

THE POLICE AND CRIME COMMISSIONER FOR DYFED-POWYS

# STATEMENT OF GROUP ACCOUNTS



FOR THE YEAR ENDED  
31 MARCH 2025



Comisiynydd Heddlu a Throseddu  
Dyfed-Powys  
Police and Crime Commissioner

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## Narrative Report

### 1. Introduction

The Police Reform and Social Responsibility Act 2011 created two corporations sole within each police force area, the Commissioner and the Chief Constable. Each has a clear and separate statutory remit. The Commissioner is publicly elected and therefore, represents the public's voice on policing matters.

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

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

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

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

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

## 2 Organisational Overview and External Environment

Spanning 4,188 square miles, Dyfed-Powys is geographically the largest police force in England and Wales. With 13,842 miles of roads, two large ports, 350 miles of coastline and vast areas of countryside, the geography presents significant demand and resourcing challenges.



The resident population of around 519,000 is spread across extensive rural areas, holiday, and market towns as well as more heavily populated areas. The draw of tourism presents unique demands with large numbers of tourists visiting key towns. This presents its own implications for crime, anti-social behaviour, and roads policing.

The Welsh language is spoken by 41% of the residents of the Dyfed-Powys area compared to the national average of 28%. Both the Commissioner and the Chief Constable are committed to ensuring that the workforce is representative of the communities it serves so that members of the public are, whenever possible, afforded the opportunity to communicate in the Welsh language.

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

Pressures continue to arise from the changing nature of crime and incidents and more recently from a complex array of financial and economic consequences arising from the Covid-19 pandemic compounded by the cost-of-living crisis. This has resulted in significant inflationary cost pressures which necessitated the incorporation of a cost reduction plan of £6.4m to balance 2023/24 budgets and a further £2.2m in respect of the 2024/25 financial year despite a 6.2% increase to council tax at Band D for that year.

Against a challenging financial backdrop, operational demands continue to grow and become increasingly complex. The Force continues to evolve quickly to respond to new risks, threats, and changes in technology, many of which have required new ways of working. The introduction of additional staffing in the Force Communication Centre, funded through an increase in the precept, along with the implementation of a new telephony system in November 2024, has resulted in improvements in answering times and a reduction in non-emergency call abandonment rates. This was previously highlighted as an area of concern for the Force. The precept increase in 2024/25



also enabled the Force to maintain a School Liaison Programme and Police Community Support Officer (PCSO) capacity despite significant reductions in Welsh Government grants. The summer period was challenging in relation to demand, exacerbated by the need to provide support to other forces with the national response to riots and protests following the Southport murders and the war in Gaza.

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

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

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

After considerable engagement with the workforce, partners and the public, the Chief Constable set out organisational priorities in April 2022. There is a commitment for these complementary priorities to remain unchanged, providing a real opportunity to work differently to achieve more, whilst also ensuring consistency and clarity of purpose.

Priorities
Making the Dyfed-Powys area hostile to those that deal drugs
The elimination of Domestic Abuse, Stalking and Harassment
A compassionate response to victims of Rape and Serious Sexual Assault and the relentless pursuit of offenders

Detailed strategies and delivery plans have been developed to underpin and support the delivery of the Police and Crime Plan and the Chief Constable's priorities. These plans take cognisance of the challenging operational and financial environment, the need for continued investment to support sustainable services and the requirement to match resources and assets to meet evolving demands and legislation which have been incorporated in the Medium-Term Financial Plan.

### 3 Governance and Performance

#### Governance

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

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

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

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

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

## Performance

The Commissioner continued to invest in a range of services during 2024/25 to support the delivery of Police and Crime Plan priorities:

- A new victim support service was launched in November 2024, with Victim Support delivering the recommissioned service. This was jointly commissioned alongside North Wales OPCC (Office of the Police and Crime Commissioner), providing consistent provision for victims across the two force areas. The Commissioner is keen to continue working towards an all-Wales provision of service. The new service replaces Goleudy and will ensure continued access to independent support for those affected by crime, regardless of whether it has been reported to the police. This new provision ensures that victims across the Force area can access consistent, high-quality support tailored to their needs. From immediate assistance to longer-term help navigating the criminal justice system, the new service reflects the commitment to putting victims first. The service also, for the first time, offers direct tailored support for children and young people affected by crime.
- The successful jointly commissioned Independent Domestic Violence Advisory (IDVA) service for high-risk victims of domestic abuse continued to support an increasing number of victims during the year. The service is commissioned alongside the four local authorities within the Dyfed-Powys area, and this has streamlined the provision of support to high-risk cases. The additional level of investment provided by the Ministry of Justice has been extended until the end of March 2026 and in the meantime the Commissioner continues to lobby for the extension and uplift of this vital funding. The Commissioner is also working with Welsh Government and partner agencies to ensure that funding for violence against women, domestic abuse and sexual violence

(VAWDASV) is prioritised by those agencies with a statutory duty, enabling the Welsh Government grant to be utilised more flexibly to support local priorities.

- The Commissioner continued to work with partner agencies at a pan-Wales level to improve the response to victims of sexual abuse. This included ensuring that premises from which acute medical services are delivered are accredited to ISO standards, with a deadline of October 2025 for accreditation to be achieved. The Commissioner has worked closely with counterparts to promote the shared ownership between Policing and Health and a revised governance structure is being established to oversee the phases required to deliver the model. The Commissioner has jointly commissioned an Independent Sexual Violence Advisory service in collaboration with South Wales and Gwent. The new service provides a consistent provision for victims with specialist support through the criminal justice system.
- The Commissioner continued to play an integral role within Area Planning Boards (APBs), who are responsible for providing accountability, governance and scrutiny of substance misuse strategic planning, performance and financial management. APBs are established on a health board footprint, with membership consisting of the responsible authorities under the Crime and Disorder Act 1998. The Commissioner has worked closely with partners to scrutinise delivery of the Tier 2 prevention and treatment service, including evaluation of the current model and revised budgets to recognise the pressures experienced by service providers across the multi-year lifetime of the existing contract. The service model and priorities will be further refined in readiness for a recommissioning exercise to align with the end of the extension period currently in place until March 2027.
- The Commissioner has recommissioned the successful Offender Diversion Scheme, delivering holistic assessment and support to divert individuals from the criminal justice system. The existing service provider was successful and brings a long period of consistent delivery and expertise to the provision across the Force. The service is well established in custody units and has expanded to incorporate the revised drugs policy within Dyfed-Powys Police, resulting in a significant increase in drug-related referrals. Developments during 2024/25 will ensure the scheme is also prepared for the commencement of the Cautioning and Relationship Abuse (CARA) programme which enables standard risk domestic incident victims to benefit from the support of the Offender Diversion service. This will go live during 2025/26 in partnership with a specialist domestic abuse provider.
- The independent debriefing and mediation support service for children and young people who have been reported as missing and at risk of victimisation or exploitation was also successfully recommissioned in readiness for April 2025. The service will expand to develop vital links with other early intervention and prevention services, including close links with the Schools Liaison Programme. This will ensure that trends and lessons learned can be embedded within the curriculum, delivering up-to-date and localised prevention messages to young people.
- The Commissioner continued to provide funding to the local youth justice services within the Dyfed-Powys area to undertake restorative practice with young victims of young offenders. The current multi-year funding arrangement ended in March 2025 and during the year the Commissioner's team have worked closely with youth justice partners to



inform the future of this funding. Restorative practice forms a vital part of the service delivery and ensures that victims' rights are protected in line with the Victims' Code of Practice.

- Learning from the feedback of the Mid and West Wales VAWDASV Survivor Advisory Panel, along with the volumes of high-risk cases being managed by Dyfed-Powys Police, the Commissioner invested in a pilot provision of specialist support for stalking victims. Paladin are providing Independent Stalking Advisory Caseworkers to support victims directly and also to provide support and training for other specialist providers who may have clients with complex or multiple victimisation. The pilot will run for 12 months in the first instance with the potential to extend for a further 12 months.
- During 2024/25 the Commissioner continued to fund a pilot road victim support service provided by Brake, the national road charity. This service offers support to families bereaved by fatal road traffic collisions, including specialist support for children and young people. The service works closely alongside family liaison officers offering emotional and practical support to families. The success of the pilot has led the Commissioner to formally procure a future service in partnership with South Wales OPCC. A tender exercise ran through the latter part of 2024/25 and the newly awarded contract is estimated to go live in July 2025. The pilot service will continue to ensure that victims are fully supported during the transition phase to formal service provision.

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

During 2024/25, 36,776 crimes were recorded, against 36,674 in 2023/24 - an increase of 0.28% (102), as shown in the following table:

Crimes Recorded by Crime Type	2023/24	2024/25	Difference	Difference
	Offences	Offences	Offences	%
Violence Against the Person	17,597	17,063	(534)	(3.03%)
Theft	4,787	4,581	(206)	(4.30%)
Arson and Criminal Damage	4,043	3,971	(72)	(1.78%)
Public Order Offences	4,173	3,901	(272)	(6.52%)
Drug Offences	1,587	1,771	184	11.59%
Sexual Offences	1,459	1,701	242	16.59%
Burglary	1,279	1,558	279	21.81%
Miscellaneous Offences	745	1,007	262	35.17%
Vehicle Offences	628	717	89	14.17%
Possession of Weapons	298	409	111	37.25%
Robbery	78	97	19	24.36%
<b>Total</b>	<b>36,674</b>	<b>36,776</b>	<b>102</b>	<b>0.28%</b>

The year has seen improvements in crime recording practices alongside changes to Home Office Counting Rules (HOCR) and enhanced proactivity in ensuring compliance with the National Crime Recording Standard (NCRS) and the HOCR when recording crimes. The changes in counting rules, for example, include reinstating the principal offence rule for behavioural crimes to allow a focus on the most impactful offence, and increasing the threshold for malicious communications crimes to ensure that they are only recorded when the threshold of a crime is met, rather than when someone is merely offended by something for example posted on social media.

Considering crimes that were assigned an outcome (finalised) in 2024/25, 23,186 out of 36,776 (63.05%) crimes were assigned an outcome within 30 days of being reported. This compares to 18,610 out of 36,674 crimes (50.74%) in 2023/24. A new records management system was implemented in May 2023, which has improved processing times. Positive outcome rates rely on victim participation and the quality of investigations to bring offenders to justice. Between April 2024 and March 2025, the positive outcome rate has ranged between 14% and 18% each month.

The Force continues to maintain an effective and efficient 999 telephony service. 999 calls are, inevitably, prioritised above all others as they represent urgent emergency requests for assistance where time is of the essence. Reflecting on national reported data during the period 2024/25, the Force's average answer time was 8.08 seconds. In terms of the Force's performance, cognisance must be given to the latency time – the time taken for a call to be transferred from the BT exchange to the Force Control Centre which is included within this reported data. Dyfed-Powys Police maintains a performance record which provides reassurance that, during the period 2024/25, 84.2% of 999 calls were answered in under 10 seconds.

The Force procured and implemented a new telephony and radio system that went live in November 2024. This has provided more accurate data for national comparison, and its intelligent routing of presented calls to multi-skilled operators has ensured that all calls are now answered in a timelier manner thus improving the average speed of answer and enabling the Force to better respond to the public. Since January 2025, the Force has met the national Home Office 999 KPI of 90% of all 999 calls presented to the Force answered within 10 seconds, which it struggled to do in 2024. To showcase the real shift in service delivery on its 999 performance, in April 2025, Dyfed-Powys Police was positioned 5th in the country for its average speed of answer (recorded as 4.95 seconds), and 7th for its 90% KPI measure (recorded as 94.9%), with this data openly publicised on the Police.UK website.

The public largely consider the 101 service to be a contact channel for reporting non-emergency incidents to the Police (generally, calls that do not warrant a 999 call). Three main options exist at the point of contact for members of the public to choose from, these being:

- Option 1 - reporting a new incident,
- Option 2 - calling to enquire about an existing incident, and
- Option 3 - any other enquiry.

Over the last 12 months, the Force has managed to reduce the average speed of answer for its non-emergency calls for service from 391 seconds (6.31mins), as recorded in April 2024, to 47 seconds in March 2025. This represents an 88% reduction in the answer time where callers have been less likely to abandon their calls whilst queuing, which has been positively reflected in the abandonment rate.

Abandonment levels on this service were recorded as 33% in April 2024, and this has decreased over the course of the year by 70% to an abandonment rate of 9.7% as recorded in March 2025,

with further decreases seen in April 2025, where the abandonment rate was recorded as 5.9%. This has been attributable to a number of considered measures introduced in the autumn, namely the implementation of a new telephony system, a significant investment in staffing levels, changes to the existing operating model including the introduction of an omni-competent programme intended to strengthen resilience across the department, as well as the introduction of a new rota and shift pattern maximising the number of staff on duty at any one time in line with the demand profile.

The Force offers a 24/7 Digital Contact Service which includes the Single Online Home online reporting platform and two-way social media communications. During 2024/25, a total of 18,490 Single Online Home forms were submitted, an increase of 12.4% from the previous year (data source: Knowledge Hub). This demand is ever increasing with new form categories and services being introduced regularly. In terms of various social media channels and email communication, data shows that during 2024/25, a total of 2,602 conversations were held through social media (data source: Digital Public Contact), a decrease of 44% from the previous year (data source: Knowledge Hub). While not yet fully quantifiable, direct email contact is approximately 200 emails per day.

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

The Force was last inspected under the HMICFRS PEEL 2023-25 inspection programme in 2023 and was graded by HMICFRS as 'adequate' at investigating crime, preventing crime, police powers and public treatment, responding to the public, managing offenders and leadership and force management. Areas 'requiring improvement' were in relation to protecting vulnerable people and developing a positive workforce. Overall, the Inspectorate was satisfied with most aspects of the performance of the Force, recognising that the introduction of the new Niche RMS crime recording system during the inspection period that impacted the timeliness of some activities as officers and staff adapted to new ways of working. The Inspectorate also noted impressive standards in the effective investigation of crime and that the Force responds promptly to calls for service and triages effectively.

The Force has made significant progress in relation to the areas for improvement highlighted from the PEEL inspection in 2023, with improved scrutiny of all domestic abuse, stalking and harassment incidents, which now includes undertaking secondary reviews of all DASH (Domestic Abuse Stalking & Harassment) assessments, as opposed to only undertaking reviews on high-risk cases. The demand challenges associated with this change have been met with an investment in additional staff to undertake reviews and the creation of a new stalking coordinator post and new civil orders officer. In addition, the Force has delivered training for officers and staff in specialist vulnerability roles and enhanced governance and performance monitoring to effectively protect vulnerable people. Indeed, each of the areas for improvement relating to the protection of vulnerable people have been signed off as having been met pending HMICFRS verification.

The effective management of operational need with supporting the welfare of officers and staff was graded as 'requiring improvement' by the Inspectorate. Concerns included officers and staff in high-risk roles and those dealing with traumatic incidents with the recommendation that the Force needed to improve its understanding of officer and staff welfare needs. The Force has initiated a significant programme of change through an ongoing Force and Operating Model Review, to bolster uniform response teams while improving organisational effectiveness and efficiency. This is improving service delivery to the public and victims while simultaneously improving the welfare, wellbeing and retention of police officers and staff. The Force has also invested significantly in Occupational Health and Wellbeing resources, with a focus on providing a broader range of

wellbeing measures, including support for high-risk roles, and raising awareness of support services available to all staff and officers across the Force.

Other concerns were highlighted, and areas for improvement allocated, around the abandonment rates of non-emergency calls, as well as improvement required in the understanding of risk and demand within incidents awaiting a response. The Force has introduced a new daily management meeting, focused on call volumes and ownership of incidents in lower response grades that has reduced the number of incidents in unmonitored queues. In addition, new processes of recording crimes reported at an earlier stage has reduced the number of incidents awaiting a response. Through additional funding from the OPCC, the Force has also introduced a new contact telephony and radio system, increased staffing and has a new operating model and omnicompetence within the FCC. This has enabled the Force to reduce 101 abandonment rates significantly over the past 12 months, to now meet HMICFRS targets. The Force has made positive progress in both these areas for improvement which have been signed off as having been met pending further HMICFRS verification.

The 2023-25 PEEL Inspection also highlighted the need for the Force to consistently achieve appropriate outcomes for victims, and to ensure compliance with the Victims Code requirements. As previously stated, whilst the Inspectorate noted impressive standards in the effective investigation of crime, ensuring that a victim contract is completed where appropriate was highlighted for improvement. In response to the recommendation, the Force is reviewing current processes and scoping technology options and solutions through development of consistent victim and witness templates and enhanced scrutiny and auditing to ensure that the Force is compliant with the Victims Code requirements.

The Force maintains an effective approach to problem solving, working with other public sector agencies with a focus on anti-social behaviour and protecting vulnerable people, with effective arrangements in place to protect vulnerable people. The Force is working to address areas for improvement to increase the visibility and accessibility of neighbourhood officers and improve the way it communicates with local people, having committed to the implementation of a new communication app to improve the ability to contact and connect with communities. Improvements in processes, reporting and the recording of stop and search have also been introduced and implemented, to include new Power BI dashboards used internally, and a new scrutiny panel that monitors the use of stop and search across the Force.

The Force has a good understanding of demand in all areas, making sure it has the capacity and capability to manage current and future demands in the most efficient manner. The Commissioner provides external visibility and assurance via the Quality Assurance Panel, established to scrutinise the quality of police contact with the public. The Panel is a transparent and independent forum acting on behalf of the communities of Dyfed-Powys. This external scrutiny has been enhanced to address and discharge another area for improvement highlighted in relation to independent scrutiny of officers' use of force.

The Force has addressed an area for improvement with respect to ensuring that there is comprehensive understanding of how investment in IT systems improves efficiency and productivity. The Inspectorate also found that the Force's financial plans, including investment programme are affordable and will help the Force to meet future demands achieving Financial Excellence in Policing.

During this financial period, the Force has also been subject other Recommendations from thematic HMICFRS inspection activity and, also direct involvement in inspection. The Force was involved in a Joint Inspection of Child Protection Arrangements (JICPA) for the Pembrokeshire Council area in March 2025. The final report is due to be published later this year, however initial feedback was very positive for the Force in respect to the initial response, identification and awareness of vulnerability, the timely and effective sharing of information with partners and the strong governance and performance monitoring in place. The Force also agreed to be a Pilot Force for a HMI Probation and HMICFRS joint thematic inspection of youth out-of-court disposals in November 2024.

The Force is preparing in advance of the next HMICFRS PEEL inspection due in May 2026 and has responded to recommendations allocated from HMICFRS inspection activity, with 9 areas for improvement and 15 recommendations signed off internally within the last 12-month financial period.

### **Force Management Statement (FMS)**

The Chief Constable submitted the most recent FMS (2024) to HMICFRS in May 2025, providing an updated assessment of operational capacity for Dyfed-Powys Police against current and expected future demand. The FMS is cognisant of several factors within the Force including:

- Priorities set out by the Chief (themed around domestic abuse, drugs, rape and sexual offences).
- The second year of our Force Review Programme is referenced throughout the document, with considerable work ongoing to support, challenge and facilitate the identification of operational business improvements, whilst being mindful of continued efforts to deliver savings targets predominantly identified in year one.
- Continued migration to a dashboard-supported Performance Framework, following transition to Niche RMS.
- The Strategic Policing Requirement (SPR), following updated publication in 2023 to include violence against women and girls (VAWG).

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

The FMS identified several cross-cutting themes and priorities, specifically in relation to service demand changes. It also highlighted the need for the planned improvements in the Force Annual Planning and Assurance Process whereby details of demand for policing services and the resources needed to meet demand, together with the details of areas to be addressed through investment or productivity improvements are brought together. The report findings are summarised across the following headings:

- Workforce investment, training and accreditation, recruitment, retention resilience, and wellbeing.



- Financial challenges; budgetary pressures remain with reductions and/or changes to Government funding to overcome.
- Environmental issues and sustainability.
- Performance and demand analysis challenges.
- Estates - long-term programme of investment to ensure we can maintain visibility as part of our Neighbourhood Policing and Prevention Strategy.
- Information Communications Technology (ICY) department infrastructure and development/support.
- Information and data management.

The current FMS approach is centrally coordinated and was more closely aligned to the Mid Term Financial Plan (MTFP), strategic planning and budget process for 2025/26. The Force will continue to revise its methodology for producing the FMS to ensure the most efficient and effective approach to strategic planning.

#### 4 The Organisational Model

Dyfed-Powys Police is organised on both a geographical and functional basis. The Chief Constable is supported by a Chief Officer Team which comprises the Deputy Chief Constable, the Assistant Chief Constable, the Director of People and Organisation Development, and the Director of Finance. The main responsibilities of the four positions supporting the Chief Constable are shown in the table below:

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

Having recognised the extent of future financial challenges, the Chief Constable initiated a Force Review Programme in June 2022 to support, challenge, and facilitate the identification and delivery of operational business improvements and delivery of budget savings. The Revenue Budget set for 2024/25 incorporated savings of £2.2m needed to balance budgets, and these have been successfully delivered. This was part of a three-year cashable savings

plan aimed at saving £10 million through the Force Review covering years 2023/2024 to 2025/26.

The Force is on target to exceed this with £6.3m having been delivered in 2023/24, £2.2m in 2024/25 and a further £2.8m being identified for delivery in 2025/26. Comprehensive budget holder engagement, monitoring and Finance Business Partnering support has continued through all stages of the Force Review. These, by necessity due to grant funding conditions, initially focussed on non-pay and police staff budgets. The Commissioner also took measures to contain expenditure within his own office, which will allow some flexibility in dealing with financial challenges.

The Force has continued to re-shape to meet demand. However, it is recognised that the landscape of policing is forever changing and there is still much work ahead to deliver against the new Police and Crime Plan and the Chief Constable's priorities whilst addressing issues identified within the latest Force Management Statement.

For the 2024/25 financial year, the Commissioner and Force had a budgeted establishment of 1,295 Police Officers, 137 PCSOs, and 879 Police Staff. A breakdown of the distribution of staffing is shown in the following table:

	Police Officers	PCSOs	Police Staff	Total
Budgeted Positions 2024/25	FTE	FTE	FTE	FTE
Local Policing	564	137	32	733
Investigations	426	0	179	605
Operational Support (including Call Handling)	174	0	151	325
Criminal Justice	2	0	72	74
Scientific Support and Digital Forensics	4	0	68	72
Professional Standards	10	0	18	28
Other including Business Support	38	0	311	349
Office of the Police and Crime Commissioner	0	0	22	22
Seconded and Funded Areas	77	0	26	103
<b>Total</b>	<b>1,295</b>	<b>137</b>	<b>879</b>	<b>2,311</b>

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

The Force has experienced a high volume of police officers and staff leavers during the year which along with some unavoidable delays in recruitment of transferees, has resulted in significant pressure in terms of recruitment and vetting and unplanned savings against pay headings. As well as recruiting to replace normal retirements and leavers, the Force has also been increasing establishment in line with the Home Office Police Uplift Programme resulting in a headcount target of 1,314 officers by March 2025 which was maintained.

A police staff restructure occurred in spring 2023 which coincided with the go-live of the new Records Management System. These two significant changes did create some short-term backlogs in key processing functions such as firearms licencing, information management and

criminal justice which have been addressed in 2024/25. A reduction in Welsh Government funded PCSOs from 89 to 44, as well as removal of School Liaison funding in 2024/25, has been addressed through additional precept with unanimous support from the Police and Crime Panel. PCSO staffing levels have, however, been necessarily reduced from 163 FTE to 137 FTE but with further investment planned in strengthening this through additional funding provided through the Neighbourhood Policing Guarantee from 2025/26. The 2024/25 precept increase also supported the continuation of the School Liaison Programme (despite the withdrawal of Welsh Government grant), and an increase in staffing at the Force Control Centre which along with system changes, have resulted in improvements in call answering and reductions in non-emergency call abandonments.

The Commissioner has an Office which supports him to deliver the statutory responsibilities as set out in The Policing Protocol Order 2011. In addition to the statutory roles of Monitoring Officer and Chief Finance Officer, the Commissioner has a team of professionals to advise on matters relating to finance, policy, performance, engagement, commissioning, and partnerships. The Commissioner had a budgeted establishment of 22 FTE for 2024/25.

## **5 Financial Performance**

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

The cost of services included within the Comprehensive Income and Expenditure Statement (CIES) shows that £138.2m has been spent on providing policing services to the public of Dyfed-Powys 2024/25 (2023/24: £132.0m). The Statement provides an analysis across the main cost components. The largest element was spent on Police Officer Pay and Pensions, which accounted for £82.6m of the total in 2024/25 (2023/24: £77.9m). The variation in cost of service is impacted significantly by the movement in pension liabilities and capital depreciation entries.

The Balance Sheet provides a snapshot of the Commissioner's assets and liabilities as at 31 March 2025.

The Group Balance Sheet is dominated by the long-term liability of £923m (2023/24: £1,053m) that exists in respect of future pension liabilities for police officers and staff. This represents the amount that would need to be set aside at the balance sheet date to cover future payments of pensions for all current serving and retired officers and staff. This figure has been calculated independently on an actuarial basis and takes account of future salary levels, inflation, mortality rates, etc. There has been a significant reduction in the future pension liability, due to changes in actuarial assumptions and discount factors.

The next largest item on the Balance Sheet is £97.7m (2023/24: £96.4m) of property, plant and equipment owned by the Commissioner which has been subject to formal independent revaluation at the end of March 2025. In addition to these long-term assets, the Commissioner held £34.9m (2023/24: £27.8m) of short-term assets which are predominately short-term debtors and cash. Current liabilities total £34.6m on 31 March 2025 (2023/24: £29.9m).

Financial Performance and Budget Variance Analysis 2024/25

The Commissioner set a budget of £143.9m as a Revenue Budget for the financial year 2024/25 which incorporated a use of reserves of £1.6m, as well as financial savings of £2.2m (4.6%). These were deducted from baseline budgets despite a council tax increase of 6.2%. This reflected the continued cost pressures that Dyfed-Powys Police faced in energy, general inflation, pay settlements and interest rates etc.

The 2024/25 financial year has been a year of significant financial consolidation, with the full-year impact of the 7% pay increase awarded in September 2023 needing to be incorporated, as well as an array of other financial pressures which have been absorbed within the overall budget.

The following table sets out the final out-turn position for 2024/25 and compares this to the revised budget. The revised budget reflects additional budgets and reserve movements during the year for budget monitoring purposes, approved in accordance with the Corporate Governance Framework. Movements reflected include additional Anti-Social Behaviour Grants and the removal of Victim Services' Goleudy Service from Force budgets on re-award to Victim Support.

Variation Statement	Original Budget	Revised Budget	Actual	Variance (Positive for Saving)
Budget Holder	£m	£m	£m	£m
<b>Police and Crime Commissioner</b>				
Office and Commissioning Costs	3.3	3.3	2.9	0.4
Transfer to/(from) Reserves - Commissioner	(0.5)	(0.5)	(0.1)	(0.4)
<b>Total Commissioner Revenue Budget Costs</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>0.0</b>
<b>Chief Constable</b>				
Police Pay and Allowances	84.2	84.3	83.5	0.8
Police Officer Overtime	1.8	2.3	2.6	(0.3)
Bank Holidays	0.8	0.8	0.7	0.1
Police Staff Pay and Allowances	40.8	40.6	41.0	(0.4)
Police Staff Overtime	0.3	0.3	0.3	0
Pension Costs	1.8	1.8	1.6	0.2
Recruitment, Insurance and Training	1.9	1.9	1.7	0.2
Premises Costs	5.8	5.7	5.8	(0.1)
Other Non-Pay Costs	12.3	12.4	12.0	0.4
Telephone Analysis and Forensics	2.6	2.6	3.1	(0.5)
Collaboration and agency payments	5.3	5.3	5.3	0.0
Grants	(14.3)	(14.7)	(16.4)	1.7
Income	(4.5)	(3.7)	(5.4)	1.7
Capital Financing	3.9	3.9	5.8	(1.9)
Recharges	(0.5)	(1.1)	(1.0)	(0.1)
<b>Total Budget - Force</b>	<b>142.2</b>	<b>142.4</b>	<b>140.6</b>	<b>1.8</b>
<b>Total Budget - Police and Crime Commissioner and Chief Constable</b>	<b>145.0</b>	<b>145.2</b>	<b>143.4</b>	<b>1.8</b>
Contribution to/(from) Reserves - Chief Constable	(1.1)	(1.3)	0.5	(1.8)
<b>Net Spending After Transfer from Revenue to Reserves</b>	<b>143.9</b>	<b>143.9</b>	<b>143.9</b>	<b>0.0</b>
<b>Holding Accounts and self-balancing accounts</b>				
Driver Retraining Programme	0.0	0.0	(0.1)	0.1
Transfer to/(from) Reserves - Driver Retraining	0.0	0.0	0.1	(0.1)
<b>Total Holding Accounts</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The Police and Crime Commissioner's spending was within budget by £0.4m which resulted in a smaller than anticipated movement in reserves being required. This reflected lower spending by the Force and partners, including the impact of the Victim Services transfer highlighted above.

The revenue out-turn position for the Force is very positive with an underspend of £1.8m in hand overall before adjusting for budget reserve transfers earmarked for one-off cost pressures arising in 2025/26 in the Medium-Term Financial Plan.



The Force experienced significantly higher officer and staff leavers during the year which resulted in financial savings for the year against pay headings and necessitated retention and recruitment action by Learning and Development. Home Office officer uplift targets were fully met through increased recruitment activity at the end of the financial year. The pay award agreed for payment from September 2024 for staff and officers was higher than anticipated at budget-setting time, at 4.75% compared with 2.5% which added around £1.2m to officer costs and £0.5m to staff costs. The Home Office provided an additional in-year grant of £1.1m which largely negated the impact of this on the bottom line during the year and contributes to the saving against the Grants heading.

A range of operational and specialist officer and staffing challenges resulted in pressure on overtime budgets which were needed to maintain service delivery, and this resulted in a net overspend of £0.2m for officers. A new contract for Custody Forensic Medical Services and a separate Sexual Assault Referral Centre contract were the main contributors to the overspend of £0.5m against the Telephone Analysis and Forensics line.

In terms of Income headings, interest receipts were considerably higher than anticipated due to more favourable cashflows and interest rates remaining higher for longer contributing £0.9m of the £1.7m saving against this heading. A significant rebate of £0.6m in respect of historic rates payments on the HQ property was also recognised at year-end following a proactive appeals process.

The positive variances against Interest and Pay headings allowed the Force to fund more capital spending from its Revenue spending than anticipated, thereby reducing borrowing and Capital reserve drawdown. The variance of £1.9m against capital headings reflects an additional Direct Revenue Financing charge agreed for the year. A delay in progressing the sale of properties earmarked for sale in 2024/25 into 2025/26 resulted in a decision to increase Direct Revenue Financing by an equivalent amount rather than increase borrowing or drawdown additional reserves, which could otherwise have affected cashflows.

As in previous years, the Driver Retraining Scheme made a surplus of around £0.1m higher than anticipated, which is added to a reserve earmarked for road safety initiatives by the Chief Constable.

Both the Commissioner and the Chief Constable exercised considerable financial restraint and prudence over the year despite continued operational demands. Several fortuitous events and proactive commercial decisions made the final out-turn position far more favourable than expected. The year-end position is very positive and puts Dyfed-Powys Police in a stronger position to deal with future financial challenges.

At the Policing Board meeting of 21 May 2025, the Police and Crime Commissioner made decisions on the allocation of reserves to match the balances assumed in the Medium-Term Financial Plan level agreed in January 2025. In addition, some further movements were agreed to increase the Commissioner's Innovation Fund which is earmarked towards meeting the costs of an expanded Prevention, Intervention and Engagement Programme across Dyfed-Powys.

Full details of the movement in reserves and outstanding reserves are reported in '*Note 10 - Transfers to/from Earmarked Reserves*'.

In relation to Capital Spending, the Commissioner originally set a budget of £21.3m in February 2025 for the financial year 2024/25, which was reduced to £16.6m in January 2025 due to delays in relation to some major schemes.

The Capital Programme was updated as part of the Medium-Term Financial Planning process. This is a 10-year plan that reflects asset replacement and enhancements covering estates, fleet and ICT linked to long-term strategies and replacement programmes.

The year end position for Capital overall was £3.7m within the revised budget of £16.6m in 2024/25. Good progress is being made against the new collaborative Joint Firearms Unit (JFU) Range, which had been delayed due to planning and ecological concerns that have now been addressed. Delays have, however, been experienced with Brecon Police Station and the HQ Solar Park due to planning and other unavoidable issues. The year has seen significant spending against sustainability, income generation, station rationalisation and agile working schemes which have contributed to revenue spending savings particularly in relation to Estates budgets. The Capital Programme has also supported improvements in Control Room infrastructure which, along with additional staffing, contributed to reductions in call abandonments rates and service improvements in that area.

The Capital Programme for 2024/25 was funded from direct revenue financing, earmarked reserves and prudential borrowing. In total, a sum of £12.9m had been spent by the end of the financial year. A summary of the final spending and funding position against budget is shown in the following table, along with high level budget variation:

	Original Budget 2024/25	Revised Budget 2024/25	Actual Spending 2024/25	Variance
	£m	£m	£m	£m
<b>Capitalised Expenditure</b>				
Estates Programme	16.0	10.8	8.5	2.3
Vehicles	2.3	2.7	2.4	0.3
ICT Major Projects	0.5	1.0	1.2	(0.2)
Recurring ICT Device Replacements	2.2	1.8	0.7	1.1
Other Capital Equipment Replacements	0.3	0.3	0.1	0.2
<b>Sub Total Capitalised Expenditure</b>	<b>21.3</b>	<b>16.6</b>	<b>12.9</b>	<b>3.7</b>
Self/Own Revenue Financing Projects	0.0	0.1	0.1	0.0
<b>Total Expenditure</b>	<b>21.3</b>	<b>16.7</b>	<b>13.0</b>	<b>3.7</b>
<b>Financing</b>				
Direct Revenue Financing	2.7	2.7	3.5	(0.8)
Capital Receipts - Buildings	1.0	1.0	0.0	1.0
Capital Receipts - Vehicles	0.1	0.1	0.0	0.1
Capital Reserve Utilised	1.5	3.0	0.9	2.1
Prudential Borrowing	16.0	9.8	8.5	1.3
<b>Sub Total Financing</b>	<b>21.3</b>	<b>16.6</b>	<b>12.9</b>	<b>3.7</b>
Self/ Own Revenue Financing Projects	0.0	0.1	0.1	0.0
<b>Total Financing</b>	<b>21.3</b>	<b>16.7</b>	<b>13.0</b>	<b>3.7</b>

In terms of capital financing, the slippage in spending has meant that the Commissioner has not needed to borrow as much as anticipated. The favourable year-end revenue position also allowed for an additional Direct Revenue Financing charge, enabling less utilisation of Capital Reserves than planned. The Commissioner approved for slippage of £3.7m to be carried forward to support the capital schemes ongoing into 2025/26 and beyond.

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

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

The main risks that remained 'live' at the end of 2024/25 included:

- Aberystwyth Sexual Assault Referral Centre - concerns around funding, timescales, and accreditation requirements by October 2025 for the new premises, given a fixed lease termination date at the current site. This position is being closely monitored collaboratively. [residual score 16]
- Safety Camera Partnership financing in Wales – the Go-Safe Partnership is experiencing financial deficits that are being underwritten by police forces, caused by fluctuating ticket income and inflationary pressures, exacerbated by fixed grant funding. A recovery plan is being formulated. [residual score 12]
- Future funding risk – there is a risk that a Funding Formula Review being undertaken by the Home Office may result in grant funding reductions. The Force is awaiting further consultation and determinations from the Home Office [residual score 15]
- Health Care Professionals in Custody – a failure by the outsourced service provider to meet attendance times at Newtown due to nurse recruitment and vetting issues that are being addressed. [residual score 12]
- Vetting - there is a risk that the Force may not meet its vetting commitments due to increasing backlogs exceeding HMICFRS's tolerance threshold. Resources from various departments are being allocated to address the backlog, and the impact of the support will be closely monitored. [residual score 20]
- Crime recording and timeliness - there is a risk that the crime recording process may not align with Home Office Counting Rules if remaining issues are not addressed, potentially impacting victim services and investigation effectiveness. Prioritising crime recording over investigation has led to monthly improvements in compliance. Continuous monitoring will be conducted until the tolerance levels are met. [residual score 9]
- Control Room solutions - concerns have been raised regarding the Motorola control room solution, which supports a number of emergency services telephony and radio platforms, including Dyfed-Powys Police. Both planned and unplanned outages have occurred, posing risks to service delivery, officer safety, and potentially the Force's reputation. Motorola is providing regular updates on the situation, which will be closely monitored. [residual score 20]

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

The Police and Crime Panel unanimously agreed an 8.6%, or £28.65, increase in council tax at Band D as proposed by the Police and Crime Commissioner, resulting in a net budget of £153.3m for 2025/26 in January 2025. The budget includes:

- An officer headcount of 1,314, supported by uplift and the Neighbourhood Policing Guarantee.
- An additional 50 police staff positions to release officers to Neighbourhood Policing and response, partly funded by additional Neighbourhood Policing Guarantee Grant.
- An increase in Forensic Medical provision in Custody in Newtown with embedded nurse-based service provision.

- Investment in Criminal Justice to improve management data and to centralise redaction and disclosure processes.
- Investment in Robotic Process Automation (RPA), Community Messaging, and Information Management.
- An expansion in SARC service provision in collaboration with other Welsh forces and health boards.

The budget incorporates a 4.75% increase in pay from September 2024 and inflationary increases at 2.6%, as well as a cost reduction plan requirement of £2.8m for the year. An increase in police staff vacancy factor to 5% has also been built in which more closely reflects current experience. An increase in the National Insurance contribution rate and threshold reduction is also reflected, partly funded through a grant.

Within the Medium-Term Financial Plan, are several assumptions and consequences of decisions already agreed, including:

- Reserves falling from £21.3m in March 2024 to £7.9m by March 2027.
- A 2025/26 Capital Programme of £24.2m including Brecon Police Station and the Joint Firearms Training Range.
- An additional capital financing (borrowing) requirement of £35m by March 2029 and an external borrowing requirement of £55.8m, with capital financing costs fully reflected in the balanced future revenue budget.

The financial environment remains very challenging in terms of the overall economic position, with the cost-of-living crisis resulting in double-digit increases in the budget requirement over the last two years before the addition of cost reduction measures of over £11m being applied since 2023/24. With the Force Review continuing into a second and third year, the Force has been able to set a balanced Medium-Term Financial Plan based on an initial set of assumptions for future years linked to Treasury inflation and funding indications.

The full MTFP document for 2025/26 can be found at:

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

Setting future inflationary assumptions is difficult, and with each percentage change from assumed levels making a significant difference in monetary terms. A 1% change across all budget assumptions included for each in the Medium-Term Financial Plan would result in a £1.1m deficit/surplus in relation to 2025/26 but a £3.5m to £4.0m million deficit/surplus for future years which, cumulatively, would need to be addressed by further cost reductions or council tax adjustments. The plan is particularly sensitive to variations in pay awards, precept levels and settlements.

The second stage of the 2025 Comprehensive Spending Review reported on 11 June 2025, and further information is expected to be released in relation to future settlements and Neighbourhood Policing Grant allocations for three years from 2026/27. This will provide a better basis on which to plan financially than the previous Home Office approach of annual settlement announcements. Work on an updated MTFP for 2026/27 will commence from June 2025.

The Commissioner and the Force face numerous unknown and uncertain potential future financial commitments and liabilities which are referred to further in the Contingent Liabilities and Pensions notes. The UK Government recommenced the Funding Formula Review in May 2021, however this is unlikely to progress in the medium term and may well be incorporated into wider considerations

around Police Reform. The work on Police Reform has been ongoing and a White Paper setting out the Government's intention is expected by the end of the year, with legislation and an incremental implementation timeframe to follow. The outcome of this work and potential financial consequences remain a risk.

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

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

## 7 Basis of Preparation and Presentation

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

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

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

- **Statement of Responsibilities for the Statement of Accounts** - this statement sets out the responsibilities of the Commissioner and their Chief Finance Officer;
- **Independent Auditor's Report** - this sets out the opinion of the external auditor, the Auditor General for Wales, on whether the Group accounts presented give a 'true and fair view' of the financial position and operations of the Commissioner for 2024/25;
- **Expenditure and Funding Analysis (EFA)** - this statement shows how annual expenditure is used and funded by the Group from resources as reported by management, split across directorates and services in comparison with those resources consumed or earned by the Group, reported in accordance with generally accepted accounting practices;
- **Comprehensive Income and Expenditure Statement (CIES)** - this core statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year. It includes all day-to-day expenses and related income on an accrual basis, as well as transactions measuring the value of fixed assets consumed and the real projected value of retirement benefits earned by employees in the year;
- **Movement in Reserves Statement (MiRS)** - this statement shows the movement in the year on the reserves held by the Group, analysed into usable reserves (monies



which can be applied to fund capital expenditure or to reduce local taxation) and unusable reserves (monies that cannot be used to provide services and exist through the application of accounting standards e.g. the pensions reserves which match the pension liability);

- **Balance Sheet** - this core statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The Commissioner owns the land, buildings and other assets used by the Force. The net assets (assets less liabilities) are matched by the usable and unusable reserves;
- **Cash Flow Statement** - this statement summarises changes to cash and cash equivalents during the reporting period;
- **Police Pension Fund Account** - this statement shows expenditure, income, assets and liabilities pertaining to Police Pensions in the year. The account shows the top-up grant due from the Group to the Pension Fund Account. The Home Office subsequently reimburses the Group for money paid over to the account and effectively underwrites the deficit. This practice would work in reverse if the Pension Fund Account were to show a surplus at the year-end;
- **Notes to the financial statements** - these provide additional information that further explains items included within the main statements with an aim of improving the readers' understanding of the main financial statements. They set out the Accounting Policies used as the basis of preparing the financial statements as required by the Code of Practice;
- **Glossary of Terms** - these provide additional narrative to explain terms used within the statement with an aim of improving the readers' understanding as required by the Code of Practice;
- **A Joint Annual Governance Statement (AGS)** is published separately to this Statement of Accounts and sets out details of how the Commissioner and Chief Constable exercise governance over their affairs. The Statement is a statutory document for each corporation sole, albeit it continues to be a combined statement for 2024/25. This aims to aid transparency and understanding to the reader, clearly demonstrating where arrangements are consistent and where they differ between the Commissioner and the Chief Constable. The statement includes an annual review of the adequacy of the governance arrangements and provides assurance on the systems of internal control.

## Statement of Responsibilities

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

### The Commissioner's responsibilities

The Commissioner is required to:

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

I approve the Statement of Accounts for financial year 2024/25.



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**Police and Crime Commissioner for Dyfed-Powys**

**Date: 2 December 2025**

### The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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

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

The Chief Financial Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Group/Commissioner at the reporting date and of its expenditure and income for the year ended 31 March 2025.



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**Chief Financial Officer**

**Date: 2 December 2025**

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

### Opinion on financial statements

I have audited the financial statements of the:

- Police and Crime Commissioner for Dyfed Powys;
- Police and Crime Commissioner for Dyfed Powys Group which comprises the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police; and
- Dyfed Powys Police Pension Fund
- for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

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

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

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

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

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

- give a true and fair view of the financial position of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund as at 31 March 2025 and of their income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

### Basis for opinion

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

My staff and I are independent of the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in

the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the joint Annual Governance Statement of the Police and Crime Commissioner for Dyfed Powys and the Chief Constable of Dyfed Powys Police for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

**Matters on which I report by exception**

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

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

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

**Responsibilities of the responsible financial officer for the financial statements**

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

- the preparation of the statement of accounts, including the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group financial statements and the Dyfed Powys Police Pension Fund, which give a true and fair view and comply with proper practices;
- maintain proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Police and Crime Commissioner for Dyfed Powys, the Police and Crime Commissioner for Dyfed Powys Group and the Dyfed Powys Police Pension Fund will not continue to be provided in the future.

**Auditor's responsibilities for the audit of the financial statements**

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

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



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

My procedures included the following:

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

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

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

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

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

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

### **Other auditor's responsibilities**

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

### **Certificate of completion of audit**

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



Adrian Crompton  
Auditor General for Wales  
4 December 2025

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

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

## Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded by the Group from resources (government grants, rents and council tax), in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

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

<b>Expenditure and Funding Analysis 2023/24 (Restated)</b>	<b>Net Expenditure Chargeable to the General Fund £'000</b>	<b>Adjustments (please refer to Note 8 for details) £'000</b>	<b>Net Expenditure in the CIES £'000</b>
Police Officer Pay and Pensions	80,849	(2,984)	77,865
Police Officer Overtime	3,253	0	3,253
Police Staff Pay and Pensions	39,277	1,197	40,474
Police Staff Overtime	209	0	209
Other Employee-Related Costs	2,703	175	2,878
Premises Costs	5,864	(413)	5,451
Transport Costs	2,409	140	2,549
Supplies and Services	13,111	618	13,729
Agency and Contracted Services	7,859	(648)	7,211
Capital Financing Costs	4,591	564	5,155
Grants	(17,138)	505	(16,633)
Other Income	(11,356)	(1,517)	(12,873)
Exceptional Items – Revaluation of Non-Current Assets	0	2,726	2,726
<b>Net Cost of Services</b>	<b>131,631</b>	<b>363</b>	<b>131,994</b>
Other Income and Expenditure	(133,414)	31,857	(101,557)
<b>Surplus/(Deficit) (Before Reserve Transfers)</b>	<b>(1,783)</b>	<b>32,220</b>	<b>30,437</b>
Transfers to Earmarked Reserves	1,133		
<b>Surplus or Deficit for the Year</b>	<b>(650)</b>		
Opening General Fund Balance as at 1 April 2023	(4,862)		
Less Deficit on General Fund Balance in Year	(650)		
<b>Closing General Fund Balance as at 31 March 2024</b>	<b>(5,512)</b>		

## Comprehensive Income and Expenditure Statement

The following statement summarises the resources that have been generated and consumed in providing policing and crime reduction services during the year.

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

Group					Commissioner		
Gross Expend. £'000	Gross Income £'000	Net Expend. £'000	Comprehensive Income and Expenditure Statement 2023/24 (Restated)	Note	Gross Expend. £'000	Gross Income £'000	Net Expend. £'000
77,865	0	77,865	Police Officer Pay and Pensions		0	0	0
3,253	0	3,253	Police Officer Overtime		0	0	0
40,474	0	40,474	Police Staff Pay and Pensions		1,004	0	1,004
209	0	209	Police Staff Overtime		0	0	0
2,878	0	2,878	Other Employee-Related Costs		11	0	11
5,451	0	5,451	Premises Costs		0	0	0
2,549	0	2,549	Transport Costs		2	0	2
13,729	0	13,729	Supplies and Services		470	0	470
7,211	0	7,211	Agency and Contracted Services		2,176	0	2,176
5,155	0	5,155	Capital Financing Costs		598	0	598
0	(16,633)	(16,633)	Grants	31	0	(16,633)	(16,633)
0	(12,873)	(12,873)	Other Income	31	0	(12,873)	(12,873)
			<b>Exceptional items:</b>				
2,775	(49)	2,726	Revaluation of non-current assets	6	2,775	(49)	2,726
<b>161,549</b>	<b>(29,555)</b>	<b>131,994</b>	<b>Total Cost of Services</b>		<b>7,036</b>	<b>(29,555)</b>	<b>(22,519)</b>
467	(17,317)	(16,850)	Other Operating Income and Expenditure	11	467	(17,317)	(16,850)
50,773	(2,017)	48,756	Financing and Investment Income and Expenditure	12	702	(2,017)	(1,315)
0	(133,463)	(133,463)	Taxation and Non-specific Grant Income	13	0	(133,463)	(133,463)
0	0	0	Commissioning Costs (Intra-group transfer)		204,584	0	204,584
<b>212,789</b>	<b>(182,352)</b>	<b>30,437</b>	<b>Surplus/Deficit on Provision of Services</b>		<b>212,789</b>	<b>(182,352)</b>	<b>30,437</b>
		(1,877)	(Surplus) or deficit on revaluation of fixed assets	6			(1,877)
		(50,795)	Actuarial (gains)/losses on pension asset/liabilities				9
		0	Commissioning Costs (Intra-group transfer)				(50,804)
		<b>(22,235)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(22,235)</b>



## Movement in Reserves Statement

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

Financial Year 2023/24 (Restated)	Note Ref	General Fund Balance £'000	Earmarked General Fund Reserves £'000	Total General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2023		(4,862)	(14,690)	(19,552)	0	(107)	(19,659)	997,247	977,588
Movement in reserves during 2023/24									
(Surplus) or deficit on the provision of services	CIES	30,437	0	30,437	0	0	30,437	0	30,437
Other Comprehensive Income and Expenditure	CIES	0	0	0	0	0	0	(52,672)	(52,672)
Total Comprehensive Income and Expenditure		30,437	0	30,437	0	0	30,437	(52,672)	(22,235)
Adjustments between accounting basis and funding basis under Regulations	9	(32,220)	0	(32,220)	0	0	(32,220)	32,220	0
Net (Increase)/Decrease before Transfers to/from Earmarked Reserves		(1,783)	0	(1,783)	0	0	(1,783)	(20,452)	(22,235)
Net transfers (to)/from earmarked reserves	10	1,133	(1,133)	0	0	0	0	0	0
(Increase)/Decrease in 2023/24		(650)	(1,133)	(1,783)	0	0	(1,783)	(20,452)	(22,235)
Balance at 31 March 2024		(5,512)	(15,823)	(21,335)	0	(107)	(21,442)	976,795	955,353

## Balance Sheet

Group 2023/24 (Restated) £'000	Commissioner 2023/24 (Restated) £'000		Note	Group 2024/25 £'000	Commissioner 2024/25 £'000
96,458	96,458	Property, plant and equipment	14	97,744	97,744
947	947	Intangible assets	14	1,925	1,925
3,288	3,288	Investment property	15	2,896	2,896
54	54	Surplus assets	14	610	610
1,278	1,278	Assets under construction	14	7,215	7,215
<b>102,025</b>	<b>102,025</b>	<b>Long-term assets</b>		<b>110,390</b>	<b>110,390</b>
640	0	Inventories		521	0
8	8	Assets held for sale	20	90	90
15,936	14,238	Short-term debtors	18	22,795	19,974
11,258	11,258	Cash and cash equivalents	19	11,514	11,514
0	2,338	Intra-group transfer		0	3,342
<b>27,842</b>	<b>27,842</b>	<b>Current assets</b>		<b>34,920</b>	<b>34,920</b>
(10,386)	(10,386)	Short-term borrowing	17	(10,610)	(10,610)
(17,484)	(440)	Short-term creditors	21	(21,864)	(1,953)
0	0	Short-term creditors – IFRS16 Right of Use Asset Liability	34	(129)	(129)
(2,081)	(2,081)	Short-term provisions	22	(2,048)	(2,048)
0	(17,044)	Intra-group transfer		0	(19,911)
<b>(29,951)</b>	<b>(29,951)</b>	<b>Current liabilities</b>		<b>(34,651)</b>	<b>(34,651)</b>
(358)	(358)	Long-term borrowing	17	(10,000)	(10,000)
(372)	0	Long-term creditors		(426)	0
0	0	Long-term creditors – IFRS16 Right of Use Asset Liability	34	(1,474)	(1,474)
(1,053,173)	(1,053,173)	Other long-term liabilities	37	(922,940)	(922,940)
(1,366)	(1,366)	Long-term provisions	22	(1,720)	(1,720)
0	(372)	Intra-group transfer		0	(426)
<b>(1,055,269)</b>	<b>(1,055,269)</b>	<b>Long-term liabilities</b>		<b>(936,560)</b>	<b>(936,560)</b>
<b>(955,353)</b>	<b>(955,353)</b>	<b>Net (liabilities)/assets</b>		<b>(825,901)</b>	<b>(825,901)</b>
(21,442)	(21,442)	Usable reserves	MIRS	(21,901)	(21,901)
976,795	976,795	Unusable reserves	23	847,802	847,802
<b>955,353</b>	<b>955,353</b>	<b>Total reserves</b>		<b>825,901</b>	<b>825,901</b>

## Cash Flow Statement

2023/24 (Restated) £'000		Note	2024/25 £'000
30,437	<b>Net (surplus) or deficit on the provision of services</b>	<b>CIES</b>	<b>27,322</b>
(34,681)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24	(30,279)
1,080	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	168
<b>(3,164)</b>	<b>Net cash flows from Operating Activities</b>	<b>24</b>	<b>(2,789)</b>
7,339	Investing Activities	25	13,810
(9,702)	Financing Activities	26	(11,277)
<b>(5,527)</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>19</b>	<b>(256)</b>
5,731	Cash and cash equivalents at the beginning of the reporting period	19	11,258
<b>11,258</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19</b>	<b>11,514</b>

## Police Pension Fund

Group 2023/24 £'000	Commissioner 2023/24 £'000	Fund Account	Group 2024/25 £'000	Commissioner 2024/25 £'000
		Contributions receivable		
(16,399)	0	Employer contributions	(19,728)	0
281	0	Other income (Employers ill health contributions) *	(444)	0
(7,084)	0	Officers' contributions	(7,763)	0
<b>(23,202)</b>	<b>0</b>	<b>Contributions receivable</b>	<b>(27,935)</b>	<b>0</b>
<b>(528)</b>	<b>0</b>	<b>Transfers in from other pension funds</b>	<b>(476)</b>	<b>0</b>
		Benefits payable		
35,395	0	Pensions	38,575	0
5,640	0	Commutations and lump sum retirement benefits *	6,468	0
<b>41,035</b>	<b>0</b>	<b>Benefits Payable</b>	<b>45,043</b>	<b>0</b>
		Payments to and on account of leavers		
53	0	Refunds of contributions	83	0
(41)	0	Scheme Pays tax payments **	18	0
<b>12</b>	<b>0</b>	<b>Payments to and on account of leavers</b>	<b>101</b>	<b>0</b>
<b>17,317</b>	<b>0</b>	<b>Net amount payable for the year</b>	<b>16,733</b>	<b>0</b>
(17,317)	(17,317)	Additional contribution from the Police Fund (re: Home Office grant)	(16,733)	(16,733)
	17,317	Intra-group transfer		16,733
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>

\* For 2023/24, in respect of 'Other Income (Employer's ill health contributions)' and 'Commutations and lump sum retirement benefits', there were accounting entries relating to 2022/23 that were not put through until 2023/24. This resulted in the figures being understated in 2023/24. In 2023/24, the understatement against 'Other Income (Employer's ill health contributions)' led to the figure becoming a debit (instead of a credit).

The above entries negated to nil, therefore the adjustments did not affect the 'Additional contribution from the Police Fund (re: Home Office grant)'.

\*\* In respect of 'Scheme Pays tax payments', there was an accounting entry relating to 2022/23 that was not put through until 2023/24. This resulted in the figure for 'Scheme Pays tax payments' being understated in 2023/24. In 2023/24, the understatement led to the figure becoming a credit (instead of a debit).

This adjustment also resulted in the 'Additional contribution from the Police Fund (re: Home Office grant)' being understated in 2023/24.

2023/24 (Restated)		2024/25
£'000	Net Assets Statement	£'000
	Current Assets	
5,270	Debtor - Grant owed from the Home Office	4,405
465	Debtor - Transfer values due	491
0	Debtor - McCloud contributions owed (1987 scheme)	52
<b>5,735</b>	<b>Current Assets</b>	<b>4,948</b>
	Current Liabilities	
(260)	Creditor - Payments due to retiring officers	(948)
0	Creditor - Annual Allowances payable to HMRC	(112)
(5,475)	Creditor - Net balance owed to the Police Fund	(3,888)
<b>(5,735)</b>	<b>Current Liabilities</b>	<b>(4,948)</b>
<b>0</b>	<b>Net Assets</b>	<b>0</b>

### Notes to the Police Pension Fund Accounts

- The accounting policies followed, and assumptions made, regarding the Police Pensions Account are in line with those set out in Note 1 - Accounting Policies;
- The Police Pension Scheme is administered by Carmarthenshire County Council under a service level agreement;
- There are no investment assets in the fund. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contributions from the General Police Fund, which in turn is reimbursed by a specific Home Office grant (Top-Up Grant). This grant is received by the Commissioner and passed on to the Chief Constable by way of an intra-group transfer;
- The Pension Fund's financial statements do not take account of future pension obligations after 31 March 2025. However, these are presented on the Balance Sheet under 'Other Long-Term Liabilities', with detailed disclosures in Note 37 – Defined Benefit Pension Schemes.



## Notes to the Accounts

### 1. Accounting Policies

#### General Principles

The Statement of Accounts summarises the Group's transactions for the 2024/25 financial year and the position at the year-end of 31 March 2025. The Commissioner is required to prepare an annual Statement of Accounts for himself and the Group by the Accounts and Audit (Wales) Regulations 2014 as amended, which require them to be prepared in accordance with proper accounting practice. This practice primarily comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance of the Group. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Revenue from the provision of services is recognised when the Group can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Group.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **Overheads and Support Services**

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

### **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement (CIES) or in the notes to the accounts, depending on how significant the items are to an understanding of the financial performance of the Group.

### **Events after the Balance Sheet Date**

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

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

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### **Property, Plant and Equipment**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

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

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

- Land – fair value;
- Assets under construction – historic cost;

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

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

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

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the CIES.

Depreciation

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

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

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

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

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

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

### Surplus Assets

Surplus assets are those that are not being actively used in the business (such as vacant properties) and that cannot be classed as 'assets held for sale'. Surplus assets will be measured at fair value at each reporting date, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

### Disposals and Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES.

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

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

### **Charges to Revenue for Non-Current Assets**

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

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

### **Investment Property**

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

### **Accounting for Annual Contribution from Revenue**

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

## 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.

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

## Minimum Revenue Provision

The Local Authorities (Capital Finance and Accounting) Regulations 2003 requires the Commissioner to set aside an amount from revenue each year to provide for the repayment of debt. This is known as Minimum Revenue Provision (MRP). The MRP is measured by the underlying need to borrow rather than the actual debt. Commissioners are required to prepare an annual statement of their policy on making MRP in accordance with statutory guidance and should be calculated on a prudent basis. The policy for 2024/25 is as follows:

### **ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT**

The following policy has been set by the Commissioner in relation to MRP for 2024/25.

#### **Prudential Borrowing - Depreciation Method**

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

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

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

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



## **Financial Instruments**

### Financial Liabilities

These are initially measured at fair value and are carried at their amortised cost. Annual charges to the Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The amount presented in the Balance Sheet is the outstanding principal plus accrued interest.

### Financial Assets

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Group has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest.

### Foreign currency translation

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

## **Inventories**

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

## **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

## **Provisions and Contingent Liabilities**

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

A contingent liability arises where an event has taken place that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

## **Reserves**

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves. Revenue reserves are available to finance expenditure. Certain capital reserves created

as a result of the capital accounting scheme are not available to meet current expenditure and include:

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

### **Joint arrangements - Accounting for the consolidation of joint arrangements**

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

Further details can be found under the Collaborative Arrangements note.

### **Employee Benefits**

#### **Benefits Payable During Employment**

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

#### **Termination Benefits**

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end.

### Post-Employment Benefits

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

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

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

This Police Pension scheme is 'unfunded' which means that no investment assets are built up to pay pensions and other benefits in the future, and therefore no provision to meet the liability for future payments of benefits is included in the Balance Sheet. The liabilities of the Local Government Pension Scheme that are attributable to the Group are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.

### Discretionary Benefits

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

### **Government grants and contributions**

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **Leases**

From 1 April 2024, IFRS 16 was implemented which results in arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and

land as an asset, and future rents as a liability), will now be included on the balance sheet as a right-of-use asset and a lease liability.

All leases previously classified, as at 31 March 2024, as operating leases will be recategorised, subject to any exemptions, to a right-of-use asset on the balance sheet together with a lease liability.

### **Operating Leases**

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

### **Right of Use Asset**

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

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

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

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

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

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

### **Value Added Tax (VAT)**

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

## 2. Prior period adjustments

### Collaboration Fair Share Reserve

The audit of the 2024/25 Financial Accounts has identified an inaccuracy in the accounting treatment of collaboration fair share adjustments.

Reserve movements associated with joint arrangements have been incorrectly processed through the Comprehensive Income and Expenditure Statement (CIES) rather than being appropriately reflected in the Movement in Reserves Statement (MiRS).

This misstatement has resulted in the unusable reserve balance being incorrectly cleared to £nil each year and this accounting treatment has been followed since the inception of the collaboration arrangements in 2014/15.

The implication of this error requires a restatement of prior year comparative amounts for all affected primary statements and associated disclosure notes as this will allow a 'like-for-like' comparison between financial years. If the 2023/24 restatement was not carried out, materially, the accounts would be showing an incorrect position for 2024/25 as the underlying way that the adjustments are being processed would be different for each year.

The table below shows the cumulative balances for the Collaboration Fair Share Reserve as previously reported, whilst the second table shows the restated reserve balances using the correct accounting treatment.

Collaboration Fair Share Reserve (as previously stated)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance 1 April	0	16	30	154	43	342	378	(110)	(120)	(364)
Reversal of adjustment made at the end of the preceding year	0	(16)	(30)	(154)	(43)	(342)	(378)	110	120	364
Amounts adjusted at the end of the current year	16	30	154	43	342	378	(110)	(120)	(364)	3
Closing balance 31 March	16	30	154	43	342	378	(110)	(120)	(364)	3

Collaboration Fair Share Reserve (restated)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance 1 April	0	16	46	200	243	585	963	853	733	369
In-year movement	16	30	154	43	342	378	(110)	(120)	(364)	3
Closing balance 31 March	16	46	200	243	585	963	853	733	369	372

The opening balance in the Collaboration Fair Share Reserve in 2024/25 has been adjusted to £372k as shown in the table above.

The impact on each of the primary statements for 2023/24 is as follows:

### Expenditure and Funding Analysis

	2023/24 (as previously stated)			2023/24 (restated)			Correction		
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Police Officer Pay and Pensions	80,848	(3,547)	77,301	80,848	(2,984)	77,865	0	563	564
Police Officer Overtime	3,253	0	3,253	3,253	0	3,253	0	0	0
Police Staff Pay and Pensions	39,277	(57)	39,220	39,277	1,197	40,474	0	1,254	1,254
Police Staff Overtime	209	0	209	209	0	209	0	0	0
Other Employee-Related Costs	2,704	0	2,704	2,704	175	2,878	0	175	174
Premises Costs	5,865	(411)	5,454	5,865	(413)	5,451	0	(2)	(3)
Transport Costs	2,409	(5)	2,404	2,409	140	2,549	0	145	145
Supplies and Services	13,110	44	13,154	13,110	618	13,729	0	574	575
Agency and Contracted Services	7,860	750	8,610	7,860	(648)	7,211	0	(1,398)	(1,399)
Capital Financing Costs	4,743	413	5,156	4,743	413	5,155	0	0	(1)
Grants	(17,140)	204	(16,936)	(17,140)	505	(16,633)	0	301	303
Other Income	(11,507)	459	(11,048)	(11,507)	(1,517)	(13,024)	0	(1,976)	(1,976)
Revaluation of non-current assets	0	2,726	2,726	0	2,726	2,726	0	0	0
<b>Net Cost of Services</b>	<b>131,631</b>	<b>576</b>	<b>132,207</b>	<b>131,631</b>	<b>212</b>	<b>131,843</b>	<b>0</b>	<b>(364)</b>	<b>(364)</b>
Other Income and Expenditure	(133,414)	32,008	(101,406)	(133,414)	32,008	(101,406)	0	0	0
<b>Surplus/(Deficit) (Before Reserve Transfers)</b>	<b>(1,783)</b>	<b>32,584</b>	<b>30,801</b>	<b>(1,783)</b>	<b>32,220</b>	<b>30,437</b>	<b>0</b>	<b>(364)</b>	<b>(364)</b>

Note 8 – 'Note to the Expenditure and Funding Analysis' has been amended accordingly.

### Comprehensive Income and Expenditure Statement (CIES)

Comprehensive Income & Expenditure Statement Chief Constable	2023/24 (as previously stated)	2023/24 (restated)	Correction
	£'000	£'000	£'000
Police Officer Pay and Pensions	77,301	77,865	564
Police Officer Overtime	3,253	3,253	0
Police Staff Pay and Pensions	38,216	39,470	1,254
Police Staff Overtime	209	209	0
Other Employee-Related Costs	2,693	2,867	174
Premises Costs	5,454	5,451	(3)
Transport Costs	2,402	2,547	145
Supplies and Services	12,684	13,259	575
Agency and Contracted Services	6,434	5,035	(1,399)
Capital Financing Costs	4,558	4,557	(1)
<b>Net Cost of Services</b>	<b>153,204</b>	<b>154,513</b>	<b>1,309</b>



<b>Comprehensive Income &amp; Expenditure Statement Commissioner</b>	<b>2023/24 (as previously stated)</b>	<b>2023/24 (restated)</b>	<b>Correction</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Police Officer Pay and Pensions	0	0	0
Police Officer Overtime	0	0	0
Police Staff Pay and Pensions	1,004	1,004	0
Police Staff Overtime	0	0	0
Other Employee-Related Costs	11	11	0
Premises Costs	0	0	0
Transport Costs	2	2	0
Supplies and Services	470	470	0
Agency and Contracted Services	2,176	2,176	0
Capital Financing Costs	598	598	0
Grants	(16,936)	(16,633)	303
Other Income	(11,048)	(13,024)	(1,976)
Revaluation of non-current assets	2,726	2,726	0
<b>Net Cost of Services</b>	<b>(20,997)</b>	<b>(22,670)</b>	<b>(1,673)</b>

<b>Comprehensive Income &amp; Expenditure Statement Group</b>	<b>2023/24 (as previously stated)</b>	<b>2023/24 (restated)</b>	<b>Correction</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Police Officer Pay and Pensions	77,301	77,865	564
Police Officer Overtime	3,253	3,253	0
Police Staff Pay and Pensions	39,220	40,474	1,254
Police Staff Overtime	209	209	0
Other Employee-Related Costs	2,704	2,878	174
Premises Costs	5,454	5,451	(3)
Transport Costs	2,404	2,549	145
Supplies and Services	13,154	13,729	575
Agency and Contracted Services	8,610	7,211	(1,399)
Capital Financing Costs	5,156	5,155	(1)
Grants	(16,936)	(16,633)	303
Other Income	(11,048)	(13,024)	(1,976)
Revaluation of non-current assets	2,726	2,726	0
<b>Net Cost of Services</b>	<b>132,207</b>	<b>131,843</b>	<b>(364)</b>

Note 31 – ‘Grants and Other Income’ has been amended accordingly.

Movement in Reserves Statement (MiRS)

	2023/24 (as previously stated)	2023/24 (restated)	Correction
	£'000	£'000	£'000
<b>Unusable Reserves</b>			
<b>Balance at 31 March 2023</b>	<b>996,514</b>	<b>997,247</b>	<b>733</b>
Other Comprehensive Income and Expenditure	(52,672)	(52,672)	0
Adjustments between accounting and funding basis	32,584	32,220	(364)
<b>Balance at 31 March 2024</b>	<b>976,426</b>	<b>976,795</b>	<b>369</b>

Note 9 – ‘Adjustments between Accounting Basis and Funding Basis under Regulations’ has been amended accordingly.

Balance Sheet

<b>Balance Sheet Group</b>	2023/24 (as previously stated)	2023/24 (restated)	Correction
	£'000	£'000	£'000
<b>Short-term Creditors</b>			
Chief Constable	(17,047)	(17,044)	3
Commissioner	(440)	(440)	0
<b>Long-term Creditors</b>			
Chief Constable	0	(372)	(372)
<b>Total Group</b>	<b>(17,487)</b>	<b>(17,856)</b>	<b>(369)</b>
<b>Unusable reserves</b>			
Collaboration Fair Share Reserve	3	372	369
<b>Total Group</b>	<b>3</b>	<b>372</b>	<b>369</b>

Note 23 – ‘Unusable Reserves’ has been amended accordingly.

Cash Flow Statement

The figures in the prior year Cash Flow Statement, and supporting notes (Notes 24, 25 and 26) have been restated since the certification of the prior year accounts. The impact of these changes on the Cash Flow Statement itself is shown in the table below with further information around the nature of each correction being provided underneath:

			Corrections					
			1	2	3	4	5	
2023/24 (as previously stated)		Note	Collaboration Fair Share <del>adjs</del>	Revenue receipts from the sale of vehicles	Payments for, and Receipts from Investing activities	Agency Arrangements	Cash Receipts linked to borrowing	2023/24 (restated)
£'000			£'000	£'000	£'000	£'000	£'000	£'000
30,801	Net (surplus) or deficit on the provision of services	CIES	(364)	0	0	0	0	30,437
(35,049)	Adjustments <del>to net</del> surplus or deficit on the provision of services for non-cash movements		368	0	0	0	0	(34,681)
(2,123)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0	151	(448)	3,500	0	1,080
(6,371)	Net cash flows from Operating Activities	24	4	151	(448)	3,500	0	(3,164)
7,042	Investing Activities	25	0	(151)	448	0	0	7,339
(6,198)	Financing Activities	26	0	0	0	(3,500)	(4)	(9,702)
(5,527)	Net increase or decrease in cash and cash equivalents		4	0	0	0	(4)	(5,527)
5,731	Cash and cash equivalents at the beginning of the reporting period		0	0	0	0	0	5,731
11,258	Cash and cash equivalents at the end of the reporting period	19	(4)	0	0	0	4	11,258

- As outlined previously, the audit of the 2024/25 accounts identified an inaccuracy in the accounting treatment of collaboration fair share adjustments. The resulting correction impacted the 'Net (surplus) or deficit on the provision of services' figure in the CIES (£364k) and has subsequently had an impact on the top two lines of the Cash Flow Statement.
- The figure in respect of 'Proceeds from the sale of property, plant and equipment, investment property and intangible assets' included in Note 25 – Investing Activities' was understated by £151k. This has been corrected and although the overall cash figure remains the same, the restatement has resulted in a difference between cash flow from operating activities and cash flow from investing activities.

This has also affected the CIES for the Commissioner and Group. The 'Other Income' figure in the CIES has decreased by £151k and the 'Loss on disposal of non-current assets' in Note 11 - 'Other Operating Income and Expenditure', has been reduced by £151k.

The 'Sales and Charges' figure in Note 31 – 'Grants and Other Income' has also been reduced.

- Payments and Receipts in relation to Investment Properties were being included in 'Note 25 – Investing Activities' (net inflow of £448k). These cashflows are not considered to be 'investing activities' as defined by the Code. The entries have therefore been removed. The overall cash figure remains the same, but the restatement has resulted in a difference between cash flow from operating activities and cash flow from investing activities.
- Year-on-year movement on assets, liabilities, and reserves in respect of Agency Arrangements was being included in 'Note 26 – Financing Activities' (net outflow of £3,500k). These movements are not considered to be 'financing activities' as defined by the Code. The entries have therefore been removed.

The overall cash figure remains the same, but the restatement has resulted in a difference between cash flow from operating activities and cash flow from financing activities.

5. Cash receipts linked to borrowing have previously been netted off against repayments of borrowing and offset against cash receipts from the sale of Property, Plant and Equipment. The overall cash figure remains the same, however the restatement has resulted in a £4k difference between cash flow from operating activities and cash flow from financing activities. Although not material, this restatement provides a more accurate representation of cash movements in 2023/24.

In addition to the above corrections, to align the headings to those recommended in the Code, and to provide a more accurate representation of cash movements, some presentational changes have also been made to 'Note 24 - Operating Activities'.

The lines for '(Surplus) or Deficit on Revaluation of Fixed Assets', 'Revaluation gains/(losses) on Property, Plant & Equipment', and 'Sale of Fixed Assets (NBV)' have been replaced with 'Impairment and Upward valuations', 'Movements in the value of Investment Properties' and 'Carrying amount of non-current assets sold or derecognised'.

These presentational changes have no impact on the figures in the Cash Flow Statement itself.

### Police Pension Fund

Previously, the Police Pension Fund Net Assets Statement was only reflecting debtors or creditors relating to payments due to retiring officers. It did not reflect other debtors or creditors such as the grant owed from the Home Office, transfer values due, or the net balance owed to the Police Fund.

This has resulted in a requirement to restate the 2023/24 figures as follows:

2023/24 (as previously stated)	Net Assets Statement	2023/24 (restated)
£'000		£'000
255	Debtor – Net balance owed from the Police Fund	0
0	Debtor – Grant owed from the Home Office	5,270
0	Debtor – Transfer values due	465
<b>255</b>	<b>Current Assets</b>	<b>5,735</b>
(255)	Creditor – Payments due to retiring officers	(260)
0	Creditor – Annual Allowances payable to HMRC	0
0	Creditor – Net balance owed to the Police Fund	(5,475)
<b>(255)</b>	<b>Current Liabilities</b>	<b>(5,735)</b>
<b>0</b>	<b>Net Assets</b>	<b>0</b>

### 3. Accounting standards issued but not yet adopted

The Code requires the Police and Crime Commissioner to disclose information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted by the Code. The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts, issued in May 2017 replaces IFRS 4 and sets out principles for recognition, measurement, presentation, and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

It is anticipated that the above changes will have no impact on the current Financial Statements. When compiling the Financial Statements for 2025/26, the effect of the changes will be reassessed and if necessary, the comparative figures restated.

### 4. Critical judgements in applying accounting policies

There continues to be a high degree of uncertainty about future funding levels for the Police and Crime Commissioner for Dyfed-Powys. The impact of the Spending Review announcement on the 11 June 2025 will not be fully understood at a force level until the annual settlement is announced in December. The Home Office planned to publish a Police Reform White Paper in Spring 2025, however, this has been delayed to the end of the year, to outline comprehensive reforms to the policing system in England and Wales. Details around local impact and timescales are not likely to be known for some time. Any changes will take some time to crystallise both in terms of local impact and within the wider economic and political landscape, and are reviewed and monitored as part of ongoing work on the Medium-Term Financial Plan.

The Commissioner has implemented IFRS 16 Leases in 2024/25, and as a result has made several judgements. The threshold for low value exemptions is £10,000 in line with capitalisation de minimis; the incremental borrowing rate used for leases on transition is the PWLB annuity loan rate for the term of the lease; where judgement is required on lease term, for example, on leases that have expired but are continuing indefinitely, the Commissioner will make a judgement on the lease term based on a reasonable expectation of the period during which the underlying asset will be used. Input will be obtained from the relevant departments who have the detailed knowledge required to make this assessment, and judgements will be applied on an individual asset basis,

based on the best information available at the time of making the assessment. Leases will be continually monitored to identify any changes that may impact initial judgements.

## 5. Assumptions and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Commissioner about the future, or figures that are otherwise uncertain. Estimates are made 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 Balance Sheet as at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Property, plant and equipment</b>	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Commissioner will be able to sustain his current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
<b>Pensions liability</b>	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 are projected to increase, changes to retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide expert advice about the assumptions to be applied.	The effects on the liability of changes in individual assumptions can be measured. For instance, an increase of 0.25% in pay award for the police officer pension scheme would result in an increase to the Police Pension Fund liability from £923m to £932m.

## 6. Material items of income and expense

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

### Revaluation of non-current assets

A full revaluation of all land and buildings is undertaken on an annual basis, with the inspections of land and buildings taking place over a 4-year rolling programme. Wilks Head and Eve LLP have been the external valuers for land and buildings of Dyfed-Powys Police since 2021/22.

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

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
2,726	Cost of Services	(299)
(261)	Financing and Investment Income and Expenditure	(14)
(1,877)	Other Comprehensive Income and Expenditure	325
	<b>Balance Sheet</b>	
(830)	Property, plant and equipment	(382)
261	Investment property	14
(19)	Surplus assets	356
0	Assets held for sale	0
2,465	Capital Adjustment Account	(313)
(1,877)	Revaluation Reserve	325

## 7. Events after the Reporting Period

The Draft Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2025.

There are no events after the reporting period to report.



## 8. Note to the Expenditure and Funding Analysis

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

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

<b>2023/24 (Restated)</b> <b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement</b>	<b>Adjustments for Capital Purposes (Column A)</b> <b>£'000</b>	<b>Net Change for the Pensions Adjustments (Column B)</b> <b>£'000</b>	<b>Other Differences (Column C)</b> <b>£'000</b>	<b>Total Adjustments</b> <b>£'000</b>
Police Officer Pay and Pensions	0	(2,335)	(649)	<b>(2,984)</b>
Police Officer Overtime	0	0	0	0
Police Staff Pay and Pensions	0	142	1,055	<b>1,197</b>
Police Staff Overtime	0	0	0	0
Other Employee-Related Costs	0	0	175	<b>175</b>
Premises Costs	0	0	(413)	<b>(413)</b>
Transport Costs	0	0	140	<b>140</b>
Supplies and Services	0	0	618	<b>618</b>
Agency and Contracted Services	0	0	(648)	<b>(648)</b>
Capital Financing Costs	564	0	0	<b>564</b>
Grants	0	0	505	<b>505</b>
Other Income	0	0	(1,517)	<b>(1,517)</b>
Exceptional Items – Revaluation of Non-Current Assets	2,726	0	0	<b>2,726</b>
<b>Net Cost of Services</b>	<b>3,290</b>	<b>(2,193)</b>	<b>(734)</b>	<b>363</b>
Other Income and Expenditure	152	32,742	(1,037)	<b>31,857</b>
<b>Surplus / (Deficit) for the Year</b>	<b>3,442</b>	<b>30,549</b>	<b>(1,771)</b>	<b>32,220</b>

### Column A - Adjustments for Capital Purposes

For Services – adds in depreciation, impairment and revaluation gains and losses. Statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from services as these are not chargeable under generally accepted accounting practices. Capital grants are adjusted for income not chargeable under generally accepted accounting practices.

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

### Column B - Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension-related expenditure and income:

For Services – this represents the removal of the employer pension contributions made by the Group as allowed by statute and the replacement with current service costs and past service costs.

For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

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

### Column C - Other Differences

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

For Services – adjusted by the amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.

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

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

## **9. Adjustments between Accounting Basis and Funding Basis under Regulations**

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

	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
2024/25	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for depreciation and impairment of non-current assets	(5,818)	0	0	5,818
Movement in the Fair Value of Investment Properties	14	0	0	(14)
Revaluation losses on property, plant and equipment	(1,496)	0	0	1,496
Revaluation gains on property, plant and equipment	1,795	0	0	(1,795)
Capital grants and contributions applied	0	0	0	0
Movement on Donated Assets Account	89	0	0	(89)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(480)	0	0	480
Insertion of items not debited or credited to the CIES				
Statutory provision for the financing of capital investment	733	0	0	(733)
Capital expenditure charged against the General Fund	4,444	0	0	(4,444)
Adjustments primarily involving the Capital Receipts Reserve				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	12	0	(12)	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	12	(12)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	16,733	0	0	(16,733)
Employer's pensions contributions and direct payments to pensioners payable in the year	(43,599)	0	0	43,599
Adjustments primarily involving the Accumulated Balances Account				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(154)	0	0	154
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	(54)	0	0	54
<b>Total Adjustments</b>	<b>(27,781)</b>	<b>0</b>	<b>0</b>	<b>27,781</b>

	General Fund Balance	Capital Grants Unapplied	Capital Receipts Reserve	Movement in Unusable Reserves
2023/24 (Restated)	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account				
Reversal of items debited or credited to the CIES				
Charges for depreciation and impairment of non-current assets	(5,155)	0	0	5,155
Movement in the Fair Value of Investment Properties	261	0	0	(261)
Revaluation losses on property, plant and equipment	(2,775)	0	0	2,775
Revaluation gains on property, plant and equipment	49	0	0	(49)
Capital grants and contributions applied	49	0	0	(49)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(1,543)	0	0	1,543
Insertion of items not debited or credited to the CIES				
Statutory provision for the financing of capital investment	220	0	0	(220)
Capital expenditure charged against the General Fund	4,523	0	0	(4,523)
Adjustments primarily involving the Capital Receipts Reserve				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	929	0	(929)	0
Use of the capital receipts reserve to finance new capital expenditure	0	0	929	(929)
Adjustments primarily involving the Pensions Reserve				
Reversal of items relating to retirement benefits debited or credited to the CIES	17,317	0	0	(17,317)
Employer's pensions contributions and direct payments to pensioners payable in the year	(47,864)	0	0	47,864
Adjustments primarily involving the Accumulated Balances Account				
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,772	0	0	(1,772)
Other Adjustments				
Adjustments in respect of fair share of Collaborative Arrangements	(3)	0	0	3
<b>Total Adjustments</b>	<b>(32,220)</b>	<b>0</b>	<b>0</b>	<b>32,220</b>

## 10. Transfers to/from Earmarked Reserves

This note shows the amounts set aside from the Police Fund in earmarked reserves to provide financing for future expenditure plans. The note also shows the amounts posted back from earmarked reserves to meet Police Fund expenditure in 2023/24.

Reserve	As at 31 March 2023 £'000	Re- classifi- cations 2023/24 £'000	Transfers in 23/24 £'000	Transfers out 23/24 £'000	As at 31 March 2024 £'000	Re- classifica- tions 2024/25 £'000	Transfers in 24/25 £'000	Transfers out 24/25 £'000	As at 31 March 2025 £'000
<b><u>Force Reserves:</u></b>									
Sexual Assault Referral Centre (SARC) Reserve	(107)	0	0	0	(107)	0	0	53	(54)
Pay Inflation Reserve	(508)	105	0	0	(403)	403	0	0	0
Energy Costs Reserve	(424)	0	0	424	0	0	0	0	0
Departmental Budget Reserve	(262)	0	0	262	0	0	0	0	0
Insurance and Litigation Reserve	(127)	0	(323)	49	(401)	(100)	(10)	140	(371)
Budget Mitigation Reserve	0	(717)	(601)	15	(1,303)	1,190	(778)	156	(735)
Police Education Qualifications Framework (PEQF) Reserve	(83)	0	0	83	0	(240)	(84)	238	(86)
Forensic Alliance Reserve	0	0	0	0	0	(253)	(87)	203	(137)
Chief Constable Operational Fund	(545)	0	0	0	(545)	0	0	0	(545)
Driver Retraining Scheme Reserve – Chief Constable	0	0	(341)	0	(341)	0	(51)	0	(392)
Transformational Projects Reserve	(1,482)	305	0	682	(495)	190	(190)	242	(253)

	As at 31 March 2023	Re- classific ations 2023/24	Transfers in 23/24	Transfers out 23/24	As at 31 March 2024	Re- classificat ions 2024/25	Transfers in 24/25	Transfers out 24/25	As at 31 March 2025
Reserve	£'000	£'000	£'000	£'000	£'000	£,000	£'000	£'000	£'000
Bank Holiday Reserve	(290)	0	0	290	0	0	0	0	0
Covid-19 Pandemic/Training Backlog Reserve	(174)	0	0	174	0	0	0	0	0
GoSafe Force Contingency Reserve	(249)	0	(80)	0	(329)	329	0	0	0
Ill Health Retirement Reserve	0	0	0	0	0	0	(216)	0	(216)
Welsh Language/Translation Reserve	0	0	(51)	0	(51)	0	0	51	0
Police Race Action Reserve	0	0	(77)	0	(77)	0	0	0	(77)
Innovation Reserve – Robotic Process Automation (RPA)	0	0	(640)	0	(640)	0	0	0	(640)
People Services and Organisational Development Reserve	0	0	(126)	0	(126)	0	0	0	(126)
Disciplinary Hearing Reserve	0	0	(42)	0	(42)	0	0	0	(42)
Police Cadet's Reserve	0	0	0	0	0	0	(64)	4	(60)
<b><u>Commissioner's Reserves:</u></b>									
Office of the Police and Crime Commissioner (OPCC) Reserve	0	0	(37)	0	(37)	(84)	0	37	(84)
Commissioning Services Reserve	0	0	0	0	0	(138)	(19)	0	(157)
Forfeiture Reserve	(71)	0	(74)	44	(101)	(23)	(23)	23	(124)
Sale of Found Property Reserve	(26)	0	0	7	(19)	1	(3)	3	(18)



	As at 31 March 2023	Re- classifi- cations 2023/24	Transfers in 23/24	Transfers out 23/24	As at 31 March 2024	Re- classifi- cations 2024/25	Transfers in 24/25	Transfers out 24/25	As at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of Crime Act Reserve	(125)	0	(389)	93	(421)	0	(201)	251	(371)
Commissioner's Fund	(373)	0	(143)	223	(293)	51	(51)	176	(117)
Driver Retraining Scheme Reserve – Commissioner	(1,086)	0	0	48	(1,038)	0	(219)	265	(992)
Drug Intervention Programme Reserve	(44)	0	0	33	(11)	11	(11)	11	0
Police and Crime Commissioner Innovation Funding Reserve	0	0	(1,000)	0	(1,000)	(605)	(172)	11	(1,766)
<b>Total Specific Earmarked Revenue Reserves</b>	<b>(5,976)</b>	<b>(307)</b>	<b>(3,924)</b>	<b>2,427</b>	<b>(7,780)</b>	<b>732</b>	<b>(2,179)</b>	<b>1,864</b>	<b>(7,363)</b>
Sustainability Fund	(494)	0	0	0	(494)	0	0	494	0
Roads Policing Unit (RPU) Vehicle Reserve	0	0	(235)	0	(235)	0	0	235	0
Capital Reserve - CCTV	0	0	0	0	0	(732)	(350)	0	(1,082)
Other Earmarked Capital Reserves	(7,064)	0	(250)	0	(7,314)	0	(523)	0	(7,837)
<b>Total Earmarked Capital Reserves</b>	<b>(7,558)</b>	<b>0</b>	<b>(485)</b>	<b>0</b>	<b>(8,043)</b>	<b>(732)</b>	<b>(873)</b>	<b>729</b>	<b>(8,919)</b>
Regional Collaboration Reserve	(307)	307	0	0	0	0	0	0	0
GoSafe Road Safety Partnership Reserve	(849)	0	0	849	0	0	0	0	0
<b>Total Ring-Fenced Revenue &amp; Capital Reserves</b>	<b>(1,156)</b>	<b>307</b>	<b>0</b>	<b>849</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Usable Reserves</b>	<b>(14,690)</b>	<b>0</b>	<b>(4,409)</b>	<b>3,276</b>	<b>(15,823)</b>	<b>0</b>	<b>(3,052)</b>	<b>2,593</b>	<b>(16,282)</b>

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

General Reserve

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

Sexual Assault Referral Centre (SARC) Reserve

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

Pay Inflation Reserve

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

Energy Costs Reserve

This reserve was utilised to mitigate the high inflationary increases in energy costs in 2023/24.

Departmental Budget Reserve

This reserve was set up to meet expenditure for goods not received before year end due to supply chain and market delays.

Insurance and Litigation Reserve

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

Budget Mitigation Reserve

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

Police Education Qualifications Framework (PEQF) Reserve

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

Forensic Alliance Reserve

This reserve provides funding for a transition project.

Chief Constable Operational Fund

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

Driver Retraining Scheme Reserve – Chief Constable

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

Transformational Projects Reserve

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

### Bank Holiday Reserve

The creation of a Bank Holiday Reserve sought to mitigate the costs of the pattern of Bank Holidays over two years and has been released accordingly.

### Covid-19 Pandemic / Training Backlog Reserve

This reserve has been fully utilised. It was established to assist in partially mitigating the financial implications arising from the Covid-19 pandemic linked particularly to training backlogs.

### GoSafe Force Contingency Reserve

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

### Ill Health Retirement Reserve

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

### Welsh Language/Translation Reserve

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

### Police Race Action Reserve

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

### Innovation Reserve – Robotic Process Automation (RPA)

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

### People Services and Organisational Development Reserve

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

### Disciplinary Hearing Reserve

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

### Police Cadet's Reserve

One-off funding to support activity for Cadets.

### Office of the Police and Crime Commissioner (OPCC) Reserve

Funding to meet one-off short-term costs.

### Commissioning Services Reserve

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

### Forfeiture Reserve

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

### Sale of Found Property Reserve

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

### Proceeds of Crime Act Reserve

Funds are allocated as a result of confiscation orders arising from proceeds of crime. The reserves are utilised to support operational activities which assist in bringing criminals to justice.

### Commissioner's Fund

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

### Driver Retraining Scheme Reserve - Commissioner

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

### Drug Intervention Programme Reserve

This reserve was set up to support drug testing.

### Police and Crime Commissioner Innovation Funding Reserve

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

### Sustainability Fund

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

### Roads Policing Unit (RPU) Vehicle Reserve

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

### Capital Reserve – CCTV

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

### Earmarked Capital Reserve

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

### Regional Collaboration Reserve

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

During 2023/24 it was established that the funds held were no longer required and they have therefore been reclassified in line with the Force's requirements.

### GoSafe Road Safety Partnership Reserve

This Earmarked Reserve was being held on behalf of the All-Wales GoSafe Road Safety Partnership and has been utilised in line with their business requirements.

## 11. Other operating income and expenditure

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

Group 2023/24 (Restated) £'000	Commissioner 2023/24 (Restated) £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
467	467	Gain/Loss on the disposal/de-recognition of non-current assets	312	312
(17,317)	(17,317)	Home Office Police Officer Pension top-up grant	(16,733)	(16,733)
<b>(16,850)</b>	<b>(16,850)</b>	<b>Total</b>	<b>(16,421)</b>	<b>(16,421)</b>

## 12. Financing and investment income and expenditure

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

Group 2023/24 £'000	Commissioner 2023/24 £'000		Note	Group 2024/25 £'000	Commissioner 2024/25 £'000
140	140	Interest payable and similar charges	17	994	994
50,059	(12)	Net interest on the net defined benefit liability	37	50,518	(3)
106	106	Deficit on revaluation of investment properties	15	182	182
(367)	(367)	(Surplus) on revaluation of investment properties	15	(196)	(196)
(6)	(6)	(Gain)/Loss on the disposal of investment properties		0	0
(729)	(729)	Interest receivable and similar income	17	(1,312)	(1,312)
(903)	(903)	Income in relation to investment properties and changes in their fair value		(1,085)	(1,085)
456	456	Expenditure in relation to investment properties and changes in their fair value		428	428
<b>48,756</b>	<b>(1,315)</b>	<b>Total</b>		<b>49,529</b>	<b>(992)</b>

### 13. Taxation and non-specific grant incomes

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

Group 2023/24 £'000	Commissioner 2023/24 £'000		Note	Group 2024/25 £'000	Commissioner 2024/25 £'000
(72,518)	(72,518)	Precept income		(79,364)	(79,364)
(173)	(173)	National Non-Domestic Rates (NNDR)	31	(192)	(192)
(60,723)	(60,723)	Non-ring-fenced government grants	31	(64,346)	(64,346)
(49)	(49)	Capital grants and contributions	31	(88)	(88)
<b>(133,463)</b>	<b>(133,463)</b>	<b>Total</b>		<b>(143,990)</b>	<b>(143,990)</b>

## 14. Property, plant and equipment

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



	Land	Buildings	Boat	Vehicles	Equipment	Total Property, Plant & Equipment	Intangible Assets	Surplus Assets	Assets Under Construction
2023/24	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation at 1 April 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>870</b>	<b>7,662</b>	<b>18,057</b>	<b>94,718</b>	<b>178</b>	<b>74</b>	<b>18,205</b>
Additions	0	2,844	48	1,283	1,655	5,830	947	0	710
Revaluation increases/(decreases) recognised in the Revaluation Reserve	457	1,437	0	0	0	1,894	0	(19)	0
Revaluation increases/(decreases) recognised in surplus/deficit on the Provision of Services	(14)	(2,712)	0	0	0	(2,726)	0	0	0
Derecognition – disposals	(240)	(1,118)	0	(659)	(834)	(2,851)	0	0	0
Assets reclassified	253	17,384	0	(157)	0	17,480	0	0	(17,637)
Write-off of Accumulated Depreciation on Revaluation	0	(339)	0	0	0	(339)	0	0	0
<b>At 31 March 2024</b>	<b>7,251</b>	<b>78,830</b>	<b>918</b>	<b>8,129</b>	<b>18,878</b>	<b>114,006</b>	<b>1,125</b>	<b>55</b>	<b>1,278</b>
<b>Accumulated depreciation and impairment at 1 April 2023</b>	<b>0</b>	<b>0</b>	<b>(171)</b>	<b>(4,611)</b>	<b>(9,588)</b>	<b>(14,370)</b>	<b>(178)</b>	<b>0</b>	<b>0</b>
Depreciation charge	0	(1,353)	(39)	(1,077)	(2,685)	(5,154)	0	(1)	0
Derecognition disposals	0	23	0	634	831	1,488	0	0	0
Assets reclassified	0	0	0	149	0	149	0	0	0
Write-off of Accumulated Depreciation on Revaluation	0	339	0	0	0	339	0	0	0
<b>Accumulated depreciation and impairment at 31 March 2024</b>	<b>0</b>	<b>(991)</b>	<b>(210)</b>	<b>(4,905)</b>	<b>(11,442)</b>	<b>(17,548)</b>	<b>(178)</b>	<b>(1)</b>	<b>0</b>
<b>Net book value at 31 March 2024</b>	<b>7,251</b>	<b>77,839</b>	<b>708</b>	<b>3,224</b>	<b>7,436</b>	<b>96,458</b>	<b>947</b>	<b>54</b>	<b>1,278</b>
<b>Net book value at 31 March 2023</b>	<b>6,795</b>	<b>61,334</b>	<b>699</b>	<b>3,051</b>	<b>8,469</b>	<b>80,348</b>	<b>0</b>	<b>74</b>	<b>18,205</b>

### Revaluations

A full revaluation of all land and buildings is undertaken on an annual basis, with the inspections of land and buildings taking place over a 4-year rolling programme. Wilks Head and Eve LLP have been the external valuers for land and buildings of Dyfed-Powys Police since 2021/22.

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

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

No significant assumptions have been applied.

### IFRS 16 – Leases

With the adoption of IFRS 16 for the first time in 2024/25, an additional column for the right-of-use assets has been added. The recognition of right-of-use assets of £1,823k reflects the net present value of lease liabilities as at 1 April 2024.

## 15. Investment properties

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

2023/24 £'000		2024/25 £'000
3,200	Balance at start of year	3,288
(173)	Disposals in the year	0
0	Reclassifications	(406)
261	Net gains/(losses) from fair value adjustments	14
<b>3,288</b>	<b>Balance at end of year</b>	<b>2,896</b>

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

Details of the Commissioner's investment properties and information about the fair value hierarchy as at 31 March 2025 and 31 March 2024 are as follows:

	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair value as at 31 March 2025
31 March 2025	£'000	£'000	£'000	£'000
Radio Mast Sites	0	1,982	0	1,982
Office Units	0	914	0	914
	Quoted prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant unobservable inputs (level 3)	Fair value as at 31 March 2024
31 March 2024	£'000	£'000	£'000	£'000
Radio Mast Sites	0	2,192	0	2,192
Office Units	0	1,096	0	1,096

Valuation techniques used to determine level 2 and 3 fair values for investment properties*Significant observable inputs – level 2.*

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

**16. Capital Commitments**

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

2023/24 £'000	Capital Commitments	2024/25 £'000
15,782	Land and Buildings	9,408
4,152	Equipment	3,321
2,533	Vehicles	689
<b>22,467</b>	<b>Total</b>	<b>13,418</b>

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

The contractual commitment for Equipment covers ICT projects, including Body-Worn Video (£1m) and Digital Interviewing (£0.4m) as well as Taser refresh programme (£1.2m).

The contractual commitment of £9.4m for Land and Building in 2024/25 includes £8.4m as the Force contribution towards the Tri-Force Joint Firearms Range training facility which is currently under construction. The commitment takes the project to completion.

**17. Financial Instruments**

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

Financial Liabilities

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

Financial Assets

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

**Financial Instruments – Balances**

The Financial Liabilities disclosed in the Group Balance Sheet are analysed across the following categories:

Financial Liabilities	Long-Term		Short-Term	
	31 March 2024 (Restated) £'000	31 March 2025 £'000	31 March 2024 (Restated) £'000	31 March 2025 £'000
<i>At amortised cost:</i>				
PWLB Loans:				
- Principal sum borrowed	(358)	(10,000)	(10,326)	(10,357)
- Accrued Interest	0	0	(60)	(253)
<b>Total Borrowing</b>	<b>(358)</b>	<b>(10,000)</b>	<b>(10,386)</b>	<b>(10,610)</b>
<i>At amortised cost:</i>				
Other liabilities:				
- Creditors	(372)	(426)	(17,484)	(21,864)
- IFRS16 Right of Use Asset Liability	0	(1,474)	0	(129)
<b>Total Creditors</b>	<b>(372)</b>	<b>(1,900)</b>	<b>(17,484)</b>	<b>(21,993)</b>
<b>Total Financial Liabilities</b>	<b>(730)</b>	<b>(11,900)</b>	<b>(27,870)</b>	<b>(32,603)</b>

The Financial Assets disclosed in the Group Balance Sheet are analysed across the following categories:

Financial Assets	Long-Term		Short-Term	
	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000
<i>At amortised cost:</i>				
Investments:				
- Principal sum invested	0	0	0	0
- Accrued Interest	0	0	0	0
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>At amortised cost:</i>				
Short-term deposits (Call Accounts):				
- Principal sum invested	0	0	9,000	6,000
- Accrued Interest	0	0	39	38
Cash held	0	0	19	19
Bank Current Accounts	0	0	2,200	5,457
<b>Total Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>11,258</b>	<b>11,514</b>
<i>At amortised cost:</i>				
Other Assets:				
- Debtors	0	0	15,936	22,795
<b>Total Debtors</b>	<b>0</b>	<b>0</b>	<b>15,936</b>	<b>22,795</b>
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>27,194</b>	<b>34,309</b>

Gains and LossesFinancial Instruments – Gains and Losses

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

2023/24 £'000		Financial Liabilities – Amortised cost £'000	Financial Assets – Amortised cost £'000	2024/25 £'000
(140)	Interest expense	(994)	0	(994)
729	Interest income	0	1,312	1,312
<b>589</b>	<b>Net gain/(loss) for the year</b>	<b>(994)</b>	<b>1,312</b>	<b>318</b>

Fair Values

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

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

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

	Fair Value Level	Balance Sheet 31 March 2024 (Restated) £'000	Fair Value 31 March 2024 (Restated) £'000	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000
<i>Financial Liabilities held at amortised cost:</i>					
Borrowing	2	(10,744)	(10,784)	(20,610)	(20,968)
<i>Liabilities for which fair value is not disclosed:</i>					
Creditors		(17,856)	(17,856)	(22,290)	(22,290)
IFRS16 Right of Use Asset Liability		0	0	(1,603)	(1,603)
<b>Total Financial Liabilities</b>		<b>(28,600)</b>	<b>(28,640)</b>	<b>(44,503)</b>	<b>(44,861)</b>
<i>Assets for which fair value is not disclosed:</i>					
Debtors		15,936	15,936	22,795	22,795
Cash and Cash Equivalents		11,258	11,258	11,514	11,514
<b>Total Financial Assets</b>		<b>27,194</b>	<b>27,194</b>	<b>34,309</b>	<b>34,309</b>

## 18. Short-Term Debtors

Group 31 March 2024 £'000	Commissioner 31 March 2024 £'000		Group 31 March 2025 £'000	Commissioner 31 March 2025 £'000
1,827	1,827	Trade receivables	3,139	3,139
12,412	12,411	Other receivables	16,835	16,835
1,697	0	Prepayments	2,821	0
<b>15,936</b>	<b>14,238</b>	<b>Total</b>	<b>22,795</b>	<b>19,974</b>

## 19. Cash and Cash Equivalents

	31 March 2024 £'000	31 March 2025 £'000	Increase or (decrease) in Cash and Cash Equivalents £'000
Cash held	19	19	0
Bank current accounts	2,200	5,457	3,257
Short-term deposits	9,039	6,038	(3,001)
<b>Total</b>	<b>11,258</b>	<b>11,514</b>	<b>256</b>

**20. Assets held for sale**

	31 March 2024 £'000	31 March 2025 £'000
Balance outstanding at start of year	5	8
Assets newly classified as held for sale		
Assets reclassified	8	90
Assets sold	(5)	(8)
<b>Balance outstanding at year end</b>	<b>8</b>	<b>90</b>

**21. Short-Term Creditors**

Group 31 March 2024 (Restated) £'000	Commissioner 31 March 2024 £'000		Group 31 March 2025 £'000	Commissioner 31 March 2025 £'000
(3,349)	(323)	Trade payables	(3,819)	(425)
(14,135)	(117)	Other payables	(18,045)	(1,528)
<b>(17,484)</b>	<b>(440)</b>	<b>Total</b>	<b>(21,864)</b>	<b>(1,953)</b>

**22. Provisions****Short-Term Provisions**

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

	Statutory Funds £'000	Injury Awards and Ill Health Retirements £'000	Other Provisions £'000	Total £'000
<b>Balance at 1 April 2024</b>	<b>(1,262)</b>	<b>(819)</b>	<b>0</b>	<b>(2,081)</b>
Additional provisions made	(431)	(383)	0	(814)
Amounts used	332	299	0	631
Unused amounts reversed	0	216	0	216
Reclassification	0	0	0	0
<b>Balance at 31 March 2025</b>	<b>(1,361)</b>	<b>(687)</b>	<b>0</b>	<b>(2,048)</b>

**Statutory Funds**

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



Injury Awards and Ill Health Retirements

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

**Long-Term Provisions**

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

	Insurance and Litigation Provision	Municipal Mutual Insurance Ltd	Total
	£'000	£'000	£'000
<b>Balance at 1 April 2024</b>	<b>(909)</b>	<b>(457)</b>	<b>(1,366)</b>
Additional provisions made	(872)	0	(872)
Amounts used	464	0	464
Unused amounts reversed	54	0	54
<b>Balance at 31 March 2025</b>	<b>(1,263)</b>	<b>(457)</b>	<b>(1,720)</b>

Insurance and Litigation Provision

An assessment of the likely settlement of insurance claims to be made by the Commissioner has been carried out and this amounted to £1,095k.

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

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

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

Municipal Mutual Insurance Ltd. (MMI)

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

## 23. Unusable Reserves

2023/24 (Restated) £'000		2024/25 £'000
(29,108)	Revaluation Reserve	(28,176)
(49,168)	Capital Adjustment account	(49,068)
1,526	Accumulated Absences account	1,680
1,053,173	Pensions Reserve	922,940
372	Collaboration Fair Share Reserve	426
<b>976,795</b>	<b>Total</b>	<b>847,802</b>

### Revaluation Reserve

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

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

2023/24 £'000		2024/25 £'000
<b>(27,826)</b>	<b>Balance at 1 April</b>	<b>(29,108)</b>
(1,877)	(Upward)/downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on Provision of Services	325
<b>(29,703)</b>	<b>(Surplus) or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services</b>	<b>(28,783)</b>
595	Amounts written off to the Capital Adjustment Account	607
<b>(29,108)</b>	<b>Balance at 31 March</b>	<b>(28,176)</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting, for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Group/Commissioner.

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

2023/24 £'000		2024/25 £'000
<b>(52,016)</b>	<b>Balance at 1 April</b>	<b>(49,168)</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
5,155	Charges for depreciation and impairment of non-current assets	5,818
2,775	Revaluation losses on property, plant and equipment	1,496
(49)	Revaluation gains on property, plant and equipment	(1,795)
1,543	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	480
	Adjusting amounts written out of the revaluation reserve:	
(595)	Fair Value Deprecation	(607)
<b>(43,187)</b>		<b>(43,776)</b>
	Capital financing applied in the year	
(929)	Use of Capital Receipts to finance new capital expenditure	(12)
0	Use of Reserves to finance new capital expenditure	(880)
(49)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(89)
0	Application of grants to capital financing from the Capital Grants Unapplied Account	0
(220)	Statutory provision for the financing of capital investment charged against the Police Fund	(733)
(4,522)	Capital expenditure charged against the General Fund	(3,564)
<b>(5,720)</b>		<b>(5,278)</b>
(261)	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(14)
<b>(49,168)</b>	<b>Balance at 31 March</b>	<b>(49,068)</b>

### Accumulated Absences Account

This account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to, or from, the Account.

2023/24 £'000		2024/25 £'000
<b>3,299</b>	<b>Balance at 1 April</b>	<b>1,526</b>
(3,299)	Settlement or cancellation of accrual made at the end of the preceding year	(1,526)
1,526	Amounts accrued at the end of the current year	1,680
<b>1,526</b>	<b>Balance at 31 March</b>	<b>1,680</b>

Pensions Reserve

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

2023/24 £'000		2024/25 £'000
<b>1,073,421</b>	<b>Balance at 1 April</b>	<b>1,053,173</b>
(50,795)	Actuarial (gains) or losses on pensions assets and liabilities	(157,099)
(17,317)	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	(16,733)
47,864	Employer's pensions contributions and direct payments to pensioners payable in the year.	43,599
<b>1,053,173</b>	<b>Balance at 31 March</b>	<b>922,940</b>

Collaboration Fair Share Reserve

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

2023/24 (Restated) £'000		2024/25 £'000
<b>369</b>	<b>Balance at 1 April</b>	<b>372</b>
3	In-year movement	54
<b>372</b>	<b>Balance at 31 March</b>	<b>426</b>

**24. Cash flow statement – operating activities**

2023/24 (Restated) £'000		2024/25 £'000
<b>30,437</b>	<b>Net (surplus) or deficit on the provision of services</b>	<b>27,322</b>
	Adjustments for non-cash movements	
(5,155)	Depreciation	(5,818)
(2,728)	Impairment and upward (downward) valuations	299
61	Contribution (to)/from Provisions	(321)
261	Movement in fair value of investment properties	14
105	Increase/(Decrease) in Inventories	(119)
3,999	Increase/(Decrease) in Debtors	6,859
920	(Increase)/Decrease in Creditors	(3,653)
(30,547)	Movement in pension liability	(26,866)
(1,543)	Carrying amount of non-current assets sold or derecognised	(480)
(54)	Other non-cash movements charged to the surplus or deficit on provision of services	(194)
<b>(34,681)</b>		<b>(30,279)</b>
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	
1,080	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	168
<b>1,080</b>		<b>168</b>
<b>(3,164)</b>	<b>Net cash flows from operating activities</b>	<b>(2,789)</b>

**25. Cash flow statement – investing activities**

2023/24 (Restated) £'000		2024/25 £'000
8,419	Purchase of property, plant and equipment, investment property and intangible assets	12,154
0	Transition of Right of Use Assets – IFRS 16	1,824
55,000	Purchase of short-term and long-term investments	78,000
(1,080)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(168)
(55,000)	Proceeds from short-term and long-term investments	(78,000)
<b>7,339</b>	<b>Net cash flows from investing activities</b>	<b>13,810</b>

## 26. Cash flow statement – financing activities

2023/24 (Restated) £'000		2024/25 £'000
(10,000)	Cash Receipts of short- and long-term borrowing	(21,807)
298	Repayments of short- and long-term borrowing	10,326
0	Repayment of lease liability	204
(9,702)	<b>Net cash flows from financing activities</b>	<b>(11,277)</b>

## 27. Agency Services

In accordance with the requirements of *IAS 18 Revenue*, the Code of Practice requires that where an organisation acts as an agent, transactions will not be reflected in an authority's financial statements, with the exception of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position and the net cash is included in Financing Activities in the Cash Flow Statement.

### GoSafe

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

The GoSafe Partnership is funded from two principal sources: a Welsh Government grant, and income received from attendance of offenders on Speed Awareness courses.

On behalf of the Partnership, during 2024/25, the Police and Crime Commissioner submitted grant claims totalling £5.3m (2023/24: £3.6m), received income from Speed Awareness courses of £5.4m (2023/24: £4.0m), and incurred expenditure to the value of £10.7m (2023/24: £8.5m). In addition to this, grant income to the value of £1.7m was received in advance during 2024/25 and is being held on the Balance Sheet for utilisation during 2025/26 (2023/24: £nil).

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

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

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

From 31 March 2024 onwards, we have been advised by the Home Office to amalgamate the balances that are being held in respect of these two agency arrangements. At 31 March 2025, the Commissioner held £133k of undistributed funds (31 March 2024: £130k) and it is anticipated that this balance will be distributed in future years.

## 28. Collaborative Arrangements

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

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

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

The total costs of the collaborative team in 2024/25 were £506k (2023/24 £422k) and Dyfed-Powys Police's contribution to these costs was £130k in 2024/25 (2023/24 £109k).

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

Included in accounting policies under collaborative arrangements is an explanation of the accounting requirements for joint operations. IFRS 11 - Accounting for Joint Arrangements, requires income and expenditure to be subject to a different accounting treatment than actually incurred. Accordingly, expenditure in the Comprehensive Income and Expenditure Statement has been increased by £2,397k (2023/24: £2,506k) and income/grants have been increased by £2,343k (2023/24: £2,503k); a net increase in expenditure of £54k (2023/24: increase of £3k). This net increase has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

Assets, debtors and creditors in respect of the arrangements have remained in the balance sheets of forces on the basis of materiality.



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

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

Each Force's contribution towards Expenditure and Income for 2024/25 was as follows:

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

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

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

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

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

Expenditure and Income Statements for 2023/24 for the main collaborative arrangements are as follows:

Service Classification	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total
	National Policing £'000	National Policing £'000	National Policing £'000	Intelligence Investigation £'000	Intelligence £'000	Specialist Operations £'000	
Pay Expenditure	9,241	627	3,697	11,642	1,663	14,666	41,536
Non-Pay Expenditure	2,314	64	529	2,338	560	2,374	8,179
<b>Gross Expenditure</b>	<b>11,555</b>	<b>691</b>	<b>4,226</b>	<b>13,980</b>	<b>2,223</b>	<b>17,040</b>	<b>49,715</b>
Specific Grant Income	(11,492)	(691)	(4,226)	(7,316)	0	(1,336)	(25,061)
Income	(63)	0	0	(116)	(29)	(844)	(1,052)
<b>Total Income and Grants</b>	<b>(11,555)</b>	<b>(691)</b>	<b>(4,226)</b>	<b>(7,432)</b>	<b>(29)</b>	<b>(2,180)</b>	<b>(26,113)</b>
<b>(Surplus) or Deficit – to be funded from Force contributions as follows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,548</b>	<b>2,194</b>	<b>14,860</b>	<b>23,602</b>
Force contributions (net)							
Dyfed-Powys	0	0	0	(1,332)	(446)	(4,458)	(6,236)
Gwent	0	0	0	(1,701)	(570)	(2,972)	(5,243)
South Wales	0	0	0	(3,515)	(1,178)	(7,430)	(12,123)
<b>Total Force Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,548)</b>	<b>(2,194)</b>	<b>(14,860)</b>	<b>(23,602)</b>

Each Force's contribution towards Expenditure and Income for 2023/24 is as follows:

Service Classification and agreed basis of apportionment	Counter Terrorism Intelligence Unit/Special Branch	Counter Terrorism Specialist Advisors	Counter Terrorism Port/Dedicated Security	Regional Organised Crime Unit	Regional Task Force	Joint Firearms Unit	Total £'000
	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	National Policing (Population – national benefit basis) £'000	Intelligence/ Investigation (Population – national benefit basis) £'000	Intelligence (Agreed Financial Contribution – local delivery) £'000	Specialist Operations (Agreed Financial Contribution – local delivery) £'000	
Dyfed-Powys	1,915	115	430	2,969	452	5,112	<b>10,993</b>
Gwent	2,182	131	490	3,384	577	3,408	<b>10,172</b>
North Wales*	2,539	152	2,202	0	0	0	<b>4,893</b>
South Wales	4,919	293	1,104	7,627	1,194	8,520	<b>23,657</b>
<b>Gross Expenditure</b>	<b>11,555</b>	<b>691</b>	<b>4,226</b>	<b>13,980</b>	<b>2,223</b>	<b>17,040</b>	<b>49,715</b>
Dyfed-Powys	(1,915)	(115)	(430)	(1,579)	(6)	(654)	<b>(4,699)</b>
Gwent	(2,182)	(131)	(490)	(1,799)	(7)	(436)	<b>(5,045)</b>
North Wales*	(2,539)	(152)	(2,202)	0	0	0	<b>(4,893)</b>
South Wales	(4,919)	(293)	(1,104)	(4,054)	(16)	(1,090)	<b>(11,476)</b>
<b>Total Income and Grants</b>	<b>(11,555)</b>	<b>(691)</b>	<b>(4,226)</b>	<b>(7,432)</b>	<b>(29)</b>	<b>(2,180)</b>	<b>(26,113)</b>

### Tri-Force Firing Range – Capital Project

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

Total Expenditure on the Asset Under Construction (AUC) at 31 March 2024 was £4,709k, with expenditure of £21,619k during the financial year 2024/25, giving an AUC expenditure of £26,328k at 31 March 2025. The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the table below:

Assets Under Construction 2024/25	Dyfed-Powys Police	South Wales Police	Gwent Police	Total
	26.72%	44.35%	28.93%	
	£'000	£'000	£'000	£'000
<b>Opening Balance at 1 April</b>	<b>1,258</b>	<b>2,088</b>	<b>1,363</b>	<b>4,709</b>
Expenditure during the year	5,777	9,588	6,254	<b>21,619</b>
<b>Closing Balance at 31 March</b>	<b>7,035</b>	<b>11,676</b>	<b>7,617</b>	<b>26,328</b>

**29. Officers' remuneration**

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

\*Staff under the direction and control of the Commissioner

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

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

\*\*\*\* there was a crossover of employment for the Deputy Chief Constable post as a handover was given due to the nature of this role

The role of Chief Constable is provided with a vehicle, however no liability to income tax arises in respect of the benefit as this officer is on call at all times. This is in accordance with Section 248A of ITEPA 2003, which states: '1) This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person's private use and b) the terms on which it is made available

prohibit its private use otherwise than when the person is on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances. 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit'.

Senior Employees 2023/24	From	To	Full-time equivalent salary as at 31/03/24 or end date £	Actual salary, including allowances £	Benefits in kind – lease cars £	Benefits in kind – relocation expenses £	Pay in Lieu of Notice / Exit Payment £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration £
Chief Constable	01/04/2023	31/03/2024	174,633	169,873	0	0	0	169,873	52,661	222,534
Deputy Chief Constable**	01/04/2023	11/12/2023	133,248	90,885	5,312	0	0	96,197	27,633	123,830
Temporary Deputy Chief Constable***	04/06/2023	31/03/2024	133,248	110,209	7,411	0	0	117,620	33,578	151,198
Assistant Chief Constable	16/07/2023	31/03/2024	122,307	81,401	3,225	0	0	84,626	25,175	109,801
Temporary Assistant Chief Constable (A)	01/04/2023	15/07/2023	107,502	31,210	1,190	0	0	32,400	9,675	42,075
Temporary Assistant Chief Constable (B)	01/04/2023	03/06/2023	114,306	20,364	1,564	0	0	21,928	6,201	28,129
Director of Finance/ Chief Financial Officer to the Chief Constable	01/04/2023	31/03/2024	103,134	100,357	0	0	0	100,357	16,860	117,217
Director of People and Organisation Development****	07/08/2023	31/03/2024	86,934	56,125	0	0	0	56,125	9,429	65,554
Commissioner	01/04/2023	31/03/2024	68,202	68,202	0	0	0	68,202	11,458	79,660
Chief Financial Officer to the Commissioner*	01/04/2023	31/03/2024	92,652	60,015	0	0	0	60,015	10,083	70,098
Chief Executive*	01/04/2023	31/03/2024	92,652	88,196	0	0	0	88,196	14,817	103,013
Director of Commissioning and Partnership*	01/04/2023	31/03/2024	60,678	59,824	0	0	0	59,824	9,882	69,706
<b>Total 2023/24</b>				<b>936,661</b>	<b>18,702</b>	<b>0</b>	<b>0</b>	<b>955,363</b>	<b>227,452</b>	<b>1,182,815</b>

\*Staff under the direction and control of the Commissioner

\*\*On 20 March 2023, the Deputy Chief Constable started a secondment with the University of South Wales in the position of Programme Manager – Hydra Research and Innovation. No income was received for this secondment

\*\*\*The salary includes a £493 back payment from 2021/22 for their time as ACC Regional Collaboration. There is also £153 within pension contributions relating to this.

\*\*\*\*This is a new post created in the 2023/24 year

The Chief of Staff role has been renamed to Chief Executive and was held by the same employee for the full year.

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

An overpayment of salary to the Chief Executive and Chief Finance Officer in 2021/22 was identified during 2022/23. The overpayment has been adjusted and the overpayments were fully recovered by the end of 2024/25.

Details of the overpayment are as follows:

	2021/22 Amount Paid £	2021/22 Amount due £	2021/22 Amount overpaid £	Amounts recovered £	Amounts outstanding as at 31/03/25 £
Chief Executive	104,193	99,765	4,428	4,428	0
Chief Finance Officer	70,401	67,409	2,992	2,992	0
	<b>174,594</b>	<b>167,174</b>	<b>7,420</b>	<b>7,420</b>	<b>0</b>

#### Other employees – (excludes senior officers – itemised above)

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

2023/24 Number of employees		2024/25 Number of employees
72	£60,000 - £64,999	107
23	£65,000 - £69,999	71
7	£70,000 - £74,999	13
3	£75,000 - £79,999	3
4	£80,000 - £84,999*	8
0	£85,000 - £89,999	2
6	£90,000 - £94,999*	5
6	£95,000 - £99,999	2
2	£100,000-£104,999	4
0	£105,000-£109,999	3
2	£110,000-£114,999	0
0	£115,000-£119,999	0
0	£120,000-£124,999	0
0	£125,000-£129,999	0

One employee receiving more than £60,000 for the year was employed by the Commissioner in 2023/24. They are included within the £60,000-64,999 banding.

\* Remuneration includes a compensation for loss of office payment in 2023/24.

#### Salary over £150,000

One police officer, Dr Richard Lewis, the Chief Constable, received an annual remuneration of £191,331 in 2024/25 (2023/24: £174,633).

**Ratio of Chief Constable Remuneration/Chief Executive Remuneration**

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

- a) the remuneration of the body's Chief Constable/Chief Executive during the year to which the accounts relate;
- b) the median full-time equivalent remuneration of all the body's employees in post at 31 March 2025; and
- c) the ratio of the amount in sub-paragraph (a) to the amount in sub-paragraph (b).

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

**Commissioner – Chief Executive**

The remuneration of the Chief Executive for 2024/25 was £97,053 (2023/24: £92,652).

The median full-time equivalent remuneration of all the Commissioner's employees as at 31 March 2025 was £39,813 (2023/24: £39,183).

The ratio of the Chief Executive's remuneration to the median Commissioner employee's remuneration is 2:44:1 for 2024/25 (2023/24: 2:36:1).

**Chief Constable**

The annualised remuneration for the Chief Constable was £191,331 (2023/24: £174,633). The Chief Constable received no benefit in kind during 2024/25 (2023/24: nil).

The median full-time equivalent remuneration of all the Chief Constable's employees as at 31 March 2025 was £40,781 (2023/24: £39,307).

The ratio of the Chief Constable's remuneration to the median Chief Constable employee's remuneration is 4:69:1 for 2024/25 (2023/24: 4:44:1).

**Joint Audit Committee Members**

The following amounts were paid to members:

Group 2023/24 £'000	Commissioner 2023/24 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
2	2	Allowances	10	10
<b>2</b>	<b>2</b>	<b>Total</b>	<b>10</b>	<b>10</b>



### 30. External Audit Costs

The Commissioner and the Chief Constable jointly incurred external audit fees with Audit Wales. The total costs are split equally between the Group/Commissioner Statement of Accounts and the Chief Constable Statement of Accounts.

2023/24 £'000	Area of Audit Work	2024/25 £'000
97	Audit of Accounts	99
6	Use of Resources	6
<b>103</b>	<b>Total</b>	<b>105</b>

### 31. Grants and Other Income

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

2023/24 (Restated) £'000		2024/25 £'000
	Credited to Taxation and Non-specific grant income:	
(34,432)	Police Revenue Grant	(37,530)
(17,972)	Welsh Floor Grant	(18,595)
(8,319)	Revenue Support Grant	(8,221)
(173)	National Non-Domestic Rates (NNDR)	(192)
(49)	Capital Grants and Contributions	(88)
<b>(60,945)</b>	<b>Total grants credited to Taxation and Non-specific grant income</b>	<b>(64,626)</b>
	Credited to Services – Revenue grants:	
(3,446)	Police Community Support Officers	(2,287)
(3,349)	Counter-Terrorism Grants	(3,229)
(1,302)	Specific Grant – pensions	(4,067)
0	McCloud Remedy Compensation Grant	(739)
0	Additional Recruitment Top-Up Grant	(480)
(2,494)	Police Uplift Programme	(3,010)
(2,337)	Home Office Special Grant – Pay Award	(1,160)
(285)	Private Finance Initiative	(272)
(300)	All Wales Schools Liaison Programme	0
(350)	Disclosure and Barring Grant	(400)
(195)	Capital Loans Grant	(195)
(162)	National Law Enforcement Data (LEDS) Programme Grant	(103)
(337)	Policing Education Qualifications Framework (PEQF) Grant	(337)
(142)	Home Office Special Grant - Funding to support Software Licences Cost	0
(90)	Office of the Police Chief Scientific Advisor (OPCSA) Grant	(155)
(183)	Serious Violence Duty Grant	(187)
(60)	Grant for the co-ordination of NPCC actions in the End-to-End plan	(100)
0	XL Bully Dogs Kennelling Cost Grant	(101)
(68)	Specialist Cyber Crime - Option 3 Grant	(104)
0	Anti-Social Behaviour (ASB) Hotspot Funding	(701)
0	General Election Funding 2024	(49)
0	Robotic Process Automation Funding	(100)
0	Emergency Services Mobile Communication Programme (ESMCP) – Covert Airwaves	(77)
(150)	Other Revenue Grants	(223)
<b>(15,250)</b>	<b>Total Revenue Grants accounted for by the Force</b>	<b>(18,076)</b>

(1,417)	Victim Support Services	(1,412)
(443)	Safer Streets Fund	(355)
(30)	Funding for the development of the Central Repository of the Single Unified Safeguarding Review	0
<b>(1,890)</b>	<b>Total Revenue Grants accounted for by the Commissioner</b>	<b>(1,767)</b>
	<b>** Collaborative Grants</b>	
507	Counter-Terrorism and Joint Firearms Unit grants – fair share adjustment	371
<b>(16,633)</b>	<b>Total Revenue Grants credited to services</b>	<b>(19,472)</b>

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

<b>2023/24 (Restated) £'000</b>		<b>2024/25 £'000</b>
	Credited to services	
	<i>Other Income</i>	
(452)	Mutual Aid to Other Police Forces	(306)
(1,116)	Contributions from Other Public Bodies	(695)
(2,433)	Income from Secondments	(2,586)
(552)	Sales and Charges	(674)
(11)	Insurance Receipts	(49)
(159)	Vehicle Recovery Scheme	(103)
(244)	Prosecution Costs Recovered	(253)
(12)	Donations	(66)
(423)	Custody Charging – Home Office	(24)
(1,565)	Fees and Charges – Driver Retraining	(1,690)
(1,415)	Other Income/Recoverables – GoSafe (Dyfed-Powys element)	(1,456)
(463)	Other Income	(1,067)
(140)	Internal Recharge Income - ICT	(191)
(879)	Internal Recharge Income - Other	(1,212)
<b>(9,864)</b>	<b>Total Other Income accounted for by the Commissioner</b>	<b>(10,372)</b>
	<b>** Collaborative Income</b>	
(3,009)	Collaborative Arrangements – fair share adjustment	(2,715)
<b>(12,873)</b>	<b>Total other income credited to services</b>	<b>(13,087)</b>

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

## 32. Related Parties

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

### Central Government and Other Public Bodies

Central Government has significant influence over the general operations of the Group/Commissioner – it is responsible for providing the statutory framework within which the Group/Commissioner operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group/Commissioner has with other parties. A number of grants are received from the Home Office and the Welsh Government, most of which have strict terms and conditions, and these are set out in Note 31.

### Local Government

The Police and Crime Commissioner for Dyfed-Powys receives income in the form of precepts from the Council Tax Collection Funds of local authorities. The income received for 2024/25 and 2023/24 is provided below:

2023/24 £'000		2024/25 £'000
(23,471)	Carmarthenshire County Council	(25,387)
(18,712)	Pembrokeshire County Council	(21,337)
(20,090)	Powys County Council	(21,428)
(10,245)	Ceredigion County Council	(11,212)
<b>(72,518)</b>	<b>Total</b>	<b>(79,364)</b>

### Senior Officers

The Commissioner sat on the board of the Police Digital Service until October 2023. The Police Digital Service is a company limited by guarantee and is wholly owned by Police and Crime Commissioners across England and Wales. It was established to support policing to make people safer through better ICT and through seeking to act as a bridge between the policing, technological and commercial worlds. During the 2024/25 financial year, the Police and Crime Commissioner for Dyfed-Powys paid a total of £nil to the Police Digital Service (2023/24: £284k) due to leaving the board during the 2023/24 year.

The Commissioner is a board member for the National Police Air Support Service (NPAS). NPAS provides air support to police forces across England and Wales. The Police and Crime Commissioner for Dyfed-Powys is invoiced by the Police and Crime Commissioner for West Yorkshire for this service and during 2024/25, the total amount invoiced in respect of NPAS was £381k (2023/24: £381k). Currently, two officers employed by the Force are seconded to NPAS on a full cost recovery basis.

No other senior officers declared any related party relationships for 2024/25.

Entities controlled or significantly influenced by the Group/Commissioner

The Commissioner, Chief Constable, and both Chief Financial Officers were trustees of the 'Safer Dyfed-Powys Diogel Trust' until the charity was dissolved in August 2024. Further information about the Trust is included in 'Note 40 - Trust Funds'.

During 2024/25, the Group did not undertake any financial transactions with Safer Dyfed-Powys Diogel (2023/24: nil).

Joint Audit Committee Members

The total allowances and expenses paid to members during the year are shown in note 29.

During 2024/25, a member of the Joint Audit Committee has been employed by Barcud Housing Association, which is a partner of Dyfed-Powys Police. During 2024/25 financial year there was £15k spent with Barcud Housing Association (2023/24: nil).

Two members of the Joint Audit Committee are lay members of Carmarthenshire County Council's Governance and Audit Committee, one of which has served as its Chair since their appointment to the Governance and Audit Committee in 2022.

**33. Capital expenditure and capital financing**

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

2023/24 £'000		2024/25 £'000
<b>21,991</b>	<b>Opening Capital Financing Requirement</b>	<b>23,758</b>
7,488	Property, Plant and Equipment	12,933
0	Investment Properties	0
0	Assets Held for Sale	0
0	Right of Use Assets	1,733
	Sources of finance:	
(929)	Capital receipts	(12)
(49)	Government grants and other contributions	0
0	Sum set aside from Revenue (Earmarked Capital Reserve)	(880)
(4,523)	Direct revenue contributions	(3,564)
(220)	Minimum Revenue Provision	(733)
<b>23,758</b>	<b>Closing capital financing requirement</b>	<b>33,235</b>
	Explanation of movements in year:	
220	Capital Financing (Minimum Revenue Provision)	733
(1,987)	Increase in underlying need to borrowing (unsupported by government financial assistance)	(10,210)
<b>(1,767)</b>	<b>(Increase)/decrease in capital financing requirement</b>	<b>(9,477)</b>

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

In 2024/25 the MRP is £733k (2023/24: £220k). MRP is chargeable in the year after the asset becomes operational, in line with the MRP policy included in the Treasury Management Strategy 2024/25, outlined in the Accounting Policy section.

### 34. Leases

#### Group/Commissioner as Lessee - Operating Leases

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

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

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

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

Group 2023/24 £'000	Commissioner 2023/24 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
192	192	Not later than one year	0	0
443	443	Later than one year and not later than five years	0	0
746	746	Later than five years	0	0
<b>1,381</b>	<b>1,381</b>	<b>Total</b>	<b>0</b>	<b>0</b>

The future minimum lease payments as at 31 March 2025 are £nil as the operating leases have been re-categorised as Right of Use Assets.

#### Group/Commissioner as Lessee - Right of Use

##### Change in Accounting Policy and Transition to IFRS 16 Lease Accounting

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

The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e., without recognising the leased property as an asset and future rents as a liability) will now be accounted for as right-of-use assets and a corresponding lease liability recognised. Leases for items of low value and leases of short duration (expire on or before 31 March 2025) are exempt from IFRS 16 disclosure requirements.

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

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

Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures, they have their own column within Note 14.

Lease liability has been calculated using the equivalent of a weighted average PWLB rate of 4.69%.

### Recognition of Right of Use assets within Property, Plant and Equipment

Group 2023/24 £'000	Commissioner 2023/24 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
0	0	Recognition of Right of Use Asset as 1 April	1,823	1,823
0	0	Additions during the year	0	0
0	0	Depreciation	(160)	(160)
0	0	Disposals	0	0
<b>0</b>	<b>0</b>	<b>Total</b>	<b>1,663</b>	<b>1,663</b>

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

Lease Payments					Lease Liabilities			
Group	Commissioner	Group	Commissioner		Group	Commissioner	Group	Commissioner
2023/24	2023/24	2024/25	2024/25		2023/24	2023/24	2024/25	2024/25
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
192	192	204	204	Not later than one year	0	0	129	129
443	443	736	736	Later than one year and not later than five years	0	0	335	335
746	746	1,321	1,321	Later than five years	0	0	1,139	1,139
<b>1,381</b>	<b>1,381</b>	<b>2,261</b>	<b>2,261</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,603</b>	<b>1,603</b>

### Transactions under leases

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

Group 2023/24 £'000	Commissioner 2023/24 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
0	0	Interest on Lease Liabilities	72	72
0	0	Expenses relating to short – term leases	21	21
0	0	Expenses relating to exempt leases of low values	13	13
<b>0</b>	<b>0</b>	<b>Total</b>	<b>106</b>	<b>106</b>

### Group/Commissioner as Lessor

#### Operating Leases

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

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

Group 2023/24 £'000	Commissioner 2023/24 £'000		Group 2024/25 £'000	Commissioner 2024/25 £'000
293	293	Not later than one year	297	297
1,058	1,058	Later than one year and not later than five years	1,035	1,035
640	640	Later than five years	491	491
<b>1,991</b>	<b>1,991</b>	<b>Total</b>	<b>1,823</b>	<b>1,823</b>

### 35. Impairment Losses

There were no Impairment Losses during 2024/25 (2023/24: £nil).

### 36. Termination benefits

Three exit packages (including payment in lieu of notice) were paid during 2024/25 (2023/24: 19). There was an increase in 2023/24 due to a Force Savings Review.

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

The total costs within £0-40,000 banding has reduced by £1,000 for the 2023/24 comparative year due to an over-accrual.



Exit package cost band	2023/24			2024/25		
	Number of departures agreed (exc. compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (inc. payment in lieu of notice and compulsory redundancies)	Number of departures agreed (excluding compulsory redundancies)	Number of compulsory redundancies agreed	Departure cost (including payment in lieu of notice and compulsory redundancies)
	FTE	FTE	£'000	FTE	FTE	£'000
£0 - £40,000	10.0	3.0	173	3.0	0.0	51
£40,001 - £60,000	0.0	0.0	0	0.0	0.0	0
£60,001 - £80,000	1.0	2.0	196	0.0	0.0	0
£80,001 - £100,000	1.0	0.0	92	0.0	0.0	0
£100,001 - £150,000	2.0	0.0	228	0.0	0.0	0
	<b>14.0</b>	<b>5.0</b>	<b>689</b>	<b>3.0</b>	<b>0.0</b>	<b>51</b>

### 37. Defined Benefit Pension Schemes

#### Participation in pension schemes

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

The Group participates in two post-employment schemes:

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

#### **Valuation of Scheme Liabilities**

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

#### Transactions Relating to Post-Employment Benefits

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

However, the charge the Group is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the

General Fund via the Movement in Reserves Statement. The following table describes transactions that have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year.

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

Local Government Pension Scheme		Police Pension Scheme			Local Government Pension Scheme		Police Pension Scheme	
Group	Commiss.	Group	Commiss.		Group	Commiss.	Group	Commiss.
2023/24	2023/24	2023/24	2023/24		2024/25	2024/25	2024/25	2024/25
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Comprehensive Income and Expenditure Statement (CIES)				
				Cost of services				
(5,196)	(103)	(16,005)	0	Current service cost	(5,225)	(122)	(15,665)	0
(652)	0	0	0	Other	(135)	0	0	0
				Financing and Investment Income and Expenditure				
613	12	(50,672)	0	Net interest expense	139	3	(50,657)	0
<b>(5,235)</b>	<b>(91)</b>	<b>(66,677)</b>	<b>0</b>	<b>Total Post-Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>(5,221)</b>	<b>(119)</b>	<b>(66,322)</b>	<b>0</b>
				Other Post-Employment Benefit charged to the CIES				
				Remeasurement of the net defined benefit liability comprising:				
11,360	226	0	0	Return on plan assets (excluding the amount included in the net interest expense)	(5,286)	(124)	0	0
2,233	44	20,752	0	Remeasurement gains and losses arising on changes in demographic assumptions	382	9	1,724	0
6,993	139	36,862	0	Remeasurement gains and losses arising on changes in financial assumptions	31,789	743	156,114	0
(781)	(16)	(6,348)	0	Remeasurement gains/(losses) arising from experience	(141)	(3)	40	0
(20,276)	(403)	0	0	IFRIC 14 surplus adjustment	(27,523)	(643)	0	0
<b>(5,706)</b>	<b>(101)</b>	<b>(15,411)</b>	<b>0</b>	<b>Total Post-Employment Benefit charged to the CIES</b>	<b>(6,000)</b>	<b>(137)</b>	<b>91,556</b>	<b>0</b>
0	(5,605)	0	(15,411)	Commissioning Costs (intra-group transfer)	0	(5,863)	0	91,556
<b>(5,706)</b>	<b>(5,706)</b>	<b>(15,411)</b>	<b>(15,411)</b>	<b>Total net cost</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>91,556</b>	<b>91,566</b>
				Movement in Reserves Statement				
5,235	5,235	66,677	66,677	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	5,221	5,221	66,322	66,322
				Actual amount charged against the General Fund Balance for pensions in the year				
(5,706)	(5,706)	(35,659)	(35,659)	Employers' contributions payable to scheme	(5,690)	(5,690)	(38,987)	(38,987)

IFRIC surplus adjustment

The IAS 19 Balance Sheet was showing an uncapped surplus for the Local Government Pension Scheme of £58.848m at 31 March 2025.

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

- a) The surplus in the defined benefit plan; and
- b) the asset ceiling, determined using the discount rate (IAS 19).

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

Calculations were performed and it was determined that an asset ceiling adjustment was required. This is to stop the LGPS showing an asset which belongs to the scheme members rather than the scheme itself. An unfunded liability of £310k remains.

Pensions Assets and Liabilities recognised in the Balance Sheet

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

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

	Local Government Pension Scheme £'000	Police Pension Scheme £'000	Total £'000
2023/24			
Present value of the defined benefit obligation	(178,496)	(1,053,173)	(1,231,669)
Fair value of plan assets	208,653	0	208,653
IFRIC 14 surplus adjustment	(30,157)	0	(30,157)
<b>Net liability arising from defined benefit obligation</b>	<b>0</b>	<b>(1,053,173)</b>	<b>(1,053,173)</b>

Pensions Liability

The Pensions Liability which is disclosed on the Group Balance Sheet, reflects the underlying commitment that the Chief Constable has to pay retirement benefits.

Recognition of the total liability has a substantial impact on the net worth as recorded in the Balance Sheet. However statutory arrangements for funding the deficit mean that the financial position of the

Group remains healthy as actual pensions and commuted lump sums are being met directly by the Police Pension Fund Account, which is funded by the Home Office via the Commissioner. In the year 2025/26, the Chief Constable will make a pension contribution of 35.3% (2024/25: 35.3%) for Police Officers and 16.8% (2024/25: 16.8%) for Police Staff.

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

	Local Government Pension Scheme		Police Pension Scheme	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
<b>Opening fair value of scheme assets</b>	<b>185,385</b>	<b>208,653</b>	<b>0</b>	<b>0</b>
Interest income	8,972	10,309	0	0
Remeasurement gain/(loss) - the return on plan assets excluding the amount included in the net interest expense	11,360	(5,286)	0	0
Contributions from employer	5,706	5,690	35,659	38,987
Contributions from employees into the scheme	2,006	2,208	7,071	7,360
Benefits paid	(4,653)	(4,411)	(42,730)	(46,347)
Other (if applicable)	(123)	(135)	0	0
<b>Closing fair value of scheme assets</b>	<b>208,653</b>	<b>217,028</b>	<b>0</b>	<b>0</b>

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

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

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Police Pension Scheme	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
<b>Opening Balance 1 April</b>	<b>(175,504)</b>	<b>(178,496)</b>	<b>(1,073,421)</b>	<b>(1,053,173)</b>
Current service cost	(5,196)	(5,225)	(16,005)	(15,665)
Interest cost	(8,359)	(8,692)	(50,672)	(50,657)
Contributions from scheme participants	(2,006)	(2,208)	(7,071)	(7,360)
Remeasurement gains/(losses) arising from changes in demographic assumptions	2,233	382	20,752	1,724
Remeasurement gains/(losses) arising from changes in financial assumptions	6,993	31,789	36,862	156,114
Remeasurement gains/(losses) arising from experience	(781)	(141)	(6,348)	40
Losses/(gains) on curtailment	(529)	0	0	0
Benefits Paid	4,653	4,411	42,730	46,347
<b>Closing balance 31 March</b>	<b>(178,496)</b>	<b>(158,180)</b>	<b>(1,053,173)</b>	<b>(922,630)</b>

Fair Value of Scheme Assets (LGPS Scheme)

The LGPS scheme held assets as follows:

	31 March 2024	31 March 2025
Fair value of scheme assets (LGPS)	£'000	£'000
Cash and cash equivalents	1,044	1,953
Equity instruments	151,798	157,259
Bonds	19,633	19,923
Property	25,701	22,658
Alternatives	10,477	15,235
<b>Total Assets</b>	<b>208,653</b>	<b>217,028</b>

Basis for estimating Assets and Liabilities

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

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

The significant assumptions used by the actuary have been:

Mortality and Other Assumptions	Local Government Pension Scheme		Police Pension Scheme	
	2023/24	2024/25	2023/24	2024/25
Longevity at 65 (60 for police scheme) for current pensioners				
Men	21.5	21.5	25.4	25.6
Women	23.8	23.9	27.9	28.2
Longevity at 65 (60 for police scheme) for future pensioners				
Men	22.9	22.9	27.3	27.5
Women	25.6	25.7	29.7	29.9
Other assumptions				
Rate of inflation	2.6%	2.6%	2.6%	2.6%
Rate of increase in salaries	4.1%	4.1%	4.1%	4.0%
Rate of increase in pensions	2.7%	2.7%	2.7%	2.7%
Rate for discounting scheme liabilities	4.9%	5.9%	4.9%	5.9%

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

The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period. The sensitivity analyses assume for each

change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analyses below did not change from those used in the previous period.

Local Government Pension Scheme 2024/25	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	2,968	0
Rate of inflation (increase by 0.25%)	6,917	0
Rate of increase in salaries (increase by 0.25%)	1,940	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	12,977

Police Pension Scheme 2024/25	Impact on the defined benefit obligation in the scheme	
	Increase £'000	Decrease £'000
Longevity (increase by 1 year)	16,314	0
Rate of inflation (increase by 0.25%)	39,288	0
Rate of increase in salaries (increase by 0.25%)	9,683	0
Rate for discounting scheme liabilities (increase by 0.5%)	0	68,555

#### Impact on the Group's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Group has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next three years. The latest Actuarial Valuation was completed on 31 March 2023 and details of the current and future employer's rates are shown below:

Year	Employer rate
2026/27	16.8%
2025/26	16.8%
2024/25	16.8%

## Legal Cases

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

### McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Due to the differing benefits structures, the Actuary expects the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018/19 pension disclosures as a past service cost for four years remedy service from 2015 to 2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service. Now that the remedy window is closed, the Actuary has moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme where benefits are expected to be paid from. After receipt of the Remedial Service Statement or upon retirement, eligible members will be able to elect which scheme they wish to receive benefits from for this period.

### Impact on pension liability

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

The accounting figures prepared in 2021, 2022, and 2023 already include an allowance for McCloud remedy that is substantially in line with the eligibility criteria and assumes that protected members currently accrue benefits in their legacy schemes.

For the 2025 exercise, an allowance has continued to be included for McCloud remedy that is assessed in a similar manner to that adopted previously.

The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgements on contribution rates for employers and employees was measured as part of the last Police Pension valuation. Employer contribution rates increased to 35.3% in 2024/25 (from 31.0% in 2023/24).

The impact of an increase in annual pension payments arising from the McCloud/Sargeant judgements is determined through the Police Pension Fund Regulations 2007. These require a police body to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year, the amount required to meet the deficit is then



paid by the Secretary of State to the Commissioner in the form of a central government top-up grant.

#### Virgin Media Pensions Ruling

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted-out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993. Changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024 but the appeal was dismissed.

The Government is aware that following last year's Court of Appeal judgment in the Virgin Media case, there is increased uncertainty in the pensions industry, and they have recognised that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. As a result, the Government have indicated their intention to introduce legislation to retrospectively cover any potentially impacted benefit changes and this means that there will be no impact on future liabilities.

### **38. Contingent Liabilities**

#### Undercover Policing Inquiry

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

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

At this stage, the inquiry is not far enough progressed to reliably estimate future costs therefore no provision has been made in the 2024/25 Accounting Statements. The inquiry currently aims to publish its final report in 2026.

### **39. Nature and extent of risks arising from financial instruments**

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

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

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Welsh Government's Investment Guidance for Local Authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Commissioner's Treasury

Management Strategy, together with their Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

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

### Credit Risk

### **Investments**

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

The Commissioner's maximum exposure to credit risk in relation to 'non-specified' investments of £30m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Commissioner's deposits, but there was no evidence at 31 March 2025 that this was likely to crystallise.

The table below summarises the nominal value of the Commissioner's investment portfolio at 31 March 2025, and confirms that all investments were made in line with the approved credit rating criteria:

Counterparty	Single Counterparty Limit £'000	Credit rating criteria met when investment placed?	Credit rating criteria met on 31 March 2025?	Balance invested as at 31 March 2025				Over 12 months £'000	Total £'000
				Up to 1 month £'000	> 1 month and < 3 months £'000	> 3 months and < 6 months £'000	> 6 months and < 12 months £'000		
UK Banks	2,000	N/A	N/A	0	0	0	0	0	0
Bonds	2,000	N/A	N/A	0	0	0	0	0	0
Money Market	3,000	Yes	Yes	6,038	0	0	0	0	6,038
Local Authorities	3,000	N/A	N/A	0	0	0	0	0	0
UK Government	Unlimited	N/A	N/A	0	0	0	0	0	0
<b>Total</b>				<b>6,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,038</b>

The above analysis shows that all deposits outstanding as at 31 March 2025 met the Commissioner's credit rating criteria.

## Outstanding Debts

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

31 March 2024 £'000		31 March 2025 £'000
34	Less than one month overdue	62
127	One to two months overdue	30
354	Two to three months overdue	7
219	More than three months overdue	92
<b>734</b>	<b>Total overdue debt</b>	<b>191</b>
<b>49</b>	Value of doubtful debts impaired	<b>40</b>
<b>6.7%</b>	Impairment of doubtful debts as % of total overdue debt	<b>20.9%</b>

## Liquidity Risk

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

The maturity analysis of financial liabilities is as follows:

31 March 2024 £'000	Loans maturing within	31 March 2025 £'000
10,386	Under 1 Year	10,610
<b>10,386</b>	<b>Total Current Borrowing</b>	<b>10,610</b>
358	1 – 2 years	0
0	2 – 5 years	10,000
<b>358</b>	<b>Total Long-Term Borrowing more than 12 months</b>	<b>10,000</b>

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

## Market Risk

### Interest Rate Risk

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

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Investments at fixed rates – the fair value of the assets will fall.

**Price Risk**

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

**Foreign Exchange Risk**

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

**40. Trust Funds**

The Charitable Incorporated Organisation (CIO) Safer Dyfed-Powys Diogel has been in a period of inactivity and did not receive any donations or incur any expenditure during 2023/24 or 2024/25.

A decision was made by the Trustees to dissolve the charity and it was agreed that the funding would be ring-fenced for use by the Force's Volunteer Police Cadets.

Following this decision, in August 2024, the charity was removed from the Charity Commission's Central Register and the Safer-Dyfed-Powys Diogel bank account was closed.

The CIO's bank balance upon cessation was £63.7k. This amount was donated to the Police and Crime Commissioner for Dyfed-Powys and transferred into a Revenue Reserve which has been earmarked specifically for Volunteer Police Cadet activity.

## Glossary of Terms

Term	Definition
2024/25	This refers to the period covered by these accounts - 1 April 2024 to 31 March 2025.
2023/24	This refers to the period covered for comparative purposes by these accounts – 1 April 2023 to 31 March 2024.
Accounting policies	A set of rules and codes of practice used when preparing the accounts.
Accruals	The accounting treatment, where income and expenditure is recorded when it is earned or incurred not when the money is received or paid.
Amortisation	The measure of the wearing out, consumption or other reduction in the useful life of intangible assets.
Capital expenditure	Expenditure on the acquisition or construction of assets, or expenditure which adds to the value of an existing asset, which have a long-term value to the Group e.g., land and buildings.
Capital receipts	Income from the sale of non-current assets, which can only be used to finance new capital expenditure or repay outstanding debt on assets financed from loans.  Usable capital receipts are those capital receipts which are not set aside for specific purposes but are available to be used for any capital purchases.
Carrying value	The value of the asset or liability that is recorded in the Balance Sheet.
CIPFA	The Chartered Institute of Public Finance and Accountancy, one of the professional accountancy bodies in the UK. CIPFA specialises in public services and has responsibility for setting accounting standards for these services.
Commissioning	The entire cycle of assessing the needs of people in a local area, designing services, and then securing them.
Consumer Price Index (CPI)	Official measure of the general level of inflation as reflected in the retail price of goods and services, excluding mortgage interest payments, council tax and other housing costs.
Contingent liabilities	These exist where: <ul style="list-style-type: none"> <li>• a possible obligation arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or</li> <li>• a present obligation arises from past events but is not recognised because: <ul style="list-style-type: none"> <li>○ it is not probable that a transfer of economic benefits will be required to settle the obligation; or</li> <li>○ the amount of the obligation cannot be measured with sufficient reliability.</li> </ul> </li> </ul>
Corporation sole	A legal entity consisting of a single ('sole') incorporated office, occupied by a single ('sole') man or woman i.e. The Commissioner and Chief Constable are both corporations sole under the PRSRA.
Creditors	Individuals or organisations to whom the Commissioner/Group owes money at the end of the financial year, split into short-term (within 12 months) and long-term.

Term	Definition
Current assets	Items that can be readily converted into cash.  By convention, the items are ordered by reference to the ease that such conversion into cash can be carried out.
Current liabilities	Items that are due immediately or in the short-term.
Current service cost (Pensions)	An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.
Debtors	Individuals or organisations that owe the Commissioner/Group money at the end of the financial year, split into short-term (within 12 months) and long-term.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.
Depreciation	The measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.
Fair value	The price at which an asset could be exchanged in an arm's-length transaction less, where applicable, any grants receivable towards the purchase of the asset.
Financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.  A derivative financial instrument is a financial contract that derives its value from changes in underlying assets or indices.
Fixed Assets	Items such as land, buildings, vehicles and major items of equipment, which give benefit to the Commissioner/Group over more than one year.
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard.
IFRIC	International Financial Reporting Interpretations Committee.
General Fund	The main revenue fund of the Commissioner/Group and includes the net cost of all services financed by local taxpayers and government grants.
Group accounts	The financial statements of the Group i.e. the two corporations sole, presented as a single economic entity.
Impairment	A reduction in the value of a non-current asset, below its carrying amount in the balance sheet.
Intangible Assets	Assets that do not have a physical substance but are identifiable and controlled by the Commissioner/Group e.g. software, licences and patents.
Inventories	Amounts of unused or unconsumed stocks held in expectation of future use at the Balance Sheet date.
Leases	Where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Term	Definition
Materiality	An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.
Minimum Revenue Provision	The prudent amount that the Commissioner/Group is statutorily required to set aside from revenue funds to meet the repayment of borrowing undertaken to support capital investment.
National Non- Domestic Rates (NNDR)	The non-domestic rates, or business rates, collected by local councils are the means by which businesses and others who occupy non-domestic property make a contribution towards the cost of local services. The rates are pooled by central government and redistributed to local councils and Police and Crime Commissioners according to a formula.
Net Book Value (NBV)	The amount at which non-current assets are included in the balance sheet i.e., their historical cost or current value less the cumulative amounts provided for depreciation.
Net Realisable Value (NRV)	The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.
Net Interest Cost (Pensions)	For a defined benefit scheme, this occurs during the period when the net defined benefit liability (asset) arises from the passage of time.
Non-current assets	Items such as land, buildings, vehicles and major items of equipment, which give benefit over more than one year.
Operating Leases	Involves the lessee paying a rental for the hire of an asset for a period of time that is substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership.
Past service cost	For a defined benefit scheme, these arise from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.
PCC	Abbreviation of the Police and Crime Commissioner. The PCC is a separate corporation sole which was established on the 22 November 2012 under the Police and Social Responsibility Act 2011. Also referred to as the Office of the Police and Crime Commissioner (OPCC).
Police Reform and Social Responsibility Act (PRSRA)	An Act of the Parliament of the United Kingdom which transferred the control of police forces from police authorities to elected Police and Crime Commissioners.
Precept	The amount levied and collected by the four Dyfed-Powys local authorities (Carmarthenshire, Pembrokeshire, Ceredigion and Powys) and paid over to the PCC/Group.
Provisions	<p>A liability of uncertain timing or amount. A provision is recognised if the following criteria are fulfilled:</p> <ul style="list-style-type: none"> <li>• an entity has a present obligation as a result of a past event;</li> <li>• it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;</li> <li>• a reliable estimate can be made of the amount of the obligation.</li> </ul>

Term	Definition
Prudential borrowing	Borrowing by local authorities without government financial support, but in accordance with the CIPFA Prudential Code of local authority borrowing.
PWLB	Public Works Loan Board, an organisation financed by the Government. It lends money to Commissioners on set terms so that they can buy capital items.
Reserves	Balances that represent resources set aside for purposes such as general contingencies and cash flow management. Earmarked reserves are those set aside for specific policy purposes.
Retail Price Index (RPI)	Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services, including mortgage costs, council tax and other household costs.
Revaluation of Non-Current Assets	A technique required to accurately record the true value of capital assets held in the balance sheet. The purpose of a revaluation is to bring into the accounts the fair market value of non-current assets.
Revenue Budget	The estimate of annual income and expenditure requirements, which sets out the financial implications of policies and the basis of the annual precept to be levied on collection funds.
Revenue Support Grant (RSG)	A general government grant in support of local authority expenditure (including Commissioners), fixed each year in relation to spending levels.
Right of Use (ROU) Asset	A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time. A right-of-use asset (ROU asset) is a lessee's entitlement to use a leased asset over the lease term, representing the right to obtain economic benefits from that asset. It's recognised on the balance sheet along with a lease liability, reflecting the lessee's obligation to make lease payments. The ROU asset is initially measured at the present value of lease payments and is subsequently depreciated over the lease term.
Senior Employee	An employee whose salary is more than £150,000 per year, or one whose salary is at least £60,000 per year (calculated pro rata for a part-time employee) and who is the designated head of paid service and a statutory chief officer. Typically, the Commissioner's Chief Executive and statutory Chief Officers.
The CIPFA Code of Practice (The Code)	Incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003.