Accounts

I approve the Statement of Accounts.

Alison Hernandez
Police and Crime Commissioner

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Police and Crime Commissioner's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the United Kingdom 2025/26" (the Code).

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

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

Chief Financial Officer's Certificate

I certify that this Statement of Accounts for the year ended 31 March 2026 gives a true and fair view of the financial position of the Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly at the reporting date and of the income and expenditure for the year ended 31 March 2026.

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner
15 June 2026

Financial Statements



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Group Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2024/25 and 2025/26 on the different reserves held by the Police and Crime Commissioner Group, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(43,375)	0	0	0	(43,375)	52,028	8,653
Adjustments between accounting basis and funding basis under regulations	28	43,054	0	0	0	43,054	(43,054)	0
Transfers to/(from) Earmarked Reserves	29	(451)	451	0	0	0	0	0
Increase/(Decrease)		(772)	451	0	0	(321)	8,974	8,653
Balance at 31 March 2026		17,597	24,082	977	360	43,016	(2,344,915)	(2,301,899)
Comparative Year								
	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)
IFRS 16 Adjustment		0	0	0	0	0	2,627	2,627
Restated Balance at 1 April 2024		17,236	30,300	977	305	48,818	(2,434,939)	(2,386,121)
Movement in Reserves								
Total Comprehensive Income and Expenditure		(55,092)	0	0	0	(55,092)	130,661	75,569
Adjustments between accounting basis and funding basis under regulations	28	49,556	0	0	55	49,611	(49,611)	0
Transfers to/(from) Earmarked Reserves	29	6,669	(6,669)	0	0	0	0	0
Increase/(Decrease)		1,133	(6,669)	0	55	(5,481)	81,050	75,569
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)

PCC Movement in Reserves Statement

This statement shows the movement from the start of the year to the end of the year for 2024/25 and 2025/26 on the different reserves held by the Police and Crime Commissioner, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Police and Crime Commissioner's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/(decrease) shows the statutory General Fund balance movements in the year following those adjustments.

Current Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)
Movement in Reserves								
Total Comprehensive Income and Expenditure		9,701	0	0	0	9,701	(1,048)	8,653
Adjustments between accounting basis and funding basis under regulations	28	(10,022)	0	0	0	(10,022)	10,022	0
Transfers to/(from) Earmarked Reserves	29	(451)	451	0	0	0	0	0
Increase/(Decrease)		(772)	451	0	0	(321)	8,974	8,653
Balance at 31 March 2026		17,597	24,082	977	360	43,016	(2,344,915)	(2,301,899)

Comparative Year	Notes	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024		17,236	30,300	977	305	48,818	(2,437,566)	(2,388,748)
IFRS 16 Adjustment		0	0	0	0	0	2,627	2,627
Restated Balance at 1 April 2024		17,236	30,300	977	305	48,818	(2,434,939)	(2,386,121)
Movement in Reserves								
Total Comprehensive Income and Expenditure		67,426	0	0	0	67,426	8,143	75,569
Adjustments between accounting basis and funding basis under regulations	28	(72,962)	0	0	55	(72,907)	72,907	0
Transfers to/(from) Earmarked Reserves	29	6,669	(6,669)	0	0	0	0	0
Increase/(Decrease)		1,133	(6,669)	0	55	(5,481)	81,050	75,569
Balance at 31 March 2025		18,369	23,631	977	360	43,337	(2,353,889)	(2,310,552)

Group Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2024/25 and 2025/26 of providing services for the Group in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

2024/25				2025/26			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	Notes
£'000	£'000	£'000		£'000	£'000	£'000	
451,828	(68,299)	383,529	Chief Constable	467,511	(80,883)	386,628	8
2,623	(27)	2,596	Office of the Police and Crime Commissioner	2,798	(45)	2,753	12
11,256	(6,324)	4,932	Commissioning	11,386	(6,535)	4,851	11.2
465,707	(74,650)	391,057	Net Cost of Services	481,695	(87,463)	394,232	
			Other Operating Income and Expenditure				
567	0	567	Net (Surplus)/Deficit from the Sale of Non-Current Assets	637	0	637	27.2
0	(800)	(800)	(Gain)/Loss on Revaluation of Non-Current Assets	0	(3,019)	(3,019)	27.2
0	(52,185)	(52,185)	Pensions Top Up Grant	0	(58,979)	(58,979)	PFS
			Financing and Investment Income and Expenditure				
1,745	0	1,745	Interest Payable	1,543	0	1,543	24.2
0	(1,835)	(1,835)	Interest and Investment Income	0	(1,255)	(1,255)	24.2
0	(54)	(54)	Income and Expenditure in relation to Investment Properties and changes in their Fair Value	52	(83)	(31)	
0	(46)	(46)	(Gain)/Loss on Financial Instruments	8	0	8	24.2
146,067	(21,457)	124,610	Pensions Interest	164,789	(22,532)	142,257	
			Taxation and Non-Specific Grant Income				
0	(214,687)	(214,687)	Police Grant	0	(222,649)	(222,649)	13
0	(15,461)	(15,461)	Council Tax Support Grants	0	(15,461)	(15,461)	13
0	(177,137)	(177,137)	Council Tax Precept	0	(193,220)	(193,220)	11.4
0	(682)	(682)	Capital Grants, Contributions and Donations	0	(688)	(688)	13
614,086	(558,994)	55,092	(Surplus)/Deficit on Provision of Services	648,724	(605,349)	43,375	
		(8,196)	(Surplus)/Deficit on Revaluation of Non-Current Assets			1,029	14
		(122,465)	Remeasurement of the Net Defined Benefit Liability/(Asset)			(53,057)	25
		(130,661)	Other Comprehensive Income and Expenditure			(52,028)	
		(75,569)	Total Comprehensive Income and Expenditure			(8,653)	

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

PCC Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the years 2024/25 and 2025/26 of providing services for the Police and Crime Commissioner in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Police and Crime Commissioners raise taxation (precepts) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis note.

2024/25			2025/26			Notes
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000	£'000	£'000	£'000	
451,828	(68,299)	383,529	467,511	(80,883)	386,628	4
2,623	(27)	2,596	2,798	(45)	2,753	12
11,256	(6,324)	4,932	11,386	(6,535)	4,851	11.2
465,707	(74,650)	391,057	481,695	(87,463)	394,232	
Net Cost of Services						
Other Operating Income and Expenditure						
567	0	567	637	0	637	27.2
0	(800)	(800)	0	(3,019)	(3,019)	27.2
0	(52,185)	(52,185)	0	(58,979)	(58,979)	PFS
Financing and Investment Income and Expenditure						
1,745	0	1,745	1,543	0	1,543	24.2
0	(1,835)	(1,835)	0	(1,255)	(1,255)	24.2
0	(54)	(54)	52	(83)	(31)	
0	(46)	(46)	8	0	8	24.2
462	(471)	(9)	598	(630)	(32)	
145,605	(20,986)	124,619	164,191	(21,902)	142,289	4
Taxation and Non-Specific Grant Income						
0	(214,687)	(214,687)	0	(222,649)	(222,649)	13
0	(15,461)	(15,461)	0	(15,461)	(15,461)	13
0	(177,137)	(177,137)	0	(193,220)	(193,220)	11.4
0	(682)	(682)	0	(688)	(688)	13
0	(122,518)	(122,518)	0	(53,076)	(53,076)	4
614,086	(681,512)	(67,426)	648,724	(658,425)	(9,701)	
(Surplus)/Deficit on Provision of Services						
		(8,196)			1,029	14
		53			19	25
		(8,143)			1,048	
		(75,569)			(8,653)	
Total Comprehensive Income and Expenditure						

Nicola Allen CPFA

Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

Group and PCC Balance Sheet

The Balance Sheet shows the value as at 31 March 2025 and 31 March 2026 of the assets and liabilities recognised by the Group and the Police and Crime Commissioner. The net assets of the Group/Police and Crime Commissioner (assets less liabilities) are matched by the reserves held by the Group/Police and Crime Commissioner. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Group/Police and Crime Commissioner is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

As at PCC £'000	31 March 2025 PCC Group £'000		As at PCC £'000	31 March 2026 PCC Group £'000	Notes
Long Term Assets					
238,270	238,270	Land and Buildings	239,037	239,037	14
899	899	Intangible Assets	599	599	15
5,292	5,292	Surplus Assets	5,200	5,200	14
34,366	36,302	Vehicle, Plant and Equipment	31,265	34,147	14
496	496	Investment Property	450	450	
1,936	0	Intra-Group Debtors	2,882	0	4
281,259	281,259	Total Long Term Assets	279,433	279,433	
Current Assets					
885	885	Assets Held for Sale	854	854	16
0	0	Short Term Investments	3,000	3,000	
1,836	1,836	Inventories	1,682	1,682	
7,165	32,207	Short Term Debtors	9,246	50,374	18
25,042	0	Intra-Group Debtors	41,128	0	4
20,499	20,499	Cash and Cash Equivalents	14,740	14,740	19
55,427	55,427	Total Current Assets	70,650	70,650	
Current Liabilities					
(22,500)	(22,500)	Short Term Borrowing	(24,000)	(24,000)	23
(1,665)	(45,034)	Short Term Creditors	(4,493)	(60,016)	20
(994)	(994)	Finance Lease	(1,446)	(1,446)	22
(1,855)	(2,441)	Provisions	(3,235)	(3,838)	21
(43,955)	0	Intra-Group Creditors	(56,126)	0	4
(70,969)	(70,969)	Total Current Liabilities	(89,300)	(89,300)	
Long Term Liabilities					
(28,277)	(28,277)	Long Term Borrowing	(28,277)	(28,277)	23
(7,415)	(7,415)	Finance Lease	(5,891)	(5,891)	22
(1,129)	(1,129)	Provisions	(1,969)	(1,969)	21
(190)	(8,872)	Pensions Liability - Staff	0	(1,444)	25
0	(2,530,576)	Pensions Liability - Officers	0	(2,525,101)	25
(2,539,258)	0	Intra-Group Creditors	(2,526,545)	0	4
(2,576,269)	(2,576,269)	Total Long Term Liabilities	(2,562,682)	(2,562,682)	
(2,310,552)	(2,310,552)	Net Liabilities	(2,301,899)	(2,301,899)	
Represented by					
(2,353,889)	(2,353,889)	Unusable Reserves	(2,344,915)	(2,344,915)	27
43,337	43,337	Usable Reserves	43,016	43,016	
(2,310,552)	(2,310,552)	Total Reserves	(2,301,899)	(2,301,899)	

Nicola Allen CPFA
Chief Financial Officer to the Police and Crime Commissioner

Unaudited accounts issued: 15 June 2026

Audited accounts issued: Date to be confirmed

Group Cash Flow Statement

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

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

2024/25 PCC £'000	2024/25 PCC Group £'000		2025/26 PCC £'000	2025/26 PCC Group £'000	Notes
(67,426)	55,092	Net (Surplus) or Deficit on the Provision of Services	(9,701)	43,375	
		Adjustments to net Surplus or Deficit on the Provision of Services for non-cash movements			
68	(47,321)	(Increase)/Decrease in pensions liability	210	(40,154)	
(47,389)	0	(Increase)/Decrease in pensions liability - Intra-Group Transaction	(40,364)	0	
122,518	0	Actuarial Movement on Pension Funds - Intra-Group Transaction	53,076	0	
(2)	(13,640)	Depreciation and amortisation	(2)	(16,280)	
(13,638)	0	Depreciation and amortisation - Intra-Group Transaction	(16,278)	0	
(232)	572	(Increase)/Decrease in provisions	(2,220)	(2,237)	
804	0	(Increase)/Decrease in provisions - Intra-Group Transaction	(17)	0	
(567)	(567)	Surplus/(Loss) on sales of non-current assets	(637)	(637)	
800	800	Surplus/(Loss) on revaluation of non-current assets	2,972	2,972	
(322)	(6,917)	Movement in relevant assets/liabilities	(889)	4,958	
(6,595)	0	Movement in relevant assets/liabilities - Intra-Group Transaction	5,847	0	
(11,981)	(11,981)	Net Cash from Operating Activities	(8,003)	(8,003)	31
10,580	10,580	Investing Activities	14,947	14,947	32
(231)	(231)	Financing Activities	(1,185)	(1,185)	33
(1,632)	(1,632)	Net (Increase)/Decrease in Cash and Cash Equivalents	5,759	5,759	
(18,867)	(18,867)	Cash and Cash Equivalents at the beginning of the reporting period	(20,499)	(20,499)	
(20,499)	(20,499)	Cash and Cash Equivalents at the end of the reporting period	(14,740)	(14,740)	19

Notes to the Accounting



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Notes to the Accounting

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

Note 1 Accounting Policies

1. GENERAL PRINCIPLES

The statement of accounts summarises the Groups transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The Group is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

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

2. ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in the Comprehensive Income and Expenditure Statement for the income that might not be collected

3. ACCOUNTING POLICY DEVELOPMENTS AND CHANGES

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Group's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

4. PRIOR PERIOD ADJUSTMENTS, ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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

Note 1 Accounting Policies Continued

5. EVENTS AFTER THE REPORTING PERIOD

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

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

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

6. CONTINGENT LIABILITIES

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

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

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

7. COUNCIL TAX

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

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

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

8. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Group has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

Note 1 Accounting Policies Continued

9. GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

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

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

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

10. FINANCIAL INSTRUMENTS

10.1 Financial Liabilities

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

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

10.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Group holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss

The Group's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

10.3 Financial Assets Measured at Amortised Cost

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

Note 1 Accounting Policies Continued

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

10.4 Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

10.5 Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are provided by the Group's Treasury advisors.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

11. CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that are held no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

12. LEASES

12.1 The Group as Lessee

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

12.1.1 Initial Measurement

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

Note 1 Accounting Policies Continued

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

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

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

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

12.1.2 Subsequent Measurement

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

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

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

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

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

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

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

Note 1 Accounting Policies Continued

12.1.3 Low Value and Short Lease Exemption

As permitted by the Code, the Group excludes leases:

- for low-value items that cost less than £20k when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Group is reasonably certain to exercise and any termination options that the Group is reasonably certain not to exercise).

12.1.4 Lease Expenditure

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

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

13. JOINT OPERATIONS

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

14. OVERHEADS AND SUPPORT SERVICES

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

15. EMPLOYEE BENEFITS

15.1 Benefits Payable during Employment

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Group. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

15.2 Termination Benefits

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

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

Note 1 Accounting Policies Continued

15.3 Post-Employment Benefits

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

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

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

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

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

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

15.3.1 Police Officers' Pension Schemes

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

The liabilities of the Police Officers' Pension Schemes are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

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

15.3.2 The Local Government Pension Scheme

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

The liabilities of the Local Government Pension Scheme are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projected earnings for current employees.

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

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

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

Note 1 Accounting Policies Continued

15.3.3 Net Pensions Liability Analysed

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

Service cost comprising:

- current service cost - the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Group - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period and taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Remeasurements comprising:

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

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

- cash paid to pensioners including injury pension payments

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

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

15.3.4 Police Officers' Injury Benefits

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

15.3.5 Impact on Reserves

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

15.4 Discretionary Benefits

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

Note 1 Accounting Policies Continued

16. PROVISIONS

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

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

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

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that the reimbursement will be received if the Group settles the obligation.

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

17. RESERVES

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back to the General Fund balance so that there is no net charge against council tax for the expenditure.

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

18. PROPERTY, PLANT AND EQUIPMENT

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

18.1 Recognition

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

Note 1 Accounting Policies Continued

18.2 Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

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

Note 1 Accounting Policies Continued

18.3 Impairment

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

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

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

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

18.4 Depreciation

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

Depreciation is calculated on the following bases:

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

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

18.5 Disposals

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

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

Note 1 Accounting Policies Continued

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

18.6 Assets Held for Sale

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

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

18.7 Surplus Assets

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

19. INTANGIBLE ASSETS

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Group.

19.1 Measurement

Intangible assets are measured initially at cost. Thereafter they are carried at cost less accumulated depreciation and any accumulated impairment loss.

19.2 Amortisation

The depreciable amount of an intangible asset is amortised over its useful life and charged to the Comprehensive Income and Expenditure Statement.

19.3 Impairment

An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to other operating expenditure in the Comprehensive Income and Expenditure Statement.

19.4 Accounting

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Note 1 Accounting Policies Continued

20. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

21. INVENTORIES

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

22. LONG TERM CONTRACTS

Long term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

23. EXCEPTIONAL ITEMS

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

24. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

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

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

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

25. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

Note 1 Accounting Policies Continued

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

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

Note 2 Accounting Standards Issued, Not Adopted

Appendix C of the CIPFA code requires Local Authorities to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. Standards that fall into this category that are relevant to these Group accounts are:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11

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

Note 3 Critical Judgements in Applying Accounting Policies

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

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

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

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

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

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

Note 4 The Police and Crime Commissioner as an Accounting Entity

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

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

For accounting and regulatory purposes, the Police and Crime Commissioner and the Chief Constable are classed as Local Authorities and are covered by the CIPFA Code of Practice for Local Authority Accounting 2025/26.

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

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

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

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

Intra-Group Transactions	2024/25		2025/26	
	Chief Constable £'000	Police and Crime Commissioner £'000	Chief Constable £'000	Police and Crime Commissioner £'000
Comprehensive Income and Expenditure Statements				
Cost of Services	(383,529)	383,529	(386,628)	386,628
Pensions Top Up Grant	52,185	(52,185)	58,979	(58,979)
Net Cost of Policing	(331,344)	331,344	(327,649)	327,649
Pensions Interest Cost - Intra-Group Transaction	(124,619)	124,619	(142,289)	142,289
Actuarial (Gains)/Losses on Pensions Funds - Intra-Group Transaction	122,518	(122,518)	53,076	(53,076)
Balance Sheet				
Long Term Assets/Liabilities				
Pensions Liabilities	(2,539,258)	0	(2,526,545)	0
Pensions Liabilities - Intra-Group Debtor	2,539,258	0	2,526,545	0
Pensions Liabilities - Intra-Group Creditor	0	(2,539,258)	0	(2,526,545)
ICT and Equipment Assets	1,936	0	2,882	0
ICT and Equipment - Intra-Group Creditor	(1,936)	0	(2,882)	0
ICT and Equipment - Intra-Group Debtor	0	1,936	0	2,882
Current Assets/Liabilities				
Current Liabilities	(43,955)	0	(56,126)	0
Current Liabilities - Intra-Group Debtors	43,955	0	56,126	0
Current Liabilities - Intra-Group Creditors	0	(43,955)	0	(56,126)
Current Assets	25,042	0	41,128	0
Current Assets - Intra-Group Creditors	(25,042)	0	(41,128)	0
Current Assets - Intra-Group Debtors	0	25,042	0	41,128
Unusable Reserves				
Intra-Group Transactions	0	(2,556,235)	0	(2,538,661)

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

Note 5 Events after the Reporting Period

The unaudited statement of accounts was authorised for issue on 15 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Police and Crime Commissioner Group about the future or that are otherwise uncertain. Estimates are made by taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Group Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

6.1 Pensions Liability

Uncertainties

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

Valuation Assumption

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

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

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

Effect if Actual Results Differ from Assumptions

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

6.2 Property

Uncertainties

The valuation of the property assets, particularly those not subject to a full revaluation, involves the use of indexation. The use of indexation introduces uncertainty as it relies on general movements in construction costs, property prices, or sector-specific indices rather than asset-specific market evidence.

These indices are subject to economic volatility, including inflationary pressures, changes in market demand, and wider macroeconomic conditions. As a result, indexed valuations may not fully reflect the precise fair value of individual assets at the reporting date.

In periods of heightened market instability or reduced transactional evidence, the degree of estimation uncertainty increases. Although appropriate indices are applied in accordance with professional guidance, actual market conditions may differ from those reflected in the indices used.

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

Valuation Assumption

The Group applies a rolling programme of asset revaluations in accordance with the CIPFA Code. Where assets are not revalued in-year, their carrying values are updated using appropriate indices to reflect movements in fair value.

Key assumptions applied include:

- The selection of relevant indices (e.g. BCIS, CPI or other sector-specific indices) considered appropriate for the asset class;
- The assumption that index movements are representative of changes in fair value for similar assets
- The continued application of existing useful lives and asset condition assumptions
- The consistency of valuation techniques with those applied by the external valuers

The indices used and underlying assumptions have been reviewed as part of the year-end process and are considered to provide a reasonable approximation of current value in the absence of a full revaluation.

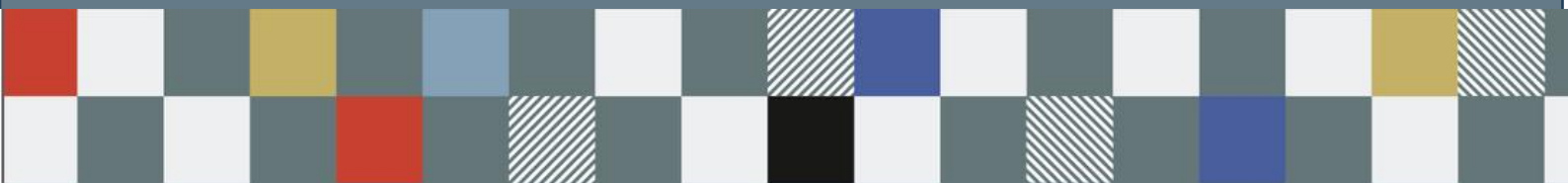
Effect if Actual Results Differ from Assumptions

If actual market movements differ from those implied by the indices applied, the carrying value of property assets may be materially misstated. This could result in:

- Subsequent material adjustments to asset values when full revaluations are undertaken
- Corresponding movements in the Revaluation Reserve or Capital Adjustment Account, depending on the nature of the adjustment
- Changes to depreciation charges where asset values are significantly affected

The Group considers that a reasonably possible variation in indexation assumptions could result in a material change in property valuations, particularly in volatile economic conditions. For example, 1% increase in the applied indices would result in an increase of £3.148m in the value of assets measured using the indexation approach. Larger movements in indexation rates could therefore result in impacts exceeding the materiality threshold.

Notes to the Comprehensive Income and Expenditure Statement



Notes to the Comprehensive Income and Expenditure Statement

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

Note 7 Expenditure and Funding Analysis

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

2025/26						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable Office for the Police and Crime Commissioner Commissioning	424,154	321	424,475	(37,847)	386,628	3,789	(42,946)	1,310	37,847	0
	2,957	0	2,957	(204)	2,753	2	(167)	(39)	(37,847)	(38,051)
	5,577	0	5,577	(726)	4,851	0	(11)	(715)	0	(726)
Net Cost of Services	432,688	321	433,009	(38,777)	394,232	3,791	(43,124)	556	0	(38,777)
Other Operating Income and Expenditure	0	0	0	(61,361)	(61,361)	(2,382)	(58,979)	0	0	(61,361)
Financing and Investment Income and Expenditure	266	0	266	142,256	142,522	0	142,256	0	0	142,256
Taxation and Non-Specific Grant Income	(432,954)	0	(432,954)	936	(432,018)	(688)	0	1,624	0	936
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	321	321	43,054	43,375	721	40,153	2,180	0	43,054

Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2025	42,000
Less/Plus Surplus or (Deficit) on the General Fund in Year	(321)
Closing Revenue Reserve Balance as at 31 March 2026	41,679

Note 7 Expenditure and Funding Analysis Continued

2024/25						Adjustments between the Funding and Accounting Basis			Intra-Group Funding	Total Adjustments
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Outturn	Reserve Adjustments	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES	Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences		
	£'000	£'000	£'000	£'000	£'000	(Note 7.1) £'000	(Note 7.2) £'000	(Note 7.3) £'000	£'000	£'000
Chief Constable Office for the Police and Crime Commissioner	399,206	5,536	404,742	(21,213)	383,529	2,053	(25,045)	1,779	21,213	0
Commissioning	2,573	0	2,573	23	2,596	2	(51)	72	(21,213)	(21,190)
	4,928	0	4,928	4	4,932	0	(7)	11	0	4
Net Cost of Services	406,707	5,536	412,243	(21,186)	391,057	2,055	(25,103)	1,862	0	(21,186)
Other Operating Income and Expenditure	0	0	0	(52,418)	(52,418)	(233)	(52,185)	0	0	(52,418)
Financing and Investment Income and Expenditure	(189)	0	(189)	124,609	124,420	0	124,609	0	0	124,609
Taxation and Non-Specific Grant Income	(406,518)	0	(406,518)	(1,449)	(407,967)	(682)	0	(767)	0	(1,449)
Difference between General Fund (Surplus) or Deficit and CIES Surplus or Deficit on the Provision of Services	0	5,536	5,536	49,556	55,092	1,140	47,321	1,095	0	49,556

Note 7 Expenditure and Funding Analysis Continued

	£'000
Opening Revenue Reserve Balance as at 31 March 2024	47,536
Less/Plus Surplus or (Deficit) on the General Fund in Year	(5,536)
Closing Revenue Reserve Balance as at 31 March 2025	42,000

Note 7 Expenditure and Funding Analysis Continued

7.1 Adjustment for Capital Purposes

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

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

7.2 Net Change for Pensions Adjustments

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

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

7.3 Other Differences

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

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

7.4 Chief Constable Outturn

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

7.5 Net Expenditure in the CIES

The balance of £43.375m consists of the adjustments between the funding and accounting basis (£43.054m) and reserve adjustments (£321k). Please see the adjustments between the funding and accounting basis note for further information. The reserve adjustments net total of £321k included revenue and reserve contributions to finance capital of £9.805m. Included within the balance of £43.375m is £403k of revenue expenditure funded by capital under statute to other Forces within the region.

Note 8 Expenditure and Income Analysed by Nature

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

2024/25	Expenditure/Income	2025/26
£'000		£'000
	Expenditure	
359,061	Employee benefit expenses	360,242
93,006	Other service expenses	105,173
13,640	Depreciation, amortisation, impairment	16,280
1,745	Interest payable	1,543
0	Loss on Financial Instruments	8
0	Loss on revaluation of investment property and expenditure	52
567	Loss on the sale of non-current assets	637
146,067	Pensions interest	164,789
614,086	Total Expenditure	648,724
	Income	
(25,279)	Fees, charges and other service income	(29,150)
(800)	Gain on revaluation of non-current assets	(3,019)
(46)	Gain on financial instruments	0
(54)	Gain on revaluation of investment property and income	(83)
(1,835)	Interest and investment income	(1,255)
(21,457)	Pensions interest	(22,532)
(177,137)	Income from council tax	(193,220)
(332,386)	Government grants, contributions and donations	(356,090)
(558,994)	Total Income	(605,349)
55,092	Deficit on the Provision of Services	43,375

Note 9 External Audit Costs

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

2024/25			2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
118	181	Standard fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	118	182
6	6	Additional fees in relation to regulation changes and expert advice	0	0
124	187	As per the audit plan	118	182
0	0	Estimated fees payable to external auditors with regard to external audit services carried out by the appointed auditor for prior years	11	11
124	187	Total	129	193

Note 10 Officers' Remuneration

10.1 Remuneration

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

2025/26	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl. Pension Contributions £	Employers Pension Contributions £	Total Remuneration incl. Pension Contributions £
<u>Office of the Police and Crime Commissioner</u>							
<u>Salary £50,000 to £149,999 per year</u>							
OPCC Chief Executive		131,903	0	0	131,903	24,930	156,833
OPCC Chief Financial Officer		118,020	0	0	118,020	22,306	140,326
<u>Chief Constable</u>							
<u>Salary £150,000 plus per year</u>							
Chief Constable - William Kerr to 25/07/25		349,270	0	0	349,270	0	349,270
Interim Chief Constable - James Vaughan		204,581	0	0	204,581	0	204,581
Deputy Chief Constable - James Colwell		179,549	0	0	179,549	59,590	239,139
Temporary Deputy Chief Constable to 31/08/25 and Assistant Chief Constable - David Thorne		161,499	0	0	161,499	53,218	214,717
<u>Salary £50,000 to £149,999 per year</u>							
Assistant Chief Constable		142,492	0	10,740	153,232	49,012	202,244
Assistant Chief Constable to 16/11/25		98,213	0	0	98,213	30,084	128,297
Assistant Chief Constable		149,584	0	0	149,584	49,012	198,596
Assistant Chief Constable to 30/06/25		32,807	0	0	32,807	9,806	42,613
Assistant Chief Officer - People		142,643	4,467	0	147,110	24,930	172,040
Director of Legal Services	1	142,643	4,467	0	147,110	24,930	172,040
Chief Financial Officer (Director of Finance and Resources)		142,643	4,467	0	147,110	24,930	172,040
Assistant Chief Officer - Gross Misconduct Chair from 09/02/26		7,293	0	0	7,293	1,378	8,671
Assistant Chief Constable - Seconded to British Transport Police	2	128,839	0	0	128,839	43,244	172,083

Note 10 Officers' Remuneration Continued

2024/25	Note	Salary, Fees and Allowances £	Bonuses, Subsistence and Expenses Allowances £	Benefits in Kind £	Total Remuneration excl. Pension Contributions £	Employers Pension Contributions £	Total Remuneration incl. Pension Contributions £
<u>Office of the Police and Crime Commissioner</u>							
<u>Salary £50,000 to £149,999 per year</u>							
OPCC Chief Executive		126,532	0	0	126,532	23,915	150,447
OPCC Chief Financial Officer		113,214	0	0	113,214	21,397	134,611
<u>Chief Constable</u>							
<u>Salary £150,000 plus per year</u>							
Chief Constable - William Kerr		211,766	0	0	211,766	0	211,766
Interim Chief Constable - James Vaughan from 13/12/24		59,263	8,901	0	68,164	0	68,164
Acting Chief Constable to 21/01/25 and Deputy Chief Constable from 22/01/25 - James Colwell		196,621	94	0	196,715	56,138	252,853
Temporary Deputy Chief Constable - David Thorne		169,770	0	0	169,770	56,138	225,908
<u>Salary £50,000 to £149,999 per year</u>							
Assistant Chief Constable		136,838	0	10,740	147,578	47,016	194,594
Assistant Chief Constable to 30/06/24		40,737	0	0	40,737	11,437	52,174
Assistant Chief Constable		143,931	0	0	143,931	47,016	190,947
Assistant Chief Constable		143,931	0	0	143,931	47,016	190,947
Assistant Chief Constable from 03/06/24		125,295	0	0	125,295	38,066	163,361
Assistant Chief Constable from 09/09/24 to 02/03/25		113,805	0	0	113,805	37,610	151,415
Assistant Chief Officer - People		137,272	4,467	0	141,739	23,915	165,654
Director of Legal Services	1	137,272	4,467	0	141,739	23,915	165,654
Chief Financial Officer (Director of Finance and Resources) to 20/05/24		18,352	612	0	18,964	3,190	22,154
Chief Financial Officer (Director of Finance and Resources) from 30/09/24		70,243	58,832	8,000	137,075	12,255	149,330
Assistant Chief Constable 15/07/24 to 03/11/24, Assistant Chief Constable - Seconded to British Transport Police from 04/11/24	2	115,943	0	0	115,943	38,066	154,009

Note 10 Officers' Remuneration Continued

10.1.1 Notes

2025/26

1. The Director of Legal Services provides a service to Devon and Cornwall Police and Dorset Police. The contract of employment is with Devon and Cornwall Police and for this reason the remuneration disclosure is made in the Statement of Accounts for Devon and Cornwall Police. Dorset Police meet a proportion of the costs of this post.
2. The costs of the officer seconded to the British Transport Police have been met by the British Transport Police.

2024/25

1. The Director of Legal Services provides a service to Devon and Cornwall Police and Dorset Police. The contract of employment is with Devon and Cornwall Police and for this reason the remuneration disclosure is made in the Statement of Accounts for Devon and Cornwall Police. Dorset Police meet a proportion of the costs of this post.
2. The costs of the officer seconded to the British Transport Police have been met by the British Transport Police.

10.2 Group Termination Costs

The total termination costs (exit costs) shown in the table below are the payments made to individuals plus payments to recompense the pension fund for the strain calculated on an actuarial basis in 2024/25 and 2025/26. They relate to staff employed by the Group. The costs charged in the Comprehensive Income and Expenditure Statement include adjustments for the sharing of cost with Dorset Police. The adjustments are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £'000	2025/26 £'000
£0 – £20,000	2	0	11	11	13	11	72	77
£20,001 - £40,000	1	0	2	1	3	1	92	28
£40,001 - £60,000	0	0	0	1	0	1	0	40
£60,001 - £80,000	2	0	2	0	4	0	268	0
£80,001 - £100,000	0	0	0	1	0	1	0	85
£120,001 - £140,000	1	0	0	0	1	0	120	0
£140,001- £160,000	0	0	0	1	0	1	0	143
Total included in bandings and in CIES	6	0	15	15	21	15	552	373
Adjustments to reflect costs charged in Comprehensive Income and Expenditure Statement								
Redundancy cost recharged to Dorset Police as part of Strategic Alliance agreement							(72)	117
Redundancy cost recharged from Dorset Police as part of Strategic Alliance agreement							47	(3)
Exit Costs charged to the Comprehensive Income and Expenditure Statement							527	487

Note 10 Officers' Remuneration Continued

10.3 Remuneration Bands

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

2024/25		2025/26
Number of employees	Remuneration Band	Number of employees
724	£50,000 - £54,999	735
445	£55,000 - £59,999	606
328	£60,000 - £64,999	303
193	£65,000 - £69,999	255
59	£70,000 - £74,999	125
31	£75,000 - £79,999	47
17	£80,000 - £84,999	20
15	£85,000 - £89,999	16
8	£90,000 - £94,999	10
8	£95,000 - £99,999	12
3	£100,000 - £104,999	9
5	£105,000 - £109,999	0
4	£110,000 - £114,999	0
0	£115,000 - £119,999	8
1,840	Total	2,146

10.3.1 Notes

- The above table does not include staff and officers paid below £50,000 who make up approximately 69% of the workforce.
- Pay scales for police officers are set nationally.
- There has been an increase in the number of employees receiving above £50,000. This is mainly due to being in receipt of a pay award.

Note 11 Related Party Transactions, Commissioning, Partnerships and Collaborations

11.1 Related Party Transactions

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

11.1.1 Central Government

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

11.1.2 Independent Officers

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

11.1.3 Officers

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

The Assistant Chief Officer (People) is a non-executive director on the College of Policing Board. The Board position is reserved for a member of police staff and no remuneration is received.

The Assistant Chief Constable for Local Policing and Partnerships is the Chair for the Board of Trustees of Surf Live Saving GB. This organisation is a national surf lifesaving charity which Devon and Cornwall Police have a contract with. The contract is for the development and delivery of a water safety training package. The Assistant Chief Constable has not been involved in the issue of contract.

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

11.2 Commissioning and Partnerships

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

2024/25			2025/26		
Expenditure £'000	Income £'000	Notes	Expenditure £'000	Income £'000	
OPCC Commissioning and Partnerships					
526	0	11.2.1 Youth Justice Services	526	0	
910	(227)	11.2.2 Sexual Assault Referral Centres	1,394	(231)	
5,495	(3,784)	11.2.3 Victim Services and Restorative Justice	4,861	(3,773)	
1,849	(1,599)	11.2.4 Other Local Grants and Expenditure	3,151	(1,876)	
937	(32)	11.2.5 PCC's Impact Scheme	32	0	
258	0	11.2.6 PCC's Community Grant Scheme	259	0	
1,286	(682)	11.2.7 Serious Violence Prevention	678	(655)	
0	0	11.2.8 Strategic Interventions	495	0	
0	(9)	Transfer to/(from) Reserves	716	0	
11,261	(6,333)	Outturn Total	12,112	(6,535)	
9	0	Reverse Transfer to/(from) Reserves	(716)	0	
2	0	Accumulated Absence	1	0	
(7)	0	Pension Costs & Employer contributions	(11)	0	
11,265	(6,333)	CIES Total	11,386	(6,535)	
4,932		Net Expenditure Total	4,851		
Other Partnerships					
7,065	(7,065)	11.2.9 Vision Zero South West Road Safety Partnership	8,044	(8,044)	

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

The funding mechanisms for partnerships are complex, and the table above shows expenditure that has passed through the Police and Crime Commissioners accounts. There are no significant jointly controlled assets or liabilities as at 31 March 2026.

11.2.1 Youth Justice Services

The Youth Justice Services are funded by a combination of government grants, and contributions from the Police and Crime Commissioner, Local Authorities, the NHS and the National Probation Service. The initiative provides programmes for young people with the intention of preventing re-offending.

11.2.2 Sexual Assault Referral Centres

The Sexual Assault Referral Centres are funded by a combination of government grants, partnership grants and contributions from the Police and Crime Commissioner. The centres are set up in safe locations, where victims of sexual assault can receive medical care and counselling. Referral centres bring together all agencies and departments in one place, which helps both the victims and those investigating the crimes.

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

11.2.3 Victim Services and Restorative Justice

The Ministry of Justice provide an annual Victim Services Grant to deliver services that help victims of crime. Funding is provided to a network of 40+ organisations who provide practical and emotional support to victims of crime, no matter whether or not they report the crime to police.

11.2.4 Other Local Grants and Expenditure

Other expenditure and grants are provided to a range of services/organisations who support delivery of the Police and Crime Plan.

11.2.5 PCC's Impact Scheme

The PCC's Impact Scheme supports the Police and Crime Commissioner by identifying and funding services, projects and approaches which help to deliver the Police and Crime Plan for its duration. It is a scheme which mirrors the strategic intentions of the Police and Crime Plan. Seeking longer term impact in local areas by offering a degree of sustainability, durability, and a shared commitment to achieving impact through commissioning.

11.2.6 PCC's Community Grant Scheme

The PCC's Community Grant scheme supports shorter term funding that directly impacts communities. These grants can be used to support the setup of a pilot project which helps evidence proof of concept and community impact or fund a one-off purchase such as CCTV or seed funding for a safer town or a community watch scheme. The scheme is not aimed at longer term funding.

11.2.7 Serious Violence Prevention

The Serious Violence Prevention Programme is a 4 year programme which is in its final year. It is a joint commitment by the Police and Crime Commissioner and the Chief Constable to take an inter-generational approach to preventing and tackling violence most evident across the region and in our communities. The overarching objective of the programme is to break the cycle of violence in under 25's. Funding is provided for partnership and police led projects and interventions which include in-school support, targeted youth work, community outreach, parental support to understand adolescents, peer to peer support, plus building trusted relationships with professionals through mentoring and whole family support.

11.2.8 Strategic Interventions

In 2025/26, the Commissioner made £1m available to fund a series of strategic interventions to support the reductions and disruption of anti-social behaviour and violent crime across Devon and Cornwall. The aim of the fund was to achieve long term advantages in reducing repeat victims, offenders and locations to support delivery of the key priorities of the Police and Crime Plan and enhance productivity and efficiency of policing. Investments included CCTV, street marshalls and night buses.

11.2.9 Vision Zero South West Road Safety Partnership

The Peninsular Road Safety Partnership was replaced with the Vision Zero South West Road Safety Partnership with effect from 9 August 2021. The partnership is a collaborative arrangement between a number of local organisations (including Highways England, NHS, Councils and Fire and Rescue organisations from across the Force area), and governance is provided by a Partnership Governance Board.

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

11.3 Collaborations

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

2024/25			2025/26
Expenditure £'000	Notes	Joint Operation	Expenditure £'000
10,116	11.3.1	South West Regional Forensics Services	11,325
621	11.3.2	South West Police Procurement Services	650
6,069	11.3.3	South West Regional Organised Crime Unit (ROCU)	6,634
688	11.3.4	South West Regional Programme	855
17,494			19,464

11.3.1 South West Regional Forensics Services

South West Regional Forensics Services is a partnership with Avon and Somerset Police, Wiltshire Police and Dorset Police. There are bases in all four Forces, with each Force employing a number of staff. The cost totalled £31.286m which was spent on operational costs and was split on a percentage basis, with Devon and Cornwall contributing 36.20%, Avon and Somerset contributing 34.82%, Wiltshire contributing 13.68% and Dorset contributing 15.30%. The Force cost for the year was £11.325m.

11.3.2 South West Police Procurement Services

South West Police Procurement Services is a partnership with Wiltshire Police, Gloucestershire Police, Dorset Police and Avon and Somerset Police. Staff are employed by Devon and Cornwall Police and based across the region. The Force cost for the year was £650k. Most of the £2.037m total cost is split on a percentage basis with Devon and Cornwall contributing 31.93%, Wiltshire Police contributing 12.07%, Gloucestershire Police contributing 11.78%, Dorset contributing 13.50% and Avon and Somerset contributing 30.72%.

11.3.3 South West Regional Organised Crime Unit (ROCU)

South West ROCU is a partnership with Dorset Police, Wiltshire Police, Gloucestershire Police and Avon and Somerset Police as the lead Force. Staff are employed by each partnering Police Force based within one of two hubs (North and South). The Force cost for the year was £6.634m. The total cost of £20.777m is split on a percentage basis with Devon and Cornwall Police contributing 31.93%, Dorset contributing 13.50%, Wiltshire contributing 12.07%, Gloucestershire contributing 11.78% and Avon and Somerset contributing 30.72%.

11.3.4 South West Regional Programme

The South West Regional Programme is a partnership with Dorset Police, Devon and Cornwall Police, Gloucestershire Police, Wiltshire Police with Avon and Somerset Police as the lead Force. The Programme consists of a range of teams that manage the implementation of collaboration business change projects. Costs are shared with the Forces that are involved in each project. The cost totalled £2.328m of which £1.193m was split on the following percentage basis, with Devon and Cornwall contributing 31.93%, Avon and Somerset contributing 30.72%, Wiltshire contributing 12.07%, Dorset contributing 13.50% and Gloucestershire contributing 11.78%. The remaining costs related to the Quality Standards team and Regional Project Team totalling £811k and £325k with Devon and Cornwall contributing 35.54% and 33.82% respectively. The programme also includes South West Disaster Victim Identification and Casualty Bureau Co-ordination and the Body worn Video project. The Disaster Victim Identification and Casualty Bureau, with Devon and Cornwall as lead Force, totalled £162k for the region and Devon and Cornwall incurred £52k at 31.93%. The Body Worn Video project cost the region £76k, of which Devon and Cornwall incurred £24k, both at 31.93%. The total Force cost for the year was £855k.

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

11.4 Other Public Bodies

Precept Income

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

2024/25		2025/26
£'000	Billing Authority	£'000
17,244	East Devon	19,267
10,908	Exeter	11,643
8,255	Mid Devon	8,965
9,930	North Devon	10,959
20,980	Plymouth	22,072
11,183	South Hams	12,949
14,212	Teignbridge	15,204
13,164	Torbay	14,641
7,024	Torrige	7,698
6,017	West Devon	6,535
57,111	Cornwall	64,488
341	Isles of Scilly	423
176,369		194,844
768	Adjusted for accruals	(1,624)
177,137		193,220

Pension Administration

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

Note 12 Office of the Police and Crime Commissioner Costs

2024/25		2025/26
£'000	Office of the Police and Crime Commissioner	£'000
102	Independent members and advisor's costs	127
109	Police and Crime Commissioner including reimbursements	114
1,908	Statutory and other OPCC staff	2,200
538	Other costs	512
2	Support for collection of Council Tax	0
(27)	Income	(45)
(59)	Transfer to/(from) Reserves	49
2,573	Outturn Total	2,957
260	Pension costs	274
12	Accumulated absence	9
59	Reverse Transfer to/(from) Reserves	(49)
(310)	Employer Contributions	(440)
2	Depreciation	2
2,596	CIES Total	2,753

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

2024/25		2025/26
£'000	Police and Crime Commissioner	£'000
89	Salary, Fees and Allowances	92
0	Benefits in Kind	0
89	Total excluding pension contributions	92
0	Employer's Pension	0
89	Total	92

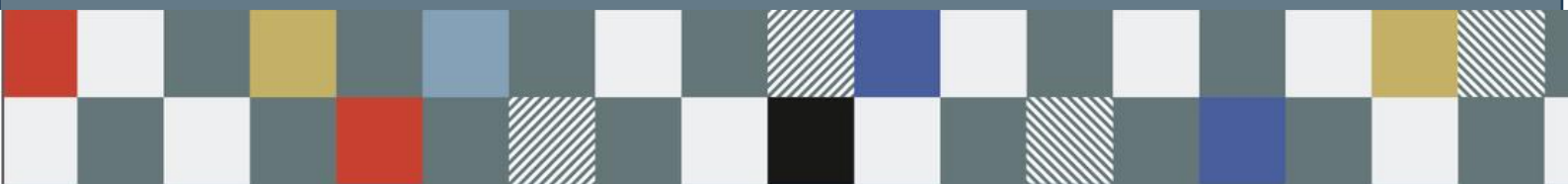
Note 13 Grant Income

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

2024/25 Restated* £'000		2025/26 £'000
	Credited to Taxation and Non-Specific Grant Income	
(214,687)	Police Grant	(222,649)
(15,461)	Council Tax Support Grants	(15,461)
(682)	Recognised Capital Grant and Contributions	(688)
(230,830)	Total	(238,798)
	Credited to Services	
(4,729)	Commissioning	(4,730)
(1,958)	Projects	(1,944)
(10,294)	Other Local Grants	(13,964)
(14,543)	Uplift Grant	(11,546)
(11,777)	Pension Support Grant	(10,427)
(2,226)	Digital Apprenticeship Levy	(2,500)
0	Neighbourhood Policing Grant	(4,698)
0	National Insurance Grant	(5,687)
(3,844)	Pay Support Grant	(2,817)
(49,371)	Total	(58,313)
	Credited to Other Operating Income and Expenditure	
(52,185)	Pensions Top Up Grant	(58,979)
(332,386)	Total Grant Income	(356,090)

* The Uplift Grant is now shown separately. In 2024/25 it was included within the Projects line.

Notes to the Balance Sheet



PCC
Office of the Police
and Crime Commissioner
Devon and Cornwall

Notes to the Balance Sheet

- Note 14 Property, Plant and Equipment
- Note 15 Intangible Assets
- Note 16 Assets Held for Sale
- Note 17 Capital Expenditure and Financing
- Note 18 Debtors
- Note 19 Cash and Cash Equivalents
- Note 20 Creditors
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- Note 25 Defined Benefit Pension Schemes
- Note 26 Contingent Liabilities
- Note 27 Unusable Reserves
- Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations
- Note 29 Movements in Earmarked Reserves
- Note 30 Capital Reserves

Note 14 Property, Plant and Equipment

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

	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025	236,727	66,478	3,287	1,509	5,292	313,293
Additions	5,233	7,977	0	616	7	13,833
Lease Addition/Remeasurement	(693)	0	0	0	0	(693)
Revaluation recognised in the Revaluation Reserve	(4,058)	(159)	0	0	(99)	(4,316)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	2,636	0	0	0	0	2,636
Derecognition-Disposals	(468)	(3,095)	0	0	0	(3,563)
Reclassification	3,289	1,849	(3,287)	(1,851)	0	0
Balance at 31 March 2026	242,666	73,050	0	274	5,200	321,190
Accumulated Depreciation and Impairments						
Balance at 31 March 2025	(1,744)	(31,685)	0	0	0	(33,429)
Depreciation Charge	(5,428)	(10,552)	0	0	0	(15,980)
Depreciation written out to the Revaluation Reserve	3,130	157	0	0	0	3,287
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	413	0	0	0	0	413
Derecognition-Disposals	0	2,903	0	0	0	2,903
Reclassification	0	0	0	0	0	0
Balance at 31 March 2026	(3,629)	(39,177)	0	0	0	(42,806)
Net Book Value						
Balance at 31 March 2025	234,983	34,793	3,287	1,509	5,292	279,864
Balance at 31 March 2026	239,037	33,873	0	274	5,200	278,384

There are 34 properties that are leased with a total net book value of £9.408m. These are included within the land and building values.

Note 14 Property, Plant and Equipment Continued

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

	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	226,317	57,889	178	8,916	5,316	298,616
IFRS 16 Adjustment	14,253	104	0	0	0	14,357
Restated Balance at 1 April 2024	240,570	57,993	178	8,916	5,316	312,973
Additions	3,352	6,941	0	1,557	86	11,936
Lease Addition/Remeasurement	(2,524)	0	0	0	0	(2,524)
Revaluation recognised in the Revaluation Reserve	4,532	0	0	0	(110)	4,422
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	667	0	0	0	0	667
Derecognition-Disposals	(46)	(13,960)	(172)	(18)	0	(14,196)
Reclassification	(9,824)	15,504	3,281	(8,946)	0	15
Balance at 31 March 2025	236,727	66,478	3,287	1,509	5,292	313,293
Accumulated Depreciation and Impairments						
Balance at 1 April 2024	(4,232)	(33,324)	0	(15)	0	(37,571)
Depreciation Charge	(5,724)	(7,653)	37	0	0	(13,341)
Depreciation written out to the Revaluation Reserve	3,774	0	0	0	0	3,774
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	133	0	0	0	0	133
Derecognition-Disposals	45	13,546	0	0	0	13,591
Reclassification	4,260	(4,254)	(37)	15	0	(15)
Balance at 31 March 2025	(1,744)	(31,685)	0	0	0	(33,429)
Net Book Value						
Balance at 31 March 2024	222,085	24,565	178	8,901	5,316	261,045
Balance at 31 March 2025	234,983	34,793	3,287	1,509	5,292	279,864

Note 14 Property, Plant and Equipment Continued

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

	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025	236,727	62,778	3,287	1,509	5,292	309,593
Additions	5,233	6,214	0	616	7	12,070
Lease Addition/Remeasurement	(693)	0	0	0	0	(693)
Revaluation recognised in the Revaluation Reserve	(4,058)	(159)	0	0	(99)	(4,316)
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	2,636	0	0	0	0	2,636
Derecognition-Disposals	(468)	(2,696)	0	0	0	(3,165)
Reclassification	3,289	1,849	(3,287)	(1,851)	0	0
Balance at 31 March 2026	242,666	67,986	0	274	5,200	316,126
Accumulated Depreciation and Impairments						
Balance at 31 March 2025	(1,744)	(29,921)	0	0	0	(31,665)
Depreciation Charge	(5,428)	(9,742)	0	0	0	(15,170)
Depreciation written out to the Revaluation Reserve	3,130	157	0	0	0	3,287
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	413	0	0	0	0	413
Derecognition-Disposals	0	2,511	0	0	0	2,511
Reclassification	0	0	0	0	0	0
Balance at 31 March 2026	(3,629)	(36,995)	0	0	0	(40,624)
Net Book Value						
Balance at 31 March 2025	234,983	32,857	3,287	1,509	5,292	277,928
Balance at 31 March 2026	239,037	30,991	0	274	5,200	275,502

Note 14 Property, Plant and Equipment Continued

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

	Operational and Non-Operational Assets		Assets under Construction		Surplus Assets	Total
	Land & Buildings	Vehicles, Plant & Equipment	Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	226,317	49,859	178	8,906	5,316	290,576
IFRS 16 Adjustment	14,253	104	0	0	0	14,357
Restated Balance at 1 April 2024	240,570	49,963	178	8,906	5,316	304,933
Additions	3,352	6,318	0	1,497	86	11,253
Lease Addition/Remeasurement	(2,524)	0	0	0	0	(2,524)
Revaluation recognised in the Revaluation Reserve	4,532	0	0	0	(110)	4,422
Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	667	0	0	0	0	667
Derecognition-Disposals	(46)	(8,936)	(172)	(19)	0	(9,173)
Reclassification	(9,824)	15,433	3,281	(8,875)	0	15
Balance at 31 March 2025	236,727	62,778	3,287	1,509	5,292	309,593
Accumulated Depreciation and Impairments						
Balance at 1 April 2024	(4,232)	(27,118)	0	(15)	0	(31,365)
Depreciation Charge	(5,724)	(7,072)	37	0	0	(12,761)
Depreciation written out to the Revaluation Reserve	3,774	0	0	0	0	3,774
Depreciation written out to the (Surplus)/Deficit on the Provision of Services	133	0	0	0	0	133
Derecognition-Disposals	45	8,523	0	0	0	8,568
Reclassification	4,260	(4,254)	(37)	15	0	(15)
Balance at 31 March 2025	(1,744)	(29,921)	0	0	0	(31,665)
Net Book Value						
Balance at 31 March 2024	222,085	22,741	178	8,891	5,316	259,211
Balance at 31 March 2025	234,983	32,857	3,287	1,509	5,292	277,928

14.1 Recognition

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

- Land and buildings £20k
- All other assets £20k

14.2 Surplus Assets

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

14.3 Depreciation

A review of asset lives has taken place during 2025/26 and the useful life for some assets have been amended. The following useful lives and approaches to depreciation have been used to calculate the depreciation charges:

Note 14 Property, Plant and Equipment Continued

14.3.1 Land and Buildings

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

14.3.2 Vehicles

Classes of vehicle are given specific asset lives. These are within the range 1-10 years. Vehicles are depreciated monthly over the forecast useful life of the vehicle and the depreciation in the first year will reflect the number of months that the vehicle has been registered.

14.3.3 Information and Communications Technology (ICT)

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

14.3.4 Plant and Equipment

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

14.4 Significant Capital Commitments

The nature of capital expenditure is such that long lead times and significant programmes of work often result in slippage in incurring expenditure. The unspent capital funding in 2025/26 will be carried forward to meet the cost of future and ongoing schemes that were provided for in that year. As at 31 March 2026, significant capital commitments amounted to £6.331m (31 March 2025: £7.543m).

14.5 Revaluations

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

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

Land and buildings scheduled for a full valuation have been revalued by qualified external valuers, Wilks Head & Eve. Valuations are carried out in accordance with the methodologies and bases for estimation set out in the updated professional standards of the Royal Institution of Chartered Surveyors and the UK Valuation Practice Guidance Application which is in line with the CIPFA Code. Land and building valuations are subject to indexation which reflects market-based movements. Indexation movements provided by Wilks Head & Eve have been applied by the Finance Team.

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

Non-Specialised assets:		Specialised assets:	
Industrial	+1.72%	Buildings	+ 2.24%
Office	-0.59%	Land	- 2.95%
Residential	-0.50%		
Residential Land (Greenfield)	-1.95%		
Residential Land (Brownfield)	-2.95%		
Commercial Land	0.00%		
Amenity Land	0.00%		

Note 14 Property, Plant and Equipment Continued

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

As at 31 March 2026, 135 assets had been revalued, of which 32 were subject to a full valuation.

14.6 Componentisation

Component assets are recognised separately from the main asset that they are associated with when the value of the component is more than 20% and greater than £2.5m of the main asset value. No assets have met the criteria in 2025/26.

14.7 Derecognition

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

14.8 Fair Value Measurement

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

14.9 Impairment

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

14.10 Leases

Land and Buildings leases have been remeasured during the year. The gross amount following a remeasurement together with two additions amounted to £13.036m (Right-of-use assets: Land and Buildings £11.483m; and Peppercorn assets £1.553m). Depreciation is charged from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. Accumulated depreciation relating to leases amounted to £3.628m resulting in a net book value of £9.408m. Further information can be found in the Leases note.

Note 15 Intangible Assets

All intangible assets held relate to ICT software and are recognised separately from the tangible asset with which they are associated, where the value of the intangible asset is more than 25% of gross expenditure and greater than £100k of the main asset value.

2024/25 Non-Operational Assets £'000		2025/26 Non-Operational Assets £'000
	Balance at start of year	
2,174	Gross carrying amounts	2,053
(976)	Accumulated amortisation	(1,154)
1,198	Net carrying amount at start of year	899
(121)	Derecognition - Gross Value	0
121	Derecognition - Gross Amortisation	0
(299)	Amortisation for the period	(300)
899	Net carrying amount at end of year	599
	Comprising:	
2,053	Gross carrying amounts	2,053
(1,154)	Accumulated Amortisation	(1,454)
899		599

15.1 Amortisation

All intangible assets are given a finite life, based on assessments of the period that the software is expected to be of use to the Group. Asset lives range from 1-2 years and the carrying amount is amortised on a straight-line basis.

15.2 Derecognition

An annual review of intangible assets has been undertaken which resulted in the derecognition of a number of assets that have reached the end of their useful lives or which were disposed during the year.

Note 16 Assets Held for Sale

31 March 2025 £'000		31 March 2026 £'000
885	Balance at 1 April	885
0	Revaluation recognised in the (Surplus)/Deficit on the Provision of Services	(31)
885	Balance at 31 March	854

One property has been classed as Assets Held for Sale as at the 31 March 2026 (31 March 2025: One property).

16.1 Revaluations

Land and buildings are revalued by qualified external valuers, Wilks Head & Eve. Valuations are carried out in accordance with the methodologies and bases for estimation set out in the updated professional standards of the Royal Institution of Chartered Surveyors and the UK Valuation Practice Guidance Application which is in line with the CIPFA Code. A full valuation was carried out on the asset held for sale property.

Note 16 Assets Held for Sale Continued

16.2 Fair Value Measurement

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

Note 17 Capital Expenditure and Financing

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

2024/25			2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
76,386	76,386	Opening Capital Financing Requirement	85,277	85,277
11,729	11,729	IFRS 16 Adjustment	0	0
88,115	88,115	Opening Capital Financing Requirement	85,277	85,277
		Capital Investment:		
3,439	3,439	Land and buildings	5,240	5,240
4,664	4,664	Vehicles and Other Transport	3,560	3,560
3,151	3,833	Plant, Equipment and ICT	3,270	5,033
454	454	Revenue Expenditure Funded from Capital under Statute	403	403
682	0	Intra-Group Capital Investment	1,763	0
12,390	12,390		14,236	14,236
		Less Sources of Finance:		
(72)	(72)	Grants, Contributions and Donations	0	0
(37)	(37)	Capital Receipts	(25)	(25)
(8,614)	(9,296)	Reserves and Revenue Funding	(8,445)	(10,208)
(71)	(71)	Finance Lease: Minimum Revenue Provision	(43)	(43)
(2,673)	(2,673)	Borrowing: Minimum Revenue Provision	(2,688)	(2,688)
(3,079)	(3,079)	Finance Lease: Remeasurement	(1,381)	(1,381)
(682)	0	Intra-Group Less Sources of Finance	(1,763)	0
(15,228)	(15,228)		(14,345)	(14,345)
(2,838)	(2,838)	Increase/(Decrease) in Capital Financing Requirement	(109)	(109)
85,277	85,277	Closing Capital Financing Requirement	85,168	85,168
		Represented by:		
30,277	30,277	External Borrowing (cumulative) excluding accruals for interest due	28,277	28,277
46,236	46,236	Internal Borrowing	49,554	49,554
8,764	8,764	Finance Lease Liabilities	7,337	7,337
85,277	85,277		85,168	85,168
		Borrowing During the Year		
0	0	External Borrowing	(2,000)	(2,000)
328	328	Internal Borrowing	3,318	3,318
8,563	8,563	Finance Lease Liabilities	(1,427)	(1,427)
8,891	8,891		(109)	(109)

Note 18 Debtors

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
3,339	18,251	Central Government Bodies	3,545	29,477
3,654	6,331	Other Local Authorities	5,673	9,918
128	134	National Health Service	0	37
44	7,491	Other Entities and Individuals	28	10,942
7,165	32,207	Total Debtors	9,246	50,374

Note 19 Cash and Cash Equivalents

31 March 2025			31 March 2025	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
31	31	Cash held by the Police and Crime Commissioner (Amortised Cost)	31	31
1,119	1,119	Bank operational current accounts (Amortised Cost)	933	933
1,150	1,150	Total Cash and Cash Equivalents (Amortised Cost)	964	964
700	700	Bank operational current accounts (FVPL)	100	100
18,649	18,649	Short-term deposits (FVPL)	13,676	13,676
19,349	19,349	Total Cash and Cash Equivalents (FVPL)	13,776	13,776
20,499	20,499	Total Cash and Cash Equivalents	14,740	14,740

Note 20 Creditors

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
0	(7,178)	Central Government Bodies	0	(8,166)
(536)	(6,178)	Other Local Authorities	(4,006)	(11,513)
(347)	(679)	National Health Service	0	(1,740)
(782)	(30,999)	Other Entities and Individuals	(487)	(38,597)
(1,665)	(45,034)	Total Creditors	(4,493)	(60,016)

The balance against other entities and individuals in the Police and Crime Commissioner Group includes accumulated absence creditors of £15.300m recognised by the Chief Constable (2024/25 £14.778m).

Note 21 Provisions

2025/26	Insurance £'000	Remuneration £'000	Total £'000
Current Liabilities			
Balance at 1 April 2025	(1,855)	(586)	(2,441)
Additional provisions made	(1,120)	(12)	(1,132)
Amounts used / reversed / change in reserve	(260)	(5)	(265)
Balance at 31 March 2026	(3,235)	(603)	(3,838)
Long Term Liabilities			
Balance at 1 April 2025	(1,129)	0	(1,129)
Additional provisions made	(1,120)	0	(1,120)
Amounts used / reversed / change in reserve	280	0	280
Balance at 31 March 2026	(1,969)	0	(1,969)
Total Provisions Balance	(5,204)	(603)	(5,807)

2024/25	Insurance £'000	Remuneration £'000	Total £'000
Current Liabilities			
Balance at 1 April 2024	(1,711)	(1,390)	(3,101)
Additional provisions made	(793)	(56)	(849)
Amounts used / reversed / change in reserve	649	860	1,509
Balance at 31 March 2025	(1,855)	(586)	(2,441)
Long Term Liabilities			
Balance at 1 April 2024	(1,041)	0	(1,041)
Additional provisions made	(793)	0	(793)
Amounts used / reversed / change in reserve	705	0	705
Balance at 31 March 2025	(1,129)	0	(1,129)
Total Provisions Balance	(2,984)	(586)	(3,570)

21.1 Insurance Provision

The Police and Crime Commissioner is uninsured for the first £500k of individual public and employer's liability claims and for motors claims £550k. The Police and Crime Commissioner for Devon and Cornwall and the Police and Crime Commissioner for Dorset have a single insurance policy with a stop loss of £4.4m for public and employer's liability claims and £1.899m for motor claims. The insurance provision is to cover any claims from 2025/26 and previous years. The payments from the provision are expected to be made over the next five years. An assessment of liabilities as at 31 March 2026 has been undertaken and the provision has been increased to a level estimated to be sufficient to meet all the forecast obligations.

21.2 Remuneration Provision

21.2.1 Contractual pay claims

The current level of the provision is estimated to be sufficient to meet known claims. These payments are expected to be made in 2026/27.

21.2.2 Employment termination

Judgements are applied in determining the level of the employment tribunal provision.

Note 22 Leases

22.1 The Group as Lessee

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

There are 34 leases in place as at 31 March 2026.

22.1.1 Right-of-Use Assets

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

Movements for 2025/26	Land and Buildings		Equipment	Total
	Right of Use	Peppercorn	Right of Use	
	£'000	£'000	£'000	
Balance at 1 April 2025	9,617	1,378	82	11,077
Additions/Remeasurement	(358)	(231)	(104)	(693)
Revaluations	808	107	0	915
Depreciation	(1,650)	(263)	22	(1,891)
Disposals	0	0	0	0
Reclassification	(196)	196	0	0
Balance at 31 March 2026	8,221	1,187	0	9,408

Movements for 2024/25	Land and Buildings		Equipment	Total
	Right of Use	Peppercorn	Right of Use	
	£'000	£'000	£'000	
Balance at 1 April 2024	13,162	1,091	104	14,357
Additions/Remeasurement	(2,809)	285	0	(2,524)
Revaluations	877	105	0	982
Depreciation	(1,613)	(103)	(22)	(1,738)
Balance at 31 March 2025	9,617	1,378	82	11,077

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

Note 22 Leases Continued

22.1.2 Transactions Under Leases

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

	2024/25	2025/26
	£'000	£'000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	462	321
Expense relating to short-term leases	9	8
Expense relating to exempt leases of low-value items	12	21
Variable lease payments not included in the measure of lease liabilities	415	573
Income from subletting right-of-use assets	(191)	(162)
Balance at 31 March 2026	707	761

	2024/25	2025/26
	£'000	£'000
Cashflow Statement		
Minimum lease payments	1,366	1,433
	1,366	1,433

22.1.3 Maturity Analysis of Lease Liabilities

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

Maturity analysis of lease liabilities	31 March 2025	31 March 2026
	£'000	£'000
Less than one year	(994)	(1,446)
One to five years	(2,901)	(2,603)
More than five years	(4,514)	(3,288)
Total liabilities	(8,409)	(7,337)

Note 23 Borrowing

The maturity analysis of borrowing is as follows:

31 March 2025		Contractual Maturity	31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(2,000)	(2,000)	Less than one year	0	0
(2,000)	(2,000)	Total Short Term Borrowing	0	0
(4,327)	(4,327)	More than one year less than five years	(8,827)	(8,827)
(7,000)	(7,000)	Between five and ten years	(2,500)	(2,500)
(16,950)	(16,950)	More than ten years	(16,950)	(16,950)
(28,277)	(28,277)	Total Long Term Borrowing	(28,277)	(28,277)
(30,277)	(30,277)	Total Borrowing for Capital Investment	(28,277)	(28,277)

31 March 2025		Contractual Maturity	31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(20,500)	(20,500)	Less than one year	(24,000)	(24,000)
(20,500)	(20,500)	Total Short Term Borrowing	(24,000)	(24,000)
(20,500)	(20,500)	Total Borrowing for Cashflow Purposes	(24,000)	(24,000)

31 March 2025		Contractual Maturity	31 March 2026	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(22,500)	(22,500)	Total Short Term Borrowing	(24,000)	(24,000)
(28,277)	(28,277)	Total Long Term Borrowing	(28,277)	(28,277)

Note 24 Financial Instruments

24.1 Categories of Financial Instruments

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

	Long Term		Current	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
Cash and Cash Equivalents (19.1.2)				
Amortised Cost	0	0	1,150	964
Fair value through profit or loss	0	0	19,349	13,776
Total Cash and Cash Equivalents	0	0	20,499	14,740
Debtors (Trade Receivables)*				
Amortised Cost	0	0	3,667	6,970
Total included in Debtors	0	0	3,667	6,970
Borrowings (23.1.3)				
Amortised Cost	(28,277)	(28,277)	(22,500)	(24,000)
Total Borrowings	(28,277)	(28,277)	(22,500)	(24,000)
Finance Lease				
Amortised Cost	(7,415)	(5,891)	(994)	(1,446)
Total Finance Lease	(7,415)	(5,891)	(994)	(1,446)
Creditors (Trade Payables)**				
Amortised Cost	0	0	(15,836)	(23,155)
Total included in Creditors	0	0	(15,836)	(23,155)

*The trade receivables figure of £6.970m shown above is the net balance after removing non-cashable items such as prepayments, £3.973m from the other entities and individual's debtor balance of £10.943m as shown in the debtors note.

** The trade payables figure of (£23.155m) shown above is the net balance after removing non-cashable items such as accumulated absence of (£15.334m) and receipts in advance of (£107k) from the other entities and individual's creditor balance of (£38.596m) as shown in the creditors note.

24.1.1 Investments

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

24.1.2 Cash and cash equivalents

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

24.1.3 Borrowing

All long-term borrowing was from the Public Works Loan Board, an executive agency of HM Treasury. Annual repayments are for interest only and the principal is repayable at the date of loan maturity.

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

Note 24 Financial Instruments Continued

24.2 Income, Expense, Gains and Losses

	2024/25 £'000	2025/26 £'000
Surplus or Deficit on the Provision of Services - Financing and Investment Income and Expenditure		
Net (gains)/losses on:		
Financial assets measured at amortised cost	(46)	8
Total net (gains)/losses	(46)	8
Interest revenue		
Financial assets measured at fair value through profit and loss	(1,822)	(1,234)
Financial assets measured at amortised cost	(13)	(21)
Total Interest revenue	(1,835)	(1,255)
Interest expense		
Financial liabilities measured at amortised cost	1,745	1,543
Total Interest expense	1,745	1,543

24.3 Fair Value of Financial Assets and Financial Liabilities

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

- The fair value balances for financial assets as at 31 March 2026 have been calculated using interest rates in force and with reference to quoted markets where appropriate as at 31 March 2025 and 2026
- The long-term borrowing as at 31 March 2025 and 31 March 2026 have been calculated by reference to market interest rates
- The fair value of trade receivables and payables is taken to be the invoiced or the billed amount
- The discount rate used in the calculation of the fair value of the finance lease liabilities has been calculated by reference to PWLB rates or the rate implicit in the lease if known
- Level 1 input has been used to measure the fair value of the financial assets which uses quoted prices in active markets for identical assets as a basis of valuation
- Level 2 input has been used to measure the fair value of the financial liabilities

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

Note 24 Financial Instruments Continued

	31 March 2025	31 March 2025	31 March 2026	31 March 2026
Financial Assets	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Investments held at amortised cost	1,150	1,150	964	964
Investments held at FVPL	19,349	19,349	13,776	13,776
Debtors (Trade Receivables)	3,667	3,667	6,970	6,970
	24,166	24,166	21,710	21,710
Financial Liabilities	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Short Term Borrowing	(22,500)	(22,554)	(24,000)	(24,054)
Long Term Borrowing	(28,277)	(26,058)	(28,277)	(26,163)
Creditors (Trade Payables)	(15,836)	(15,836)	(23,155)	(23,155)
Finance Lease	(8,409)	(8,409)	(7,337)	(7,337)
	(75,022)	(72,857)	(82,769)	(80,709)

24.4 Nature and extent of risks arising from financial instruments

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

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

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

24.4.1 Credit Risk

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

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

Note 24 Financial Instruments Continued

24.4.2 Credit Risk Management Practices

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

For 2025/26, a 0.24% loss allowance of trade receivables has been calculated as well as the 12 month expected credit loss on investments held with banks. The total loss allowance amounted to £26k.

24.4.3 Liquidity Risk

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

The maturity analysis of borrowing held as at 31 March 2026 is shown in the borrowing note.

At 31 March 2026 the Police and Crime Commissioner held £18.181m (31 March 2025: £23.928m) in on-call and money market fund accounts to manage short term liquidity requirements and £3m with a Local Authority.

24.4.4 Market Risk

24.4.4.1 Interest Rate Risk

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

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

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

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

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

All borrowing held at 31 March 2026 is with fixed interest rates. The majority of investments held have variable rates. One investment of £3m is held with a Local Authority and is due to mature in November 2026. If interest rates had been 1% higher with all other variables held constant, the financial effect on interest receivable on investments would be £199k. This would have an impact on the Surplus or Deficit on the Provision of Services. The impact of 1% fall in interest rates would be as above but with the movements being reversed.

24.4.4.2 Price Risk

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

Note 25 Defined Benefit Pension Schemes

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

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

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

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

25.1 Police Officer Schemes

25.1.1 Participation in Pension Schemes

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

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

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

Note 25 Defined Benefit Pension Schemes Continued

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

31 March 2025 £'000		31 March 2026 £'000
(2,605,173)	Opening balance at 1 April	(2,530,576)
(33,903)	Current service cost	(22,021)
(125,026)	Interest cost	(143,407)
(20,898)	Contributions from scheme participants	(21,263)
	Remeasurement gains and (losses):	
(21,049)	• Actuarial gains/(losses) arising from changes in demographic assumptions	(47,295)
352,352	• Actuarial gains/(losses) arising from changes in financial assumptions	107,661
(206,277)	• Experience gains/(losses) on defined benefit obligation	(7,234)
127,399	Benefits paid	136,982
1,999	Injury pension payments	2,052
(2,530,576)	Closing balance at 31 March	(2,525,101)

25.1.3 Transactions relating to Retirement Benefits

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

Note 25 Defined Benefit Pension Schemes Continued

2024/25 £'000	Comprehensive Income and Expenditure Statement	2025/26 £'000
	Cost of Services	
33,903	Current service cost	22,021
	Financing and Investment Income and Expenditure	
125,026	Net interest expense	143,407
158,929	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	165,428
	Other Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
	Remeasurement of the net defined benefit liability comprising:	
21,049	• Actuarial (gains)/losses arising on changes in demographic assumptions	47,295
(352,352)	• Actuarial (gains)/losses arising on changes in financial assumptions	(107,661)
206,277	• Experience (gains)/losses on defined benefit obligation	7,234
33,903	Total Post-Employment Benefits charged to the Comprehensive Income and Expenditure Statement	112,296
	Movement In Reserves Statement	
(158,929)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(165,428)
	Actual amounts charged against the General Fund Balance for pensions in the year:	
56,315	Employers' contributions payable to scheme	58,792
52,185	Home Office Top Up Grant	58,979

25.1.4 Impact on the Police and Crime Commissioner's Cashflow

The liabilities show the underlying commitments that arise from the fact that the Police and Crime Commissioner has to pay retirement benefits over a long-term period. The total liability of £2.525bn has a substantial impact on the net worth of the Group as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Police and Crime Commissioner remains healthy, as:

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

The total employer contributions expected to be made to the Police Pension Fund Account in the year to 31 March 2027 is £63.082m.

Note 25 Defined Benefit Pension Schemes Continued

25.1.5 Basis for Estimating Assets and Liabilities

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

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

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

The significant assumptions used by the actuary have been:

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

The estimated weighted average duration of the Police Officer schemes is 14 years, and it is this duration that has been used to derive the assumptions. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2024/25.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Mortality age rating assumption (increase or decrease in 1 year)	79,423	(76,877)
Rate of increase in salaries (increase or decrease by 0.1%)	3,039	(3,026)
Rate of increase in pensions (increase or decrease by 0.1%)	32,683	(31,928)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(33,879)	34,666

25.1.6 Amendments to member contribution structures

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

Note 25 Defined Benefit Pension Schemes Continued

25.2 Police Staff Scheme

25.2.1 Participation in Pension Schemes

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

25.2.2 Transactions relating to Retirement Benefits

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

2024/25		Comprehensive Income and Expenditure Statement	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
		Cost of Services		
		Service cost comprising:		
287	13,095	• Current service cost	279	9,982
2	81	• Past service cost	4	130
6	285	• Administration expenses	9	338
		Financing and Investment Income and Expenditure		
(9)	(416)	Net interest expense	(32)	(1,150)
286	13,045	Total Post-Employment Benefits charged to the Surplus or Deficit on the Provision of Services	260	9,300
		Other Post-Employment Benefits Charged to Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
140	6,373	• Return on plan assets (excluding the amount included in the net interest expense)	(513)	(18,358)
(24)	(1,072)	• Actuarial (gains)/losses arising on changes in demographic assumptions	287	10,248
(1,328)	(60,512)	• Actuarial (gains)/losses arising on changes in financial assumptions	(698)	(24,953)
(3)	0	Apportionment adjustment	(476)	0
0	0	Other actuarial (gains)/losses	44	1,567
(17)	(790)	Experience (gains)/losses on defined benefit obligation	1,099	39,284
1,285	58,562	Changes in effect of asset ceiling	277	(7,713)
339	15,606	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	280	9,375

Note 25 Defined Benefit Pension Schemes Continued

2024/25			2025/26	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
Movement in Reserves Statement				
(286)	(13,045)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	(260)	(9,300)
Funded Liabilities				
PCC	PCC Group	Funded Liabilities	PCC	PCC Group
£'000	£'000	Actual amount charged against the General Fund Balance for pensions in the year:	£'000	£'000
351	15,997	Employers' contributions payable to scheme	466	16,646
Unfunded Liabilities				
PCC	PCC Group	Unfunded Liabilities	PCC	PCC Group
£'000	£'000	Actual amount charged against the General Fund Balance for pensions in the year:	£'000	£'000
3	156	Retirement benefits payable to pensioners	4	157

25.2.3 Pension Assets and Liabilities recognised in the Balance Sheet

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

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(8,638)	(393,819)	Present value of the defined benefit obligation	(12,293)	(439,625)
(1,924)	(87,716)	Changes in effect of asset ceiling	(2,343)	(85,094)
10,372	472,663	Fair value of plan assets	14,636	523,275
(190)	(8,872)	Net liability arising from defined benefit obligation	0	(1,444)

Note 25 Defined Benefit Pension Schemes Continued

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

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
(9,283)	(425,979)	Opening balance at 1 April	(8,638)	(393,819)
(287)	(13,095)	Current service cost	(279)	(9,982)
(462)	(21,041)	Interest cost	(598)	(21,382)
(119)	(5,444)	Contributions from scheme participants	(161)	(5,743)
		Remeasurement gains/(losses):		
24	1,072	• Actuarial gains/(losses) arising from changes in demographic assumptions	(287)	(10,248)
1,328	60,512	• Actuarial gains/(losses) arising from changes in financial assumptions	698	24,953
17	790	• Experience gains/(losses) on defined benefit obligation	(1,099)	(39,284)
0	0	Liabilities assumed/(extinguished) on settlements	0	0
(61)	0	Apportionment adjustment	(2,373)	0
(2)	(81)	Past service cost including gains/(losses) on curtailments	(4)	(130)
207	9,447	Benefits paid	448	16,010
(8,638)	(393,819)	Closing balance at 31 March	(12,293)	(439,625)

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

The Police and Crime Commissioner's Group contribution to the Local Government Pension Scheme for the accounting period to 31 March 2027 is estimated to be £14.991m of which £420k is for the Police and Crime Commissioner. This estimation excludes the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026. These projections are based on the assumptions as at 31 March 2026.

31 March 2025			31 March 2026	
PCC	PCC Group		PCC	PCC Group
£'000	£'000		£'000	£'000
9,687	444,305	Opening fair value of scheme assets	10,372	472,663
502	22,866	Interest income	772	27,623
		Remeasurement gains/(losses):		
(140)	(6,373)	• The return on plan assets, excluding the amount included in the net interest expense	513	18,358
63	0	Apportionment Adjustment	2,849	0
(6)	(285)	Administration expenses	(9)	(338)
354	16,153	Contributions from employer	470	16,803
119	5,444	Contributions from employees into the scheme	161	5,743
(207)	(9,447)	Benefits paid	(448)	(16,010)
0	0	Other actuarial gains/(losses)	(44)	(1,567)
10,372	472,663	Closing fair value of scheme assets	14,636	523,275

Note 25 Defined Benefit Pension Schemes Continued

25.2.6 Local Government Pension Scheme assets comprised:

31 March 2025			31 March 2026	
PCC £'000	PCC Group £'000	Fair Value of Scheme assets	PCC £'000	PCC Group £'000
		Cash and cash equivalents		
230	10,495	UK Equities	424	15,176
5,236	238,689	Overseas Equities	7,150	255,680
2,457	111,852	Other Bonds	3,329	118,908
862	39,297	Property	1,077	38,524
1,075	48,984	Infrastructure	1,489	53,239
244	11,123	Target Return Portfolio	0	0
268	12,206	Cash	355	12,705
0	17	Alternative Assets	(3)	(96)
0	0	Gilts	815	29,139
10,372	472,663	Total	14,636	523,275

25.2.7 Basis for Estimating Assets and Liabilities

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

The liabilities have been estimated by Barnett Waddingham LLP, an independent firm of actuaries, estimates being based on the latest full triennial valuation of the scheme as at 31 March 2025.

The significant assumptions used by the actuary have been:

2024/25		2025/26
	Long-term expected rate of return on assets in the scheme:	
5.85%	Equity investments	6.15%
5.85%	Bonds	6.15%
5.85%	Other	6.15%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
21.4	Men	21.5
22.7	Women	24.2
	Longevity at 65 for future pensioners:	
22.7	Men	23.1
24.1	Women	25.9
	Financial Assumptions:	
3.20%	Rate of RPI inflation	3.25%
3.95%	Rate of increase in salaries	3.85%
2.95%	Rate of increase in pensions	2.85%
5.85%	Rate for discounting scheme liabilities	6.15%

The past service liability duration has been estimated at 17 years. This duration has been calculated based on the membership data provided for the most recent full valuation of the liabilities at 31 March 2025. The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2024/25.

Note 25 Defined Benefit Pension Schemes Continued

Due to changes in interest rates in recent years, there have been improvements in funding levels on the accounting basis which has resulted in some LGPS employers with an accounting surplus at the balance sheet date. This is the case for the Police and Crime Commissioner Group. When a surplus is calculated, the standard requires the net defined benefit asset to be measured at the lower of the surplus in the defined benefit plan, and the asset ceiling. We have instructed Barnett Waddingham LLP, an independent firm of actuaries to carry out this calculation. They have established that the impact of the asset ceiling is £85.094m. Their calculation assumes that:

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

The analysis shows that:

2024/25			2025/26	
PCC	PCC Group		PCC	PCC Group
£'000	£'000	Net Pension Asset in the Statement of Financial Position	£'000	£'000
8,638	393,819	Present value of the defined benefit obligation	12,293	439,625
(29)	(1,303)	Present value of unfunded obligation	(40)	(1,444)
8,609	392,516	Present value of funded obligation	12,253	438,181
(10,372)	(472,663)	Fair value of fund assets	(14,636)	(523,275)
(1,763)	(80,147)	Deficit/(Surplus)	(2,383)	(85,094)
1,924	87,716	Impact of asset ceiling	2,343	85,094
29	1,303	Present value of unfunded obligation	40	1,444
190	8,872	Net defined benefit liability/(asset)	0	1,444

The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £85.094m, the initial impact of the asset ceiling is £85.094m. The Police and Crime Commissioner Group is not making any contribution towards a funding deficit therefore there is no onerous commitment. In addition, there is an unfunded liability of £1.444m resulting in a final deficit to be recognised of £1.444m.

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

	PCC	PCC Group
	£'000	£'000
Opening impact of asset ceiling	1,924	87,716
Interest on impact of asset ceiling	142	5,091
Actuarial losses / (gains)	277	(7,713)
Closing impact of asset ceiling	2,343	85,094

The Group has elected not to restate the fair value of scheme assets for previous periods as permitted by IAS19.

Note 25 Defined Benefit Pension Schemes Continued

25.2.8 Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £'000	Decrease in Assumption £'000
PCC		
Mortality age rating assumption (increase or decrease in 1 year)	370	(358)
Rate of increase in salaries (increase or decrease by 0.1%)	14	(14)
Rate of increase in pensions (increase or decrease by 0.1%)	191	(131)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(189)	194
PCC Group		
Mortality age rating assumption (increase or decrease in 1 year)	13,237	(12,802)
Rate of increase in salaries (increase or decrease by 0.1%)	509	(506)
Rate of increase in pensions (increase or decrease by 0.1%)	6,837	(4,676)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(6,753)	6,922

25.2.9 Other Assumptions

It is assumed that:

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

25.2.10 Virgin Media Case

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

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

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

The objectives of the scheme, as administered by Devon County Council, are to keep employer's contributions at as constant a rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 17 years. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation will be carried out as at 31 March 2028 and will set contributions for the period from 1 April 2029 to 31 March 2032.

Devon County Council publishes details of the Fund’s performance. More detail can be found on their website devonpensionfund.org.uk/

Note 25 Defined Benefit Pension Schemes Continued

25.2.12 Total Pensions Assets and Liabilities recognised in the Balance Sheet

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

31 March 2025			31 March 2026		
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000	
Police Officers Pension Schemes					
0	(2,530,576)	Present value of the defined benefit obligation	0	(2,525,101)	
0	(2,530,576)	Total Police Officer benefit obligation	0	(2,525,101)	
Police Staff Pension Scheme					
(8,638)	(393,819)	Present value of the defined benefit obligation	(12,293)	(439,625)	
(1,924)	(87,716)	Changes in effect of asset ceiling	(2,343)	(85,094)	
10,372	472,663	Fair value of plan assets	14,636	523,275	
(190)	(8,872)	Total Police Staff benefit obligation	0	(1,444)	
(2,530,576)		Police Officer Pensions Liabilities - Intra-Group Creditor	(2,525,101)		
(8,682)		Police Staff Pensions Liabilities - Intra-Group Creditor	(1,444)		
(2,539,258)		Total Intra-Group Adjustment	(2,526,545)		

Note 26 Contingent Liabilities

26.1 Financial Guarantee

The Police and Crime Commissioner has along with other Police and Crime Commissioner's provided a financial guarantee for the Police ICT Company amounting to £124k.

26.2 Pension Guarantee

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

26.3 BlueLight Commercial Guarantee

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

26.4 Compensation Claims

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions and Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Pennington's claims being successful, and therefore no contingent liability in respect of compensation claims is recognised in these accounts.

26.5 Beckmann

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

Note 27 Unusable Reserves

31 March 2025		31 March 2026
£'000	Note	£'000
109,941	27.1 Revaluation Reserve	107,436
86,925	27.2 Capital Adjustment Account	87,681
(2,539,449)	27.3 Pensions Reserve	(2,526,546)
3,472	27.4 Collection Fund Adjustment Account	1,848
(14,778)	27.5 Accumulated Absences Account	(15,334)
(2,353,889)	Total Unusable Reserves	(2,344,915)

27.1 Revaluation Reserve

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

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

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

2024/25		Revaluation Reserve	2025/26	
£'000	£'000		£'000	£'000
	100,732	Balance at 1 April		109,941
	2,519	IFRS 16 Adjustment		0
	103,251	Restated Balance at 1 April		109,941
	8,196	Upward/(Downward) revaluation of assets and impairment losses not posted to the Surplus/Deficit on the Provision of Services		(1,029)
(1,506)		Difference between fair value depreciation and historical cost depreciation	(1,476)	
0		Accumulated gains on assets sold or scrapped	0	
	(1,506)	Amount written off to the Capital Adjustment Account		(1,476)
	109,941	Balance at 31 March		107,436

27.2 Capital Adjustment Account

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

Note 27 Unusable Reserves Continued

2024/25 £'000	Capital Adjustment Account	2025/26 £'000
86,507	Balance at 1 April	86,925
107	IFRS 16 Adjustment	0
86,614	Restated Balance at 1 April	86,925
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(13,341)	• Charges for depreciation and impairment of non-current assets	(15,980)
800	• Revaluation losses on Property, Plant and Equipment	3,019
0	• Revaluation losses on Investment Property	(46)
(299)	• Amortisation of Intangible assets	(300)
0	• Revenue expenditure funded from capital under statute	0
(567)	• 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	(637)
(13,407)		(13,944)
1,506	Adjusting amounts written out of the Revaluation Reserve	1,476
(11,901)	Net written out amount of the cost of non-current assets consumed in the year	(12,468)
	Capital Financing applied in the year:	
72	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	0
2,744	• Statutory provision for the financing of capital investment charged against the General Fund balances	2,731
8,842	• Capital expenditure charged against the General Fund balances	9,805
11,658		12,536
554	Movement in the donated assets account credited to the Comprehensive Income and Expenditure Statement	688
86,925	Balance at 31 March	87,681

27.3 Pension Reserve

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

Note 27 Unusable Reserves Continued

2024/25		Pension Reserve	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(2,614,591)	(2,614,591)	Balance at 1 April	(2,539,449)	(2,539,449)
75,127	0	Intra-Group Adjustments	12,712	0
(53)	122,465	Remeasurements of the net defined benefit liability/(asset)	(19)	53,057
(286)	(171,974)	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	(260)	(174,728)
354	124,651	Employer's pensions contributions and direct payments to pensioners payable in the year	470	134,574
(2,539,449)	(2,539,449)	Balance at 31 March	(2,526,546)	(2,526,546)

27.4 Collection Fund Adjustment Account

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

2024/25 £'000	Collection Fund Adjustment Account	2025/26 £'000
2,704	Balance at 1 April	3,472
768	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(1,624)
3,472	Balance at 31 March	1,848

27.5 Accumulated Absences Account

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

2024/25		Accumulated Absences Account	2025/26	
PCC £'000	PCC Group £'000		PCC £'000	PCC Group £'000
(10)	(12,918)	Balance at 1 April	(24)	(14,778)
10	12,918	Settlement or cancellation of accrual made at the end of the preceding year	24	14,778
(24)	(14,778)	Amounts accrued at the end of the current year	(34)	(15,334)
(14)	(1,860)	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	(10)	(556)
(24)	(14,778)	Balance at 31 March	(34)	(15,334)

Note 28 Adjustments between Accounting Basis and Funding Basis under Regulations

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

28.1 General Fund Balance

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

28.2 Capital Receipts Reserve

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

28.3 Capital Grants Unapplied

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

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

Current Year - Police and Crime Commissioner Group	2025/26			Unusable Reserves £'000
	General Balances £'000	Usable Reserves Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	40,154	0	0	(40,154)
Financial instruments (transferred to the Pooled Fund Adjustments Account)	0	0	0	0
Council Tax (transfers to or from Collection Fund)	1,624	0	0	(1,624)
Holiday pay (transferred to the Accumulated Absences Reserve)	556	0	0	(556)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):	13,944	0	0	(13,944)
Total Adjustments to Revenue Resources	56,278	0	0	(56,278)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	25	0	(25)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(688)	0	0	688
Statutory provision for the repayment of debt (transfer from the CAA)	(2,731)	0	0	2,731
Capital expenditure financed from revenue balances (transfer to the CAA)	(9,805)	0	0	9,805
Total Adjustments between Revenue and Capital Resources	(13,224)	25	0	13,199
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(25)	0	25
Application of Capital Grants to finance capital expenditure	0	0	0	0
Total Adjustments to Capital Resources	0	(25)	0	25
Total Adjustments excluding Earmarked Adjustments	43,054	0	0	(43,054)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				(43,054)

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

Comparative Year - Police and Crime Commissioner Group	2024/25			Unusable Reserves £'000
	Usable Reserves General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	47,321	0	0	(47,321)
Council Tax (transfers to or from Collection Fund)	(768)	0	0	768
Holiday pay (transferred to the Accumulated Absences Reserve)	1,860	0	0	(1,860)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA)):	13,411	0	0	(13,411)
Total Adjustments to Revenue Resources	61,824	0	0	(61,824)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	37	0	(37)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(682)	0	127	555
Statutory provision for the repayment of debt (transfer from the CAA)	(2,744)	0	0	2,744
Capital expenditure financed from revenue balances (transfer to the CAA)	(8,842)	0	0	8,842
Total Adjustments between Revenue and Capital Resources	(12,268)	37	127	12,104
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(37)	0	37
Application of Capital Grants to finance capital expenditure	0	0	(72)	72
Total Adjustments to Capital Resources	0	(37)	(72)	109
Total Adjustments excluding Earmarked Adjustments	49,556	0	55	(49,611)
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				(49,611)

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

Current Year - Police and Crime Commissioner	2025/26			Unusable Reserves £'000
	Usable Reserves			
	General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	(210)	0	0	210
Pensions costs - Intra-Group Transactions	40,364	0	0	(40,364)
Pensions Remeasurement - Intra-Group Transactions	(53,076)	0	0	53,076
Council Tax (transfers to or from Collection Fund)	1,624	0	0	(1,624)
Holiday pay (transferred to the Accumulated Absences Reserve)	10	0	0	(10)
Holiday pay - Intra-Group Transactions	546	0	0	(546)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA):	(2,334)	0	0	2,334
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA) - Intra-Group Transactions	16,278	0	0	(16,278)
Total Adjustments to Revenue Resources	3,202	0	0	(3,202)
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	25	0	(25)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(688)	0	0	688
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(2,731)	0	0	2,731
Capital expenditure financed from revenue balances (transfer to the CAA)	(1,744)	0	0	1,744
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(8,061)			8,061
Total Adjustments between Revenue and Capital Resources	(13,224)	25	0	13,199
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(25)	0	25
Application of Capital Grants to finance capital expenditure	0	0	0	0
Total Adjustments to Capital Resources	0	(25)	0	25
Total Adjustments excluding Earmarked Adjustments	(10,022)	0	0	10,022
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				10,022

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

Comparative Year - Police and Crime Commissioner	2024/25			Unusable Reserves £'000
	Usable Reserves General Balances £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pensions costs (transferred to (or from) the Pensions Reserve)	(68)	0	0	68
Pensions costs - Intra-Group Transactions	47,389	0	0	(47,389)
Pensions Remeasurement - Intra-Group Transactions	(122,518)	0	0	122,518
Council Tax (transfers to or from Collection Fund)	(768)	0	0	768
Holiday pay (transferred to the Accumulated Absences Reserve)	14	0	0	(14)
Holiday pay - Intra-Group Transactions	1,846	0	0	(1,846)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA):	(230)	0	0	230
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account (CAA) - Intra-Group Transactions	13,641	0	0	(13,641)
Total Adjustments to Revenue Resources	(60,694)	0	0	60,694
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	0	37	0	(37)
Transfer of Capital Grants, contributions and donations to the Capital Grant Reserve and Capital Adjustment Account	(682)	0	127	555
Statutory provision for the repayment of debt (transfer from the CAA) - Intra-Group Transactions	(2,744)	0	0	2,744
Capital expenditure financed from revenue balances (transfer to the CAA)	(3,965)	0	0	3,965
Capital expenditure financed from revenue balances (transfer to the CAA) - Intra-Group Transactions	(4,877)	0	0	4,877
Total Adjustments between Revenue and Capital Resources	(12,268)	37	127	12,104
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	(37)	0	37
Application of Capital Grants to finance capital expenditure	0	0	(72)	72
Total Adjustments to Capital Resources	0	(37)	(72)	109
Total Adjustments excluding Earmarked Adjustments	(72,962)	0	55	72,907
Earmarked Adjustments from Income and Expenditure charged under the Accounting Basis to the Funding Basis				0
Total Adjustments including Earmarked Adjustments				72,907

Note 29 Movement in Earmarked Reserves

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

	Balance at 1 April 2024 £'000	Transfer Out 2024/25 £'000	Transfer In 2024/25 £'000	Balance at 31 March 2025 £'000	Transfer Out 2025/26 £'000	Transfer In 2025/26 £'000	Balance at 31 March 2026 £'000
Budget Management Fund	7,599	(3,328)	2,147	6,418	(1,915)	4,187	8,690
Vision Zero South West Reserve	4,378	(7,257)	5,345	2,466	(8,544)	6,834	756
Capital Financing Reserve	11,132	(3,759)	1,628	9,001	(1,032)	750	8,719
Estates Development Reserve	14	0	0	14	0	0	14
Police and Crime Plan Reserve	1,076	(145)	0	931	0	765	1,696
ESN Replacement Reserve	4,101	0	0	4,101	0	0	4,101
Improvement Reserve	2,000	(1,300)	0	700	(594)	0	106
Total	30,300	(15,789)	9,120	23,631	(12,085)	12,536	24,082

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

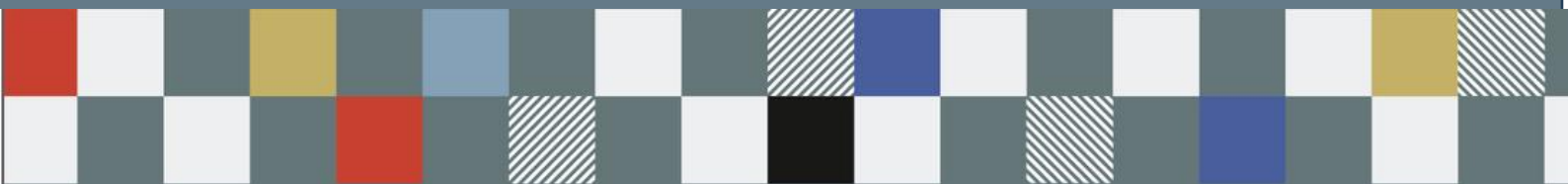
Budget Management Fund	This is a fund to allow the transfer of carry-forward requests to the following year.
Vision Zero South West Reserve	This reserve is the ring-fenced pooled balance of the Vision Zero South West Road Safety Partnership.
Capital Financing Reserve	To fund capital investment.
Estates Development Reserve	To fund revenue cost of rationalising and developing the estate including planning applications, consultancy costs and project management.
Police and Crime Plan Reserve	To fund planned Police and Crime Plan developments.
ESN Replacement Reserve	To fund enabling work and acquisition of national communication systems and hardware.
Improvement Reserve	To fund specific Business Improvement Projects.

Note 30 Capital Reserves

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

	Capital Receipts Reserve	Capital Grants Unapplied	Total
	£'000	£'000	£'000
Balance at 1 April 2024	977	305	1,282
Financing of Fixed Assets	(37)	(72)	(109)
Capital Grants/Receipts Received	37	127	164
Balance at 31 March 2025	977	360	1,337
Financing of Fixed Assets	0	0	0
Capital Grants/Receipts Received	0	0	0
Balance at 31 March 2026	977	360	1,337
Net Movement for 2024/25	0	55	55
Net Movement for 2025/26	0	0	0

Notes to the Cash Flow Statement



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Notes to the Cash Flow Statement

- Note 31 Cash Flow Statement – Operating Activities
- Note 32 Cash Flow Statement – Investing Activities
- Note 33 Cash Flow Statement – Financing Activities

Note 31 Cash Flow Statement - Operating Activities

2024/25 PCC £'000	2024/25 PCC Group £'000		2025/26 PCC £'000	2025/26 PCC Group £'000
(67,770)	(12,071)	Net cash receipts/(payments) from operating activities excluding interest receipts and payments	(9,979)	(7,715)
55,699	0	Net cash receipts/(payments) from operating activities excluding interest receipts and payments - Intra-Group Transaction	2,264	0
1,835	1,835	Interest received	1,255	1,255
(1,745)	(1,745)	Interest paid	(1,543)	(1,543)
(11,981)	(11,981)	Net cash flows from operating activities	(8,003)	(8,003)

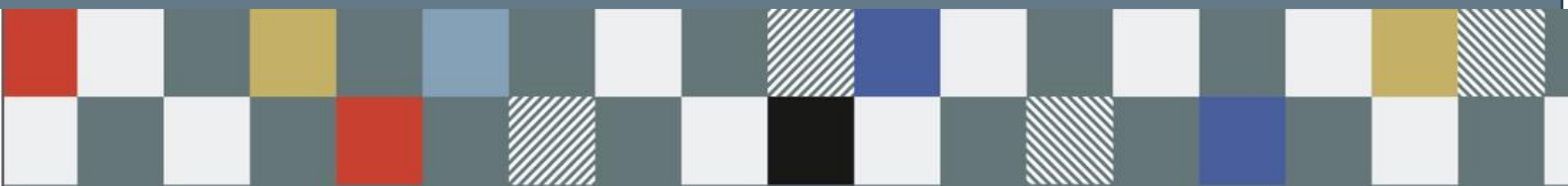
Note 32 Cash Flow Statement - Investing Activities

2024/25 PCC £'000	2024/25 PCC Group £'000		2025/26 PCC £'000	2025/26 PCC Group £'000
9,861	10,543	Purchase of property, plant and equipment, investment property and intangible assets	10,159	11,922
682	0	Purchase of property, plant and equipment, investment property and intangible assets - Intra-Group Transaction	1,763	0
37	37	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	25	25
0	0	Purchase of short term investments	3,000	3,000
10,580	10,580	Net cash flows from investing activities	14,947	14,947

Note 33 Cash Flow Statement – Financing Activities

2024/25 PCC £'000	2024/25 PCC Group £'000		2025/26 PCC £'000	2025/26 PCC Group £'000
(22,500)	(22,500)	Short term loans received	(69,500)	(69,500)
20,000	20,000	Short term loans repaid	66,000	66,000
0	0	Long term loans repaid	2,000	2,000
2,269	2,269	Cash payments to reduce finance lease liabilities	315	315
(231)	(231)	Net cash flows from financing activities	(1,185)	(1,185)

Pension Fund Statement



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Police Officers' Pension Fund Statement (PFS)

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

31 March 2025 £'000		31 March 2026 £'000
	Contributions Receivable	
(53,601)	Employers (normal)	(55,445)
(20,898)	Employees (normal)	(21,263)
(715)	Ill Health capital charge	(1,295)
	Transfers In	
(49)	Individual transfers from other schemes	(651)
	Benefits payable	
108,391	Pensions	113,754
19,057	Commutations and lump sum retirement benefits	23,832
	Payment to and on account of leavers	
0	Individual transfers to other schemes	47
52,185	Net amount paid during the year	58,979
(52,185)	Transfer from Police Fund*	(58,979)
0	Net amount payable / receivable for the year	0
*Additional contribution funded from the Police Fund is met by a top up grant from the Home Office		
50,651	Received in year	49,899
1,534	Debtor	9,080
52,185		58,979

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

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

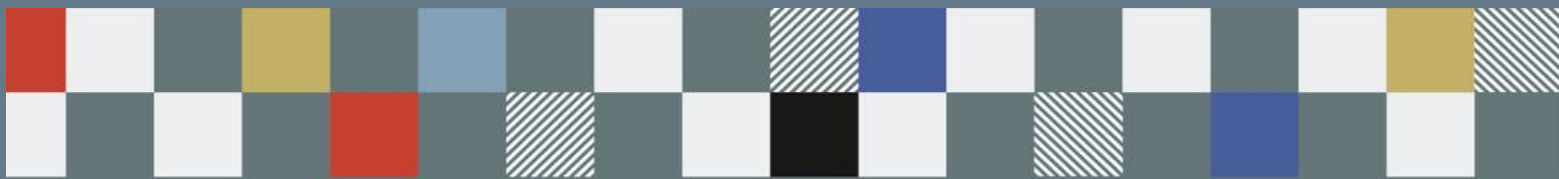
The main benefits payable are police officer pensions, lump sums that represent the commutation of pensions and other lump sum payments. The employer paid a contribution equal to 35.3% of police officer pay for 2025/26. As this contribution was insufficient to meet the net costs of benefits after employees' contributions, the account was balanced to nil at the year end by the Home Office top up grant.

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

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

This Financial Statement does not take account of liabilities to pay pensions and other benefits after the 31 March 2026.

Glossary



PCC
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Glossary

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

Glossary Continued

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

Glossary Continued

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

Glossary Continued

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