HUMBERSIDE POLICE & CRIME COMMISSIONER

Serving our communities to make them safer and stronger

THE POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE

FINANCIAL STATEMENTS

2025/26

DRAFT

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NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS

INTRODUCTION TO THE HUMBERSIDE POLICE FORCE AREA

The Statement of Accounts summarises the financial performance of the Police and Crime Commissioner (PCC) Group for the year ended 31 March 2026. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The purpose of the narrative report is to offer interested parties a fair, balanced and easily understandable guide to the most significant matters reported in the accounts. The inevitable use of technical language has been kept to a minimum. A 'Glossary of Terms' (to help explain some of the technical terms) can be found in the appendices.

ABOUT THE PCC FOR HUMBERSIDE

The Humberside Police Force area is located on the north east coast of England, equidistant from London, Edinburgh and Rotterdam. It covers the local authority areas of the East Riding of Yorkshire, Kingston upon Hull, North East Lincolnshire and North Lincolnshire.

It has a total area of around 1,250 square miles around the Humber Estuary and has a population of over 930,000. Nearly 90% of the area is rural and a quarter of the population lives in a rural area. Its main settlement and commercial capital is Kingston upon Hull. Major settlements include the port of Grimsby, Cleethorpes, Bridlington, Scunthorpe, Beverley and Goole, the UK's most inland port.

The area maintains its strong maritime heritage and the port infrastructure accounts for more than 15% of the UK overseas trade. It is estimated that one million people a year travel to and from continental Europe by ferry via Hull and a further quarter of a million people travel on domestic and international flights from Humberside Airport.

Jonathan Evison is the PCC (re-elected in May 2024), and Chris Todd is the Chief Constable appointed in April 2025. The PCC's Police and Crime Plan covers the period 2024-29.

The Chief Constable has developed a 'Plan on a page', refreshed in December 2023, which is included on the next page.

Our **mission**

Victim Focused

Community Focused

Workforce Focused

Our **priorities**

Improve victim experience

Reduce crime and **harm**

Build trust and **confidence**

Build pride in our **workforce**

Increase our **efficiency**

Improve justice outcomes

Our **vision** is to be an **outstanding, locally-trusted** and **globally-acclaimed police force.**

Rural • Coastal • Urban

Our **values**: **Courage** • **Respect and empathy** • **Public service**

FORCE PERFORMANCE

Key Performance Indicators: 12 months to March 2026

999 CALL VOLUME

164,346
Calls for service

+2.1% higher YOY
Compared to 12 months to March 25

999 ABANDONMENT %

0.03%
Calls abandoned

-0.03%pts lower YOY
Compared to the 12 months to March 25

101 CALL VOLUME

291,190
Calls for service

-2.2% lower YOY
Compared to the 12 months to March 25

101 ABANDONMENT %

2.20%
Calls abandoned

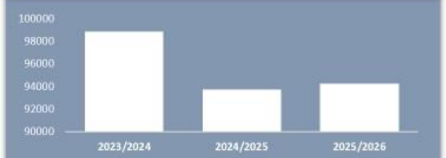
+0.8%pts higher YOY
Compared to the 12 months to March 25

LOG TO ARRIVE

93.2%
% within target for Emergency

97.1%
% within target for Priority

RECORDED CRIME



94,268
Crimes recorded

+0.6% higher YOY
Compared to the 12 months to March 2025

ASB INCIDENTS

7,924
ASB incidents recorded

-13.2% lower YOY
Compared to the 12 months to March 2025

POSITIVE OUTCOME RATE 1-4 and 6-8%

19.8%

12m to Mar '26
1-4 & 6-8 outcome rate %

-0.3%pts YOY
Compared to the 12 months to March 2025

POLICE AND CRIME COMMISSIONER PERFORMANCE

Our journey over the last year as the Office of the Police and Crime Commissioner (OPCC)

We continued to make things better for you and our work remains far wider than oversight of the police.

The OPCC replicates the Vision, Mission and Values set out in the Police and Crime Plan. Our organisational values have the acronym of ACE IT!

Ambition, Compassion, Enabling, Integrity and Trust

The Police and Crime Plan runs from 2024 to 2029 and includes three aims:

1. Engaged, Resilient and Inclusive Communities – provide pathways for everyone to contribute to the safety of our communities.
2. Safer Communities – focus activities on interventions that significantly impact on local crime levels.
3. Effective Organisations – make the system work better for local communities.

Each of the aims has a series of outcomes and objectives that demonstrate what we will do to achieve the aims. The plan exists to provide strategic direction to the Force and all partners operating around community safety.

The OPCC continued to engage with partners to promote the aims of the Police and Crime Plan, notably the statutory partners of the Community Safety Partnerships and members of the Criminal Justice Board as well as other stakeholders of interest.

The Police and Crime Plan can be found on the OPCC website at https://www.humberside-pcc.gov.uk/

The structure of the OPCC continued to flex and change to meet the needs of the Police and Crime Plan and any additional responsibilities provided to the PCC through legislative and changes.

Our two teams:

- **Assurance and Statutory Duties Team**: continued to support the PCC to carry out their statutory responsibilities of holding the Chief Constable to account, as well as ensuring business as usual was maintained for a broad portfolio of activity such as community engagement and involvement of volunteers in scrutiny, providing a professional support and administrative function, managing the Independent Custody Visitor (ICV) scheme, providing communication and media expertise, acting as the point of contact for members of the public wishing to enact their right of review for the way a complaint was handled by the police, managing Freedom of Information requests, ensuring transparency in decision making, co-ordinating grant provision and communication with Youth Offending Services and Safeguarding Boards, commissioning key services including victim-related services, putting in place robust arrangements to manage contracts, and managing the Affected By Crime (ABC) hub,

- **Policy and Partnerships Team:** continued to support the PCC around commissioning services, funding, partnerships and public health programmes, as well as supporting the Criminal Justice Board, managing grants provision with the four Community Safety Partnerships, co-ordinating communication with the business community, leading the bidding process for grants and funding opportunities, leading a partnerships approach to reduce domestic abuse through a public health methodology, working collaboratively to address serious violence through the Violence Prevention Partnership (VPP), and creating opportunities through our Education Partnership work.

Our Delivery Plan 2025/26 (Reports & Plans | Corporate Information) outlined the range of work undertaken during the year, and in mid-2026 the Annual Report covering 2025-26 performance will be published

CHIEF FINANCE OFFICER'S STATEMENT

This is the Statements of Accounts for the PCC for Humberside for 2025/26.

The accounts provide a record of the financial position and performance for the year and incorporate transactions relating to the Force, the PCC and for the PCC Group reflecting the combined position of both organisations.

The PCC Group position represents the consolidated financial statements of the PCC and the subsidiary, the Chief Constable. Where the PCC Group position differs from the PCC position this is made clear in the financial statements and notes.

Separate statutory financial statements have been prepared for the Chief Constable.

Annual Governance Statements for the PCC and for Humberside Police for 2025/26 have been published separately and are available on the PCC and Force websites.

Explanation of Accounting Statements

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

The financial statements reflect the current legislative framework as well as the local arrangements operating in practice. Key elements of this framework include:

- The Police Reform and Social Responsibility Act 2011 (PRSRA);
- The Home Office Financial Management Code of Practice for the Police Forces for England and Wales and Fire and Rescue Authorities created under Section 4A of the Fire and Rescue Services Act 2004 (July 2018).

The Corporate Governance Framework includes:

- A statement of corporate governance – statutory framework and local policy;
- A code of corporate governance – setting out how the good governance core principles will be implemented;
- A scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business;
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.

The basic position remains that the Commissioner is responsible for the finances of the whole PCC Group and controls the assets, most of the liabilities and reserves. The PCC received all income and funding and made all payments for the PCC Group from the PCC Police Fund.

In turn, the Chief Constable continued to have the duty to fulfil prescribed functions under the PRSRA within the annual budget (set by the PCC in consultation with the Chief Constable) in line with the approved Corporate Governance Framework (which was revised in January 2026) (Policies | Corporate Information). This Framework sets out how the two "corporations sole" will discharge their respective responsibilities.

The Statement of Responsibilities details the responsibilities of the PCC/Chief and the Chief Finance Officer/S.151 Officer for the Accounts. This statement is signed and dated by Chief Finance Officer/S.151 Officer under a statement that the accounts give a true and fair view of the financial position of the PCC Group at the accounting date and its income and expenditure for the year ended 31 March.

The Movement in Reserves Statements shows the movement in the year on the different reserves held by the PCC Group. This statement is split into usable and unusable reserves; the usable reserves are those that can be used by the PCC to fund expenditure; and the unusable reserves are those reserves that are required to mitigate the effect of some transactions on council tax and those reserves that are created to mitigate unrealised gains and losses.

The Comprehensive Income and Expenditure Statements shows the accounting cost of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The PCC raises taxation in accordance with regulations which are different from the accounting cost. The taxation position is shown in the Movement in Reserves Statements (the movement on usable reserves).

The Balance Sheets which shows the value of the assets and liabilities recognised by the PCC Group and the PCC at the Balance Sheet date.

The Cash Flow Statement which shows the changes in cash and cash equivalents during the year. This statement shows how the PCC generates and uses its cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The Pension Fund Account which shows the movements relating to the police pension fund

The notes to the accounting records provide more detail about the accounting policies and individual transactions.

2025/26 Financial Year

The PCC approved a budget in February 2025 of £255.652m. Actual expenditure for the year was £256.317m, an overspend of £0.665m. This materially relates to capital financing charges, with necessary borrowing taken at rates in excess of the budgeted 3%.

Reserves at the start of 2025/26 totalled £17.236m. The total level of reserves at 31 March 2026 stands at £12.140m.

The original savings target within the Medium-Term Resource Strategy (MTRS) for 2025/26 was £2.500m, which were realised by the Force. The main areas of savings were achieved through:

- Contract/ Non Pay savings (£1.904m)
- Full year impact of 24/25 savings (£0.114m)
- Establishment restructure/recruitment savings (£0.254m)
- ICT rationalisation (£0.196m)

A summary of capital performance compared to budget is shown in the table below:-

CAPITAL PROGRAMME	2025/26 BUDGET £m	2025/26 ACTUAL £m	VARIANCE £m
Estates Programme	2.290	2.204	(0.086)
ICT Programme	3.536	2.667	(0.869)
Vehicles & Equipment	3.543	3.109	(0.434)
Grand Total	**9.369**	**7.980**	**(1.389)**

Financing of Capital Expenditure

The PCC has a rolling capital programme that is reviewed throughout the year. The programme is financed by external borrowing, capital receipts and revenue contributions.

Humberside PCC Reserves

Balances at 1 April 2025 stood at £17.236m. £4.431m was utilised during 2025/26. At the year end £0.665m was transferred from reserves. The balances at 31 March 2026 now stand at £12.140m.

Future Spending Plans

The PCC has published a MTRS for 2026/27 to 2030/31 which sets out the overall shape of the PCCs budget. It establishes how available resources will best deliver the Police and Crime Plan and mitigate corporate risks identified. The current level of PWLB borrowing is £113.785m at 31 March 2026. The operational boundary is £150.000m and the authorised limit is £180.000m (these are part of the PCC's prudential indicators that have been previously agreed in the PCC's Treasury Management report; Published March 2025).

International Accounting Standard 19 (IAS 19)

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The total 2025/26 long term pension asset has been capped by way of an asset ceiling to £0m (2024/25 £0m on the Local Government Pension Scheme) The total long term pension liability is £1,538m (2024/25 was £1,569m) of which £1,538m relates to the Police Pension Scheme and £0.479m relates to the Local Government Pension Scheme (the 2024/25 pension liability included £1,569m relating to the Police Pension Scheme). It should be noted that IAS 19 does not impact upon the level of balances held by the PCC. (Under IAS 19 injury awards are now recognised in the PCC Group accounts).

Humberside Police Pension Fund Account

The Financial Statements include a separate section for the Humberside Police Pension Fund Account. Under the pension funding arrangements each PCC in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulation.

Change in Statutory Function

There have been no changes to the PCC's statutory functions during 2025/26.

Significant Changes in Accounting Policies

There have been no significant changes to the accounting policies used by the PCC.

Material Events after 31 March

There have been no material events after the 31 March balance sheet date.

Going Concern

The MTRS ensures a balanced budget over the medium term. The PCC for Humberside will remain a going concern until at least 2028, and Humberside Police will remain a going concern.

Further Information

You can also find more information about the finances of the PCC and the Force on the respective websites and www.humberside.police.uk

Acknowledgement

I would like to express my appreciation to colleagues within the Force Finance Team for their assistance in compiling the financial statements. I would also like to thank the Assistant Chief Officer (Resources), Chief Finance Officer and other operational managers within the Force for their support.

Martyn Ransom FCCA
Chief Finance Officer to the Police and Crime Commissioner for Humberside – May 2026

Independent auditor’s report to the Police and Crime Commissioner for Humberside and Group

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Police and Crime Commissioner's Responsibilities

The Police and Crime Commissioner is required**:**

- To make arrangements for the proper administration of financial affairs and to ensure that one of the officers (the Chief Finance Officer) has the responsibility for the administration of those affairs.
- To manage its affairs to ensure economic, efficient and effective use of resources and to safeguard its assets.
- To approve the Statement of Accounts.

I approve this Statement of Accounts.

Date

Jonathan Evison
Police and Crime Commissioner for Humberside

Chief Finance Officer's Responsibilities

The Chief Finance Officer of the PCC is responsible for the preparation of the PCC's statement of accounts which, in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (the 'Code of Practice'), issued by the CIPFA is required to present fairly the financial position of the PCC and the PCC Group at the accounting date, and its income and expenditure for the year ended 31 March 2026.

In preparing this statement of accounts, the Chief Finance Officer has:

Selected suitable accounting policies and then applied them consistently;

- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Chief Finance Officer has also:

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

I certify that the attached Statement of Accounts presents a true and fair view of the position of the PCC and the PCC Group as at 31 March 2026 and the income and expenditure for the year.

Date 30 June 2026

Martyn Ransom
Chief Finance Officer

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC GROUP

This statement shows the accounting cost in the year for the PCC Group of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis note and the Movement in Reserves Statement.

Year Ended 31 March 2025					Year Ended 31 March 2026		
£'000	£'000	£'000			£'000	£'000	£'000
Expenditure	Income	Net		Note	Expenditure	Income	Net
52,569	(170)	52,399	Northbank Division		49,468	(234)	49,234
36,959	(1,167)	35,792	Southbank Division		33,826	(1,089)	32,737
22,476	(227)	22,249	Force Control Room		22,208	(315)	21,893
-	-	-	Safeguarding (previously part of Specialist in 24/25)		14,132	(106)	14,026
12,327	(2,891)	9,436	Regional Collaboration		13,146	(2,966)	10,180
16,843	(1,375)	15,468	Special Operations Unit		17,542	(1,653)	15,889
33,826	(2,476)	31,350	Specialist Crime		20,019	(1,753)	18,266
13,359	(58)	13,301	People Services		13,558	(62)	13,496
14,760	(4,727)	10,033	Estates Services		14,618	(5,423)	9,195
15,171	(969)	14,202	Information Services		15,874	(403)	15,471
5,386	(818)	4,568	Corporate Development		5,146	(864)	4,282
7,383	(136)	7,247	Criminal Justice		12,402	(139)	12,263
11,203	(10,135)	1,068	Centrally Managed Services		11,398	(12,786)	(1,388)
28,354	(8,142)	20,212	Other Services		27,840	(8,005)	19,835
10,468	(4,531)	5,937	Police & Crime Commissioner		9,469	(5,092)	4,377
281,084	**(37,822)**	**243,262**	**Cost of Services - Continuing Operations**		**280,646**	**(40,890)**	**239,756**
462	(358)	104	Other Operating Expenditure	8	128	(23)	105
80,918	(1,666)	79,252	Financing and Investment Income and Expenditure	9	82,732	(890)	81,842
-	(285,632)	(285,632)	Taxation and Non-Specific Grant Income	10	-	(299,203)	(299,203)
		36,986	**(Surplus) or Deficit on Provision of Services**				**22,500**
		3,810	(Surplus) or Deficit on Revaluation of Non Current Assets				(5,792)
		(245,500)	Remeasurements of the net defined benefit liability				(60,678)
		54,864	Effect of Asset Ceiling on Net Pension Asset				12,822
		(186,826)	**Other Comprehensive Income and Expenditure (Surplus)/Deficit**				**(53,648)**
		(149,840)	**Total Comprehensive Income and Expenditure (Surplus)/Deficit**				**(31,148)**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE PCC

This statement shows the accounting cost in the year for the PCC of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. PCCs raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. Resources of the PCC consumed at the request of the Chief Constable during the year are shown for comparative purposes. The consolidated accounting cost and funding for the PCC Group for the year is shown on the preceding page.

Year Ended 31 March 2025					Year Ended 31 March 2026		
£'000	£'000	£'000			£'000	£'000	£'000
Expenditure	Income	Net		Note	Expenditure	Income	Net
52,569	(170)	52,399	Northbank Division		49,468	(234)	49,234
36,959	(1,167)	35,792	Southbank Division		33,826	(1,089)	32,737
22,476	(227)	22,249	Force Control Room		22,208	(315)	21,893
-	-	-	Safeguarding (previously part of Specialist in 24/25)		14,132	(106)	14,026
12,327	(2,891)	9,436	Regional Collaboration		13,146	(2,966)	10,180
16,843	(1,375)	15,468	Special Operations Unit		17,542	(1,653)	15,889
33,826	(2,476)	31,350	Specialist Crime		20,019	(1,753)	18,266
13,359	(58)	13,301	People Services		13,558	(62)	13,496
14,760	(4,727)	10,033	Estates Services		14,618	(5,423)	9,195
15,171	(969)	14,202	Information Services		15,874	(403)	15,471
5,386	(818)	4,568	Corporate Development		5,146	(864)	4,282
7,383	(136)	7,247	Criminal Justice		12,402	(139)	12,263
11,203	(10,135)	1,068	Centrally Managed Services		11,398	(12,786)	(1,388)
28,354	(8,142)	20,212	Other Services		27,840	(8,005)	19,835
10,468	(4,531)	5,937	Police & Crime Commissioner		9,469	(5,092)	4,377
281,084	**(37,822)**	**243,262**	**Cost of Services - Continuing Operations**		**280,646**	**(40,890)**	**239,756**
462	(358)	104	Other Operating Expenditure	8	128	(23)	105
80,918	(1,666)	79,252	Financing and Investment Income and Expenditure	9	82,732	(890)	81,842
-	(285,632)	(285,632)	Taxation and Non-Specific Grant Income	10	-	(299,203)	(299,203)
		36,986	**(Surplus) or Deficit on Provision of Services**				**22,500**
		3,810	(Surplus) or Deficit on Revaluation of Non Current Assets				(5,792)
		(245,500)	Remeasurements of the net defined benefit liability				(60,678)
		54,864	Effect of Asset Ceiling on Net Pension Asset				12,822
		(186,826)	**Other Comprehensive Income and Expenditure (Surplus)/Deficit**				**(53,648)**
		(149,840)	**Total Comprehensive Income and Expenditure (Surplus)/Deficit**				**(31,148)**

MOVEMENT IN RESERVES STATEMENT FOR THE PCC GROUP

This statement shows the movement in the year on the different reserves held by the PCC Group, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC Group's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

MOVEMENT IN RESERVES – PCC GROUP

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025	17,236	-	17,236	(1,515,720)	**(1,498,484)**
Total Comprehensive Income & Expenditure	(22,500)	-	(22,500)	53,648	**31,148**
Adjustments between Accounting Basis & Funding Basis under Regulations	17,404	-	17,404	(17,404)	-
Increase / (Decrease) in Year	**(5,096)**	-	**(5,096)**	**36,244**	**31,148**
Balance at 31 March 2026	**12,140**	-	**12,140**	**(1,479,476)**	**(1,467,336)**

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	25,693	-	25,693	(1,674,017)	**(1,648,324)**
Total Comprehensive Income & Expenditure	(36,986)	-	(36,986)	186,826	**149,840**
Adjustments between Accounting Basis & Funding Basis under Regulations	28,529	-	28,529	(28,529)	-
Increase / (Decrease) in Year	**(8,457)**	-	**(8,457)**	**158,297**	**149,840**
Balance at 31 March 2025	**17,236**	-	**17,236**	**(1,515,720)**	**(1,498,484)**

A breakdown of the PCC Group Adjustments between Accounting and Funding Basis under Regulations can be found in Note 16 of the accounts.

MOVEMENT IN RESERVES STATEMENT FOR THE PCC

This statement shows the movement in the year on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Increase / Decrease in Year line shows the statutory General Fund Balance movements in the year following those adjustments.

MOVEMENT IN RESERVES – PCC

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025	17,236	-	17,236	56,212	**73,448**
Total Comprehensive Income & Expenditure	(5,562)	-	(5,562)	5,523	**(39)**
Adjustments between Accounting Basis & Funding Basis under Regulations	466	-	466	(466)	-
Increase / (Decrease) in Year	**(5,096)**	-	**(5,096)**	**5,057**	**(39)**
Balance at 31 March 2026	**12,140**	-	**12,140**	**61,269**	**73,409**

	General Fund Balance £'000	Capital Unapplied Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	25,693	-	25,693	66,638	**92,331**
Total Comprehensive Income & Expenditure	(14,983)	-	(14,983)	(3,900)	**(18,883)**
Adjustments between Accounting Basis & Funding Basis under Regulations	6,526	-	6,526	(6,526)	-
Increase / (Decrease) in Year	**(8,457)**	-	**(8,457)**	**(10,426)**	**(18,883)**
Balance at 31 March 2025	**17,236**	-	**17,236**	**56,212**	**73,448**

A breakdown of the PCC Adjustments between Accounting and Funding Basis under Regulations can be found in Note 17 of the accounts.

BALANCE SHEET FOR THE PCC GROUP AND PCC

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the PCC Group and the PCC. The net assets (assets less liabilities) are matched by the reserves held by the PCC Group and the PCC.

31 March 2025				31 March 2026	
PCC Group	PCC			PCC Group	PCC
£'000	£'000		Note	£'000	£'000
170,597	170,597	Property, Plant & Equipment	18	173,087	173,087
943	943	Assets under Construction	18	1,784	1,784
2,841	2,841	Intangible Assets	20	2,634	2,634
1,589	1,589	Right of Use Assets	22	1,370	1,370
-	-	Other Long Term Debtors		-	-
175,970	**175,970**	**Long Term Assets**		**178,875**	**178,875**
450	450	Assets Held for Sale	18	2,600	2,600
134	134	Inventories		202	202
2,000	2,000	Short Term Investments	25	-	-
34,284	34,116	Short Term Debtors	24	36,789	36,626
4,038	4,038	Cash and Cash Equivalents	37	4,495	4,495
40,906	**40,738**	**Current Assets**		**44,086**	**43,923**
-	-	Cash and Cash Equivalents (liability)	37	-	-
37,006	34,357	Short Term Creditors	24	35,043	32,460
98	98	Capital Grants Received in Advance		98	98
418	418	Short Term Lease Liabilities	22	436	436
1,730	1,730	Short Term Provisions	29	1,404	1,404
8,445	8,445	Short Term Borrowing	26	21,254	21,254
47,697	**45,048**	**Current Liabilities**		**58,235**	**55,652**
96,786	96,786	Long Term Borrowing	26	92,532	92,532
1,224	1,224	Long Term Lease Liabilities	22	968	968
188	188	Long Term Provisions	29	223	223
1,569,465	14	Net Pension Liability	31	1,538,339	14
1,667,663	**98,212**	**Long Term Liabilities**		**1,632,062**	**93,737**
(1,498,484)	**73,448**	**Net Assets/ (Liabilities)**		**(1,467,336)**	**73,409**
17,236	17,236	Usable Reserves	27	12,140	12,140
(1,515,720)	56,212	Unusable Reserves	28	(1,479,476)	61,269
(1,498,484)	**73,448**	**Total Reserves**		**(1,467,336)**	**73,409**

CASH FLOW STATEMENT FOR THE PCC AND THE PCC GROUP

The Cash Flow Statement shows the changes in cash and cash equivalents of the PCC Group and the PCC during the reporting period. The statement shows how the PCC Group and the PCC generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the PCC Group and the PCC are funded by way of taxation and grant income or from the recipients of services provided by the PCC Group/PCC. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the PCC Group and the PCC's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the PCC Group/PCC.

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
36,986	14,983	Net (Surplus) or Deficit on the Provision of Services	22,500	5,562
(43,621)	(21,618)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non Cash Movements	(21,048)	(4,110)
1,270	1,270	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	964	964
(5,365)	**(5,365)**	**Net Cash Flows from Operating Activities**	**2,416**	**2,416**
5,924	5,924	Investing Activities	5,262	5,262
(3,595)	(3,595)	Financing Activities	(8,135)	(8,135)
(3,036)	**(3,036)**	**Net (Increase) or Decrease in Cash and Cash Equivalents**	**(457)**	**(457)**
1,002	1,002	Cash and Cash Equivalents at the Beginning of the Reporting Period	4,038	4,038
4,038	**4,038**	**Cash and Cash Equivalents at the End of the Reporting Period**	**4,495**	**4,495**

Note 37 in the accounts provides further details of the figures in the above Cash Flow statement.

STATEMENT OF ACCOUNTING POLICIES FOR THE PCC AND THE PCC GROUP

Accounting Policies

The financial statements must meet and are prepared in accordance with the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, supported by International Financial Reporting Standards (IFRS). Where the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the circumstances of the PCC Group/PCC for the purpose of presenting fairly the position of the PCC Group/PCC has been selected. The policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the financial statements.

Group accounts

The financial statements included here represent the accounts for the PCC and the PCC Group. The term “PCC Group” is used to indicate individual transactions and policies of the PCC and the Chief Constable. The identification of the PCC as the holding organisation and the requirement to produce group accounts stems from the powers and responsibilities of the PCC under the Police Reform and Social Responsibility Act 2011. The Chief Constable is a subsidiary organisation of the PCC. The transactions and balances of the PCC and the Chief Constable have been consolidated into the PCC Group financial statements using the line-by-line method.

Each reporting period the PCC Group will review its interests and influence on all types of entities including, but not limited to, other PCCs and similar statutory bodies, common good trust funds, charities, companies, joint committees and other joint arrangements. If appropriate, such other entities will be included in the group accounts prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment. Where appropriate financial assets and liabilities have been impaired or discounted to bring them to current value.

Going Concern

After making enquires, the PCC has formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the PCC and PCC Group or its successors has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. The liabilities for pensions are unrealised liabilities at the balance sheet date and will fall due as employees retire over their working lives.

Critical Judgements in Applying Accounting Policies

In the application of the PCC Group’s accounting policies, management is required to make judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the financial statements are in regard to the degree of uncertainty about future levels of central government funding and the impact of budget cuts to be achieved. However, the PCC Group has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the PCC Group might be impaired as a result of a need to close facilities or reduce levels of service provision.

Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The financial statements contain estimated figures that are based on assumptions made by the PCC Group about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. Because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the PCC and PCC Group’s Balance Sheet as at 31 March for which there is significant risks of material adjustment in the forthcoming financial year are as follows:

- **Pensions Liability**

Estimation of the net liability to pay pensions is dependent on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide expert advice about the assumptions to be applied for both the Police and Local Government Pension Schemes.

The carrying amount of the PCC Group pension liability on 31 March 26 was £1,538m.

The effects on the net pension liability of changes in individual assumptions can be measured and a full sensitivity analysis around the effect on the net pension liability of changes in assumptions made can be found in Note 31 to these accounts.

However, the assumptions interact in complex ways. During the financial year, the force's actuaries advised that the net pensions liability had increased by £15.395m as a result of estimates being corrected as a result of experience and decreased by £63.890m attributable to updating of the assumptions.

- **Property Valuation**

Valuation of assets and consideration of impairment depends on a number of complex judgements and a firm of Valuers is engaged to provide expert advice about the assumptions to be applied.

Many of the properties within the PCC Group balance sheet are valued as specialist properties, which are valued on a depreciated replacement cost (DRC) basis. After the valuation date rates of inflation have fluctuated and therefore the cost of replacing assets would be likely to change.

The current value of properties held on balance sheet as at 31 March 2026 is £155.855m. It is estimated that if the value of land and buildings where to increase or decrease by 10% this would result in a change in valuations of £15.6m.

Additionally, properties are valued on a five-year rolling programme, with properties not being subject to valuation being indexed. Indices have been chosen, taking into the account the advice of external experts and are deemed to be the most accurate indices readily available. Indexation is not meant to be a truly accurate representation of the increase in value of a property, but a best estimate which is deemed most suitable and accurate.

Based on the assets subject to full valuation in the year, the average increase in the value of property assets was 1.3%. Percentage increases applied via indexation differ to the average increase resulting from full valuation, depending on the asset type and valuation method used. Therefore, a difference in % applied is expected. If the 1.3% increase was applied to assets that were not revalued in the year, instead of indexation, this would result in an increase in property value of £1.950m. This is compared to an actual increase of £7.306m resulting from indexation (see Note 21). The difference between values is primarily due to the nature and scale of the properties subject to full valuation within the year.

- **Property, Plant and Equipment - Depreciation**

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. If in the current economic climate the PCC Group was unable to sustain its current spending on repairs and maintenance, the useful lives assigned to assets would be brought into doubt.

If the useful life of assets is reduced depreciation increases and the carrying amount of assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.211m for every year that useful lives had to be reduced.

Revenue
Revenue in respect of services provided is recognised when performance occurs, and is measured at the fair value of the consideration receivable. A de-minimis threshold of £10,000 is in place for year-end accruals.

Employee Benefits

- **Short-term employee benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end, and include benefits such as wages, paid annual leave, paid sick pay and non-monetary benefits for current employees. These benefits are recognised as an expense in the year in which the employee renders service to the PCC Group. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. 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 PCC Group to terminate a member of staff's employment before their normal retirement date or their decision to accept voluntary redundancy. These costs are charged on an accruals basis as an expense in the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement (CIES) when the PCC Group is demonstrably committed to the termination of the employment of an individual or group of employees or making an offer to encourage voluntary redundancy.

- **Post Employment Benefits**

The PCC Group participates in pension schemes for Police Officers and for Police staff. All of the schemes provide members with defined benefits related to pay and service.

- **Police Officers**

The 2015 Police Pension Scheme (previously 1987, 2006 and 2015) is a contributory occupational pension scheme. Officers pay contributions from their pensionable pay based on salary bandings. The contribution rates are set nationally by the Home Office. The PCC Group accounts for Police Pensions through the Police Pension Fund Accounts. The cost to the PCC Group is via an employers' contribution and a charge for Officers who retire on ill health. Any balance on the Pension Fund Accounts is received from or paid to Central Government.

Injury awards are not part of the Police Pension Fund and are paid out of the PCC Group's budget.

- **Police Staff**

The PCC is an admitted body to the East Riding Pension Fund, which is administered by East Riding of Yorkshire Council. Police staff are eligible to join the Local Government Pension Scheme which has varying contribution rates based on members' salaries. The PCC makes employers' contributions as required into the East Riding Pension Fund.

The East Riding Pension Fund Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of East Riding of Yorkshire Council. Policy is determined in accordance with the Public Fund Regulations.

The PCC Group/PCC have fully adopted IAS 19 Employee Benefits. The financial statements reflect the commitment to make up any shortfall in attributable net assets in the Pension Fund. The overall pension liability is included in the Balance Sheet of the PCC Group and service costs are reflected in the CIES.

Expenses
Expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Whilst all expenditure is paid for by the PCC, including the remuneration of police officers and staff, the actual recognition in the respective PCC and Chief Constable's financial statements is based on economic benefit.

Property, Plant and Equipment

- **Recognition**

Property, plant and equipment is capitalised on an accruals basis if:

- it is held for use in delivering services or for administration purposes;
- it is probable that service potential will be provided to the PCC Group;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £10,000

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets if they have a cost of over 25% of the whole asset, and they are depreciated over their own useful economic lives.

- **Valuation**

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at current value.

Land and buildings used by the PCC Group are stated in the Balance Sheet at their revalued amounts, being their current value at the date of valuation less any subsequent accumulated depreciation and impairment losses. The PCC Group undertakes a five year rolling programme of revaluations, with properties being indexed each year in between valuations. Those land and buildings which do not have a suitable index, are valued every five years, with an additional desktop valuation in year 3.

Indexation is applied to the closing net book value of properties after all other adjustments, including enhancements and depreciation. A description of indices used is within Note 21 to the accounts. All indices used have been determined through the use of external valuers and are deemed to be in line with Code guidance. Indexation is not applied to Assets Under Construction and Assets Held for Sale.

Changes to the valuation of non-current assets through indexation are accounted for as with revaluations, through the revaluation reserve or the surplus/deficit on the provision of services.

Full valuations of current values are determined as follows:-

- Land and non-specialised buildings – the amount that would be paid for the asset in its existing use value (EUV)
- Specialised buildings with no market based evidence – the depreciated replacement cost as an estimate of current value (DRC)
- Vehicles, plant and equipment – historic cost less accumulated depreciation (as a proxy for current replacement cost)
- Surplus property – fair value, estimated at highest and best use from a market participant's perspective.

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees and other costs directly attributable to the construction of qualifying assets.

Assets are revalued and depreciation commences when they are brought into use.

An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A decrease on revaluation is recognised as an impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the CIES.

- **Disposals**

Capital receipts over £10,000 from the sale of non-current assets are held in the Capital Receipts Unapplied account until such time as they are used to finance other capital expenditure or to repay debt. Individual receipts of less than £10,000 are shown as income within the CIES. Gains and losses on the disposal of non-current assets are recognised in the CIES.

Intangible Assets

- **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PCC Group's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits or service potential will be provided to the PCC Group; where the cost of the asset can be measured reliably, and where the cost is at least £10,000.

Intangible assets acquired separately are initially recognised at current value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

- **Measurement**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible assets can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value by reference to an active market, or where no active market exists, at amortised replacement cost (modern equivalent assets basis). Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Depreciation, amortisation and impairments

Freehold land, properties under construction and vehicles in the process of preparation for operational use are not depreciated. Otherwise, depreciation and amortisation are charged to Cost of Services in the CIES to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, on a straight line basis. Depreciation and amortisation are not taken on additions to the capital base for the year. The estimated useful life of an asset is the period over which the PCC Group expects to obtain economic benefits or service potential from the asset. This is specific to the PCC Group and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

The approximate average useful lives (depreciation periods) are included below:

- Buildings 25 to 65 years
- Vehicles 1 to 11 years
- Boat 10 years
- Equipment 5 years
- Intangibles 5 years

At each reporting period end, the PCC Group checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The PCC Group is not required to raise Council Tax to cover depreciation, impairment or amortisation. However, it is required to make an annual provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the minimum revenue provision (MRP). The PCC Group has adopted, from 1 April 2019 the Asset Life Method to provide for MRP calculated by using the annuity method, for any capital expenditure funded from borrowing. MRP is not provided for assets in the course of construction.

Government Grants

All grants and contributions will only be credited to the CIES when all the grant conditions for the discharge of its specific use have been met. Grants where the conditions have not been satisfied are carried in the Balance Sheet as Grants Receipts in Advance. When the conditions have been satisfied, the grant or contribution will be credited to the CIES, either to cost of services or taxation and non-specific grant income.

Leases

The PCC Group classifies contracts as leases based on their substance. Contracts and parts of contracts are analysed to determine whether they convey the right to control the use of an individual asset, through rights both to obtain substantially all the economic benefits or service potential from the asset and to direct its use. This includes arrangements with nil consideration, peppercorn or nominal payments.

The PCC Group as lessee

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2024 if later). The leases are typically for fixed periods in excess of one year but may have extension or break clause options within them. The PCC Group uses the best available information at the time of preparing the accounts to determine if any of these options will be taken.

The PCC Group initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC Groups incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments which depend on an index or rate and lease payments in an optional renewal period.

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

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

Subsequent Measurement

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

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

For leases which do not meet the requirements to measure using the cost model, the asset is carried at a revalued amount using the fair value model.

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

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

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

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Low Value and Short Term Lease exemptions

As permitted by the CIPFA Code, the PCC Group excludes leases:

- for low value items that cost less than £10,000 when new, provided they are not highly dependant on or integrated with other items, and
- with a term shorter than 12 months

Lease rental payments for these exemptions are posted against the relevant command area within the surplus or deficit against service provision.

The PCC Group as lessor

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

Where the PCC Group grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to revenue in the CIES.

Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the PCC Group and the PCC's cash management.

Provisions

Provisions are recognised when the PCC Group has a present legal or constructive obligation as a result of a past event, it is probable that the PCC Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In establishing a provision a charge is made as an expense to the CIES in the year that the PCC Group/PCC becomes aware of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. The provision stays on the Balance Sheet, and when payments are made, the charge is made against the provision. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of payment is remote.

A contingent asset is a possible asset that arises from past events and existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PCC Group. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Reserves
The PCC Group and the PCC set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the CIES in that year to score against the Surplus or Deficit on the account. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC Group. Details of these reserves are provided in the relevant note to the financial statements.

Financial Instruments
A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term ‘Financial Instrument’ covers both Financial Assets and Financial Liabilities and includes both the most straightforward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives. IFRS 9 Financial Instruments has been adopted however the impact is minimal.

- **Financial Liabilities**

  Financial liabilities are recognised on the Balance Sheet when the PCC Group becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. They are initially measured at fair value and are carried at their amortised cost.

  For the borrowings that the force holds, this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and the interest charged to the CIES is the amount payable for the year according to the loan agreement.

  Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. The fair value of financial liabilities is disclosed in the notes to the financial statements.

- **Financial assets**

  Financial assets measured at amortised cost are recognised on the Balance Sheet when the PCC Group becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value. They are subsequently measured at amortised cost. For the financial assets held by the PCC Group this means that the amount presented in the Balance Sheet is the outstanding principal receivable, and interest credited to the CIES is the amount receivable for the year in the loan agreement.

- **Loans and receivables held at amortised cost**

  Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

  Fair value is determined by reference to quoted market prices where possible, or failing that by reference to similar arm’s length transactions between knowledgeable and willing parties.

  The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the initial fair value of the financial asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset reduced directly.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised

- **Fair value measurement of non-financial assets**

  The PCC Group measures its surplus assets at fair value at each reporting period. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

  The fair value measurement assumes that the transaction to sell the asset takes place either in the principal market for the asset, or in the absence of a principal market, in the most advantageous market for the asset.

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

Jointly Controlled Operations
The PCC Group engages in jointly controlled operations by collaborative working with other parties to deliver a number of specific services on a regional basis.

The PCC Group accounts in its financial statements for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income it earns in relation to these arrangements.

Accounting standards that have been issued but have not yet been adopted
The standards and amendment to standards have been issued but not yet adopted:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

None of the above amendments are expected to have any material impact on future financial statements of the Chief Constable.

Accounting standards issued that have been adopted early
There are no accounting standards issued that have been adopted early.

Exceptional items
Exceptional items shall be included in the costs of the service to which they relate and noted accordingly.

Prior period adjustments
Unless otherwise sanctioned by the CIPFA Code of Practice on Local Authority Accounting, material prior period adjustments shall result in restatement of prior year figures and disclosure of the effect.

Events after the Reporting Period

Material events after the balance sheet date, both favourable and unfavourable, that occur between the end of the reporting period and the date when Statement of Accounts is authorised for issue shall be disclosed as a note to the financial statements and the financial statements amended as required. Other events after the balance sheet date will be disclosed in a note with an estimate of the likely effect.

Two types of event can be identified as:

- 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.

Value Added Tax (VAT)

Most of the activities of the PCC Group are outside the scope of VAT and, in general, output tax does not apply. Input tax on purchases is largely recoverable from His Majesty's Revenue and Customs. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of property, plant and equipment. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

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1. EXPENDITURE AND FUNDING ANALYSIS FOR THE PCC GROUP

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC Group in comparison with those resources consumed or earned by the PCC Group in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC Group's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS – PCC GROUP

Year Ended 31 March 2025				Year Ended 31 March 2026		
Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
57,158	(4,759)	**52,399**	Northbank Division	56,107	(6,873)	**49,234**
39,210	(3,418)	**35,792**	Southbank Division	37,644	(4,907)	**32,737**
21,287	962	**22,249**	Force Control Room	22,407	(514)	**21,893**
0	0	**0**	Safeguarding (previously part of Specialist in 24/25)	17,053	(3,027)	**14,026**
9,792	(356)	**9,436**	Regional Collaboration	10,636	(456)	**10,180**
16,696	(1,228)	**15,468**	Special Operations Unit	18,030	(2,141)	**15,889**
34,241	(2,891)	**31,350**	Specialist Crime	19,762	(1,496)	**18,266**
13,751	(450)	**13,301**	People Services	14,804	(1,308)	**13,496**
9,838	195	**10,033**	Estates Services	9,205	(10)	**9,195**
14,264	(62)	**14,202**	Information Services	15,556	(85)	**15,471**
4,555	13	**4,568**	Corporate Development	4,511	(229)	**4,282**
7,006	241	**7,247**	Criminal Justice	12,642	(379)	**12,263**
30,166	(29,098)	**1,068**	Centrally Managed Services	30,349	(31,737)	**(1,388)**
20,007	205	**20,212**	Other Services	20,988	(1,153)	**19,835**
5,826	111	**5,937**	Police & Crime Commissioner	4,398	(21)	**4,377**
283,797	**(40,535)**	**243,262**	**Net Cost of Services**	**294,092**	**(54,336)**	**239,756**
(275,340)	69,064	(206,276)	Other Income and Expenditure	(288,996)	71,740	(217,256)
8,457	**28,529**	**36,986**	**(Surplus) or Deficit**	**5,096**	**17,404**	**22,500**
25,693			Opening General Fund Balance	**17,236**		
(8,457)			Add: Surplus/(Deficit) on General Fund in year	(5,096)		
17,236			Closing General Fund Balance	**12,140**		

2. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC GROUP

Year Ended 31 March 2025					Year Ended 31 March 2026			
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments	Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
4,289	(8,806)	(242)	**(4,759)**	Northbank Division	2,323	(9,334)	138	**(6,873)**
2,909	(6,161)	(166)	**(3,418)**	Southbank Division	1,559	(6,443)	(23)	**(4,907)**
1,722	(685)	(75)	**962**	Force Control Room	994	(1,455)	(53)	**(514)**
-	-	-	-	Safeguarding (previously part of Specialist in 24/25)	-	(3,027)	-	**(3,027)**
161	(518)	1	**(356)**	Regional Collaboration	90	(554)	8	**(456)**
1,340	(2,518)	(50)	**(1,228)**	Special Operations Unit	791	(2,964)	32	**(2,141)**
2,343	(5,151)	(83)	**(2,891)**	Specialist Crime	1,350	(2,883)	37	**(1,496)**
738	(1,152)	(36)	**(450)**	People Services	440	(1,744)	(4)	**(1,308)**
204	(18)	9	**195**	Estates Services	106	(94)	(22)	**(10)**
61	(123)	-	**(62)**	Information Services	41	(126)	-	**(85)**
424	(339)	(72)	**13**	Corporate Development	252	(473)	(8)	**(229)**
456	(203)	(12)	**241**	Criminal Justice	494	(936)	63	**(379)**
-	(29,118)	20	**(29,098)**	Centrally Managed Services	-	(31,729)	(8)	**(31,737)**
899	(858)	164	**205**	Other Services	510	(1,444)	(219)	**(1,153)**
116	(15)	10	**111**	Police & Crime Commissioner	70	(80)	(11)	**(21)**
15,662	**(55,665)**	**(532)**	**(40,535)**	**Net Cost of Services**	**9,020**	**(63,286)**	**(70)**	**(54,336)**
(8,901)	78,119	(154)	**69,064**	Other Income and Expenditure	(9,221)	80,014	947	**71,740**
6,761	**22,454**	**(686)**	**28,529**	**(Surplus) or Deficit**	**(201)**	**16,728**	**877**	**17,404**

3. EXPENDITURE AND FUNDING ANALYSIS FOR THE PCC

The statements below show how annual expenditure is used and funded from resources (government grants and council tax) by the PCC in comparison with those resources consumed or earned by the PCC in accordance with generally accepted accounting practices. They also show how this expenditure is allocated for decision making purposes between the PCC's operating functions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS – PCC

Year Ended 31 March 2025				Year Ended 31 March 2026		
Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between Accounting and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
(4,459)	4,289	**(170)**	Northbank Division	(2,557)	2,323	**(234)**
(4,076)	2,909	**(1,167)**	Southbank Division	(2,648)	1,559	**(1,089)**
(1,949)	1,722	**(227)**	Force Control Room	(1,309)	994	**(315)**
0	-	-	Safeguarding (previously part of Specialist in 24/25)	(106)	-	**(106)**
(3,052)	161	**(2,891)**	Regional Collaboration	(3,056)	90	**(2,966)**
(2,715)	1,340	**(1,375)**	Special Operations Unit	(2,444)	791	**(1,653)**
(4,819)	2,343	**(2,476)**	Specialist Crime	(3,103)	1,350	**(1,753)**
(796)	738	**(58)**	People Services	(502)	440	**(62)**
(4,931)	204	**(4,727)**	Estates Services	(5,529)	106	**(5,423)**
(1,030)	61	**(969)**	Information Services	(444)	41	**(403)**
(1,242)	424	**(818)**	Corporate Development	(1,116)	252	**(864)**
(592)	456	**(136)**	Criminal Justice	(633)	494	**(139)**
(10,135)	-	**(10,135)**	Centrally Managed Services	(12,786)	-	**(12,786)**
(9,041)	899	**(8,142)**	Other Services	(8,515)	510	**(8,005)**
5,826	111	**5,937**	Police & Crime Commissioner	4,398	(21)	**4,377**
326,808	-	**326,808**	Intra-Group Funding	334,441	-	**334,441**
283,797	**15,657**	**299,454**	**Net Cost of Services**	**294,091**	**8,929**	303,020
(275,340)	(9,131)	(284,471)	Other Income and Expenditure	(288,995)	(8,463)	(297,458)
8,457	**6,526**	**14,983**	**(Surplus) or Deficit**	**5,096**	**466**	**5,562**
17,236			Opening General Fund Balance	**17,236**		
(8,457)			Add: Surplus/(Deficit) on General Fund in year	(5,096)		
8,779			Closing General Fund Balance	**12,140**		

4. EXPENDITURE AND FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS – PCC

Year Ended 31 March 2025					Year Ended 31 March 2026			
Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments	Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note i)	Net Change for the Pensions Adjustments (Note ii)	Other Differences (Note iii)	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
4,289	-	-	**4,289**	Northbank Division	2,323	-	-	**2,323**
2,909	-	-	**2,909**	Southbank Division	1,559	-	-	**1,559**
1,722	-	-	**1,722**	Force Control Room	994	-	-	**994**
-	-	-	-	Safeguarding (previously part of Specialist in 24/25)	-	-	-	-
161	-	-	**161**	Regional Collaboration	90	-	-	**90**
1,340	-	-	**1,340**	Special Operations Unit	791	-	-	**791**
2,343	-	-	**2,343**	Specialist Crime	1,350	-	-	**1,350**
738	-	-	**738**	People Services	440	-	-	**440**
204	-	-	**204**	Estates Services	106	-	-	**106**
61	-	-	**61**	Information Services	41	-	-	**41**
424	-	-	**424**	Corporate Development	252	-	-	**252**
456	-	-	**456**	Criminal Justice	494	-	-	**494**
-	-	-	-	Centrally Managed Services	-	-	-	-
899	-	-	**899**	Other Services	510	-	-	**510**
116	(15)	10	**111**	Police & Crime Commissioner	70	(80)	(11)	**(21)**
15,662	**(15)**	**10**	**15,657**	**Net Cost of Services**	**9,020**	**(80)**	**(11)**	**8,929**
(8,901)	(76)	(154)	**(9,131)**	Other Income and Expenditure	(9,221)	(189)	947	**(8,463)**
6,761	**(91)**	**(144)**	**6,526**	**(Surplus) or Deficit**	**(201)**	**(269)**	**936**	**466**

Note i – Adjustments for Capital Purposes
This adds in depreciation and impairments in the service line and for:

- Other Operating Expenditure – adjusts for losses on sale of assets.
- Financing and Investment Income and Expenditure - the statutory charges for capital financing (i.e. Minimum Revenue Provision and other revenue contributions) are deducted from income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and Non-Specific Grant Income – Capital grants are adjusted for income not chargeable under generally accepted accounting practices.

Note ii – Net change for the Pensions Adjustments
This is the net change for the removal of pension contributions and IAS19 Employee Benefits related expenditure and income:

- For service lines, this represents the removal of employer pension contributions as allowed by statute and the replacement with current service costs and past service costs.
- Financing and Investment Income and Expenditure – the net interest on the defined benefit liabilities is charged to the Comprehensive Income and Expenditure Statement.

Note iii – Other Differences
These represent other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, this represents the movement in the timing difference on employee benefits for accumulated absences.
- Taxation and Non-Specific Grant Income – adjustment is made for the movement in the timing difference on the Council Tax Collection Fund.

5. INTERCOMPANY FUNDING

As the Chief Constable has no resources with which to fulfil devolved responsibilities to provide a policing service, the expenditure is funded by the PCC.

These transactions are reflected in the intra-group accounts of both entities.

The tables below show the movement through the intra-group accounts within the respective Balance Sheets during 2025/26 and 2024/25 and show that there are no outstanding intra-group balances at the year end date, other than resulting from year end accounting adjustments in respect of payroll balances, as the PCC paid for all the financial resources consumed at the request of the Chief Constable and an intra-group adjustment was made to offset the Chief Constable's consumption of resources.

The funding covers the day to day expenses on an accruals basis as well as charges for operational assets consumed in the year. The funding does not cover IAS 19 pension charges and charges for compensated absences as these charges (in the Chief Constable's Comprehensive Income and Expenditure Statement) are reversed in the Chief Constable's Movement in Reserves Statement and charged to the Chief Constable's unusable Pensions Reserve and Accumulated Absences Adjustment Account.

The Comprehensive Income and Expenditure Statement (CIES) for the PCC and the PCC Group are at summary level. This is because the Net Cost of Policing sub-total within the PCC CIES includes not only the cost of administering the PCC itself, but also payment for PCC resources consumed at the request of the Chief Constable. The decision to account for this expenditure within the PCC Net Cost of Policing Services is in the same format that it is reported to management. In contrast, in the Chief Constable's CIES the Net Cost of Policing is nil, apart from the year end adjustments for pensions actuarial adjustments and accumulated absences, as the Resources consumed at the request of the Chief Constable are completely offset by the intra-group adjustment.

Intra-Group Movements 2025-2026:	**PCC**	**Chief Constable**	**PCC Group**
	£'000	**£'000**	**£'000**
Opening Balance as at 1 April 2025	(6,264)	6,264	-
PCC resources consumed at the request of the Chief Constable	334,441	(334,441)	-
PCC intra-group adjustment (resource funding)	(334,441)	334,441	-
	(6,264)	**6,264**	-
Year end adjustments:			
Accumulated absences movement	60	(60)	-
Pensions actuarial adjustments	112,299	(112,299)	-
PCC intra-group adjustment	(112,358)	112,358	-
Payroll creditors and debtors movement	(689)	689	-
Closing Balance as at 31 March 2026	**(6,952)**	**6,952**	-

Intra-Group Movements 2024-2025:			
Opening Balance as at 1 April 2024	(5,949)	5,949	-
PCC resources consumed at the request of the Chief Constable	326,808	(326,808)	-
PCC intra-group adjustment (resource funding)	(326,808)	326,808	-
	(5,949)	**5,949**	-
Year end adjustments:			
Accumulated absences movement	542	(542)	-
Pensions actuarial adjustments	247,346	(247,346)	-
PCC intra-group adjustment	(247,888)	247,888	-
Payroll creditors and debtors movement	(315)	315	-
Closing Balance as at 31 March 2025	**(6,264)**	**6,264**	-

6. SUMMARY SPENDING DETAILS

The statements below show the cost of providing services for the PCC Group for 2025/26 and 2024/25. The costs have been split between the Chief Constable and the PCC to separately identify the resources consumed at the request of the Chief Constable from those costs exclusively incurred by the PCC.

Year Ended 31 March 2025				Year Ended 31 March 2026		
PCC £'000	Chief Constable £'000	PCC Group £'000		PCC £'000	Chief Constable £'000	PCC Group £'000
			Expenditure			
1,737	198,863	200,600	Pay and Other Employment Costs	1,907	202,316	204,223
-	12,306	12,306	Premises	-	12,212	12,212
6	2,908	2,914	Transport	7	3,232	3,239
574	14,958	15,532	Supplies and Services	664	15,577	16,241
8,035	26,034	34,069	Third Party Payments	6,821	28,890	35,711
116	15,547	15,663	Capital Charges & Impairment of Assets	70	8,950	9,020
-	-	-	Non Distributable Cost	-	-	-
10,468	**270,616**	**281,084**	**Total Expenditure**	**9,469**	**271,177**	**280,646**
			Income			
(17,356)	-	(17,356)	Specific Government Grants	(20,238)	-	(20,238)
(1,614)	-	(1,614)	Other Grant Income	(825)	-	(825)
(4,955)	-	(4,955)	Sales, Fees & Charges	(5,732)	-	(5,732)
(13,534)	-	(13,534)	Reimbursements	(13,658)	-	(13,658)
(362)	-	(362)	Other Income	(437)	-	(437)
(37,822)	-	**(37,822)**	**Total Income**	**(40,890)**	-	**(40,890)**
326,808	(326,808)	-	Intra-Group Adjustments	334,441	(334,441)	-
299,454	**(56,192)**	**243,262**	**Net Cost of Policing Services**	**303,020**	**(63,264)**	**239,756**

OPCC OPERATIONAL INCOME AND EXPENDITURE

The operational expenditure of the Office of the Police and Crime Commissioner is shown below.

2024/25 £'000		2025/26 £'000
1,742	Staff	1,997
6	Transport	7
574	Supplies and Services	663
8,035	Third Party Payments	6,899
(85)	Fees & Charges and Other Income	(1,148)
(4,446)	Specific Grants	(3,944)
5,826		**4,474**

Third Party Payments comprise contributions made by the Commissioner in respect of community safety initiatives.

7. PENSIONS INCOME & EXPENDITURE ACCOUNT

The cost of retirement benefits is recognised in the CIES with the inclusion of the amount reflecting the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge that is required to be made against Council Tax is based on the cash payable in the year. The real cost of retirement benefits is deducted in the Statement of Movement in the General Fund Balance and replaced with actual pensions paid/contributions.

The following transactions have been made in the CIES and Statements of Movement in the General Fund Balance during the year:

PCC Group	Local Government Pension Scheme		Police Pension Schemes	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Comprehensive Income and Expenditure Statement				
Net Cost of Service				
Current Service Cost (Gross)	6,186	8,532	9,870	12,920
Non Distributed Costs	-	343	-	-
Reversal of IAS19 Contributions	(9,121)	(9,128)	(70,219)	(68,332)
	(2,935)	**(253)**	**(60,349)**	**(55,412)**
Net Operating Expenditure				
Interest Cost	13,978	13,452	86,940	81,180
Interest Income	(20,904)	(16,514)	-	-
	(6,926)	**(3,062)**	**86,940**	**81,180**
Net Charge to the Comprehensive Income and Expenditure Statement	**(9,861)**	**(3,315)**	**26,591**	**25,768**
Statement of Movement in the General Fund Balance				
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	9,861	3,315	(26,591)	(25,768)
Actual amount charged against the General Fund Balance for Pensions in the Year				
Employer's Contributions Payable to Scheme	9,025	8,864	29,390	28,233
Police Officer Injury and Ill Health Pension Costs	-	-	2,241	1,904

PCC	Local Government Pension Scheme	
	31 March 2026 £'000	31 March 2025 £'000
Comprehensive Income and Expenditure Statement		
Net Cost of Service		
Current Service Cost (Gross)	168	215
Non Distributed Costs	-	-
Reversal of IAS19 Contributions	(249)	(230)
	(81)	**(15)**
Net Operating Expenditure		
Interest Cost	381	339
Interest Income	(569)	(416)
	(188)	**(77)**
Net Charge to the Comprehensive Income and Expenditure Statement	**(269)**	**(92)**
Statement of Movement in the General Fund Balance		
Reversal of Net Charges made for Retirement Benefits in Accordance with IAS19	269	92
Actual amount charged against the General Fund Balance for Pensions in the Year		
Employer's Contributions Payable to Scheme	246	224

8. OTHER OPERATING INCOME AND EXPENDITURE

Other Operating Income and Expenditure includes the gain or loss on the sale of non-current assets during the year as follows:

2024/25 Net Book Value £'000	2024/25 Receipt £'000	2024/25 Total £'000		2025/26 Net Book Value £'000	2025/26 Receipt £'000	2025/26 Total £'000
350	(337)	13	Land and Buildings (Held for Sale)	-	-	-
350	**(337)**	**13**	**(Gain)/Losses from the Sale of Non Current Assets**	-	-	-
112	(21)	91	Vehicles, Plant and Equipment	128	(23)	105
-	-	-	Intangible Assets	-	-	-
112	**(21)**	**91**		**128**	**(23)**	**105**
462	**(358)**	**104**	**(Gain)/Losses on the Sale of Non Current Assets**	**128**	**(23)**	**105**

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure includes corporate items of income and expenditure which arise from the PCC Groups involvement in financial instruments and similar items.

In the case of the PCC Group this includes both interest payable and receivable during the year, along with the net pensions interest cost.

PCC Group 2024/25 £'000	PCC 2024/25 £'000		PCC Group 2025/26 £'000	PCC 2025/26 £'000
2,724	2,724	Interest payable and similar charges	2,649	2,649
76	76	Interest cost on lease liabilties	69	69
78,118	(77)	Pensions interest cost net of interest on pension assets	80,014	(188)
(1,666)	(1,666)	Interest receivable	(890)	(890)
79,252	**1,057**		**81,842**	**1,640**

10. TAXATION AND NON SPECIFIC GRANT INCOME

Taxation and Non-Specific Grant Income contains all un-ringfenced grants and contributions, including council tax income, receivable during the year which cannot be identified to a particular service line within cost of services.

All capital grants and contributions are included within this line, even if they are service specific.

2024/25 £'000		2025/26 £'000
82,283	Council Tax Income	87,079
166,258	General Government Grants	174,217
36,179	Police Pensions Top Up Grant receivable	36,752
-)	Donated Assets	214
912	Capital Grants	941
285,632		**299,203**

The Council Tax Income includes the actual income received in year (see Note 11) plus an adjustment for the difference between estimated and actual surplus/deficits on the collection fund.

A breakdown of general government grants are included in Note 12 along with a breakdown of service specific revenue grants included within the cost of services in the CIES.

11. PRECEPTS AND COUNCIL TAX INCOME

The precepts raised for the year are as follows;

2025/26

BAND	A	B	C	D	E	F	G	H
Rate £	196.78	229.58	262.37	**295.17**	360.76	426.36	491.95	590.34

2024/25

BAND	A	B	C	D	E	F	G	H
Rate £	187.45	218.70	249.94	**281.18**	343.66	406.15	468.63	562.36

The Council Tax precept income collected from each of the Local Authorities for the financial year is:

2024/25 £000		2025/26 £000
35,546	East Riding of Yorkshire Council	38,648
18,490	Kingston Upon Hull City Council	19,905
13,772	North East Lincolnshire Council	14,158
14,321	North Lincolnshire Council	15,314
82,129		**88,025**

12. GRANT INCOME

The PCC Group receive a number of non-ringfenced general grants from central government. These grants are included within Taxation and Non-Specific Grant Income and are as follows:

2024/25 £000		2025/26 £000
147,340	Police Revenue Grant	152,804
8,341	Council Tax Support Grants	8,341
6,238	Police Pension Grant	5,763
-	NI Contribution Grant	3,675
2,639	Police Pay Award Grant	1,933
1,700	Council Tax Freeze Grants	1,700
166,258	**Total General Government Grants**	**174,216**

Additional service specific grants were received from numerous bodies and are included as part of total income in cost of services. Details of those grants that are £0.500m and above are shown below:

2024/25 £000		2025/26 £000
9,155	Recruitment Uplift Programme Grant (Home Office)	8,171
-	Neighbourhood Policing Grant (Home Office)	3,223
1,988	Victims Support Grant (Ministry of Justice)	1,983
1,914	Serious Violence GRIP Funding (Home Office)	1,397
1,288	DSP Port Security Armed Response (Home Office)	1,350
1,176	Violence Prevention Partnership Grant (Home Office)	1,186
1,062	Counter Terrorism Borders Funding (Home Office)	1,096
593	Special Branch Funding (Home Office)	563
17,176		**18,969**

13. EXTERNAL AUDIT FEES

2024/25				2025/26		
PCC GROUP	PCC	CC		PCC GROUP	PCC	CC
£'000	£'000	£'000		£'000	£'000	£'000
159	106	53	Base Audit Fees	164	109	55
20	13	7	Fees due relating to prior years	9	5	4
(20)	(13)	(7)	Redmond Review Audit Fees Grant	(20)	(14)	(6)
159	**106**	**53**		**153**	**100**	**53**

The table above presents the external audit fees payable to Forvis Mazars LLP for 2025/26.

As part of the auditor fee variation process ran by the PSAA, additional fees can be submitted by Forvis Mazars relating to additional work required. Any fee variations requested are included as 'Fees due relating to prior years' in the year of payment.

As part of the Redmond Review into Local Government audit arrangements grant of £0.020m has been received for 2025/26 (0.020m 2024/25) to aid in funding additional audit fees incurred.

14. OFFICERS' REMUNERATION AND EXIT PACKAGES

OFFICERS' REMUNERATION - BANDINGS

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 was:

2024/25					2025/26			
Police Officers	Police Staff - PCC	Police Staff - CC	Total	Remuneration Band	Police Officers	Police Staff - PCC	Police Staff - CC	Total
No.s	No.s	No.s	No.s	£	No.s	No.s	No.s	No.s
362	4	34	**400**	50,000 - 54,999	499	6	31	**536**
207	-	21	**228**	55,000 - 59,999	326	-	31	**357**
117	-	4	**121**	60,000 - 64,999	96	-	4	**100**
91	-	5	**96**	65,000 - 69,999	104	-	4	**108**
6	1	2	**9**	70,000 - 74,999	38	-	5	**43**
4	2	1	**7**	75,000 - 79,999	4	2	1	**7**
5	-	-	**5**	80,000 - 84,999	-	1	-	**1**
7	-	1	**8**	85,000 - 89,999	6	-	1	**7**
1	-	2	**3**	90,000 - 94,999	3	-	3	**6**
6	-	1	**7**	95,000 - 99,999	6	-	2	**8**
2	-	-	**2**	100,000 - 104,999	1	-	-	**1**
3	-	-	**3**	105,000 - 109,999	2	-	-	**2**
1	-	1	**2**	110,000 - 114,999		-	-	-
1	1	-	**2**	115,000 - 119,999	3	-	1	**4**
-	-	-	-	120,000 - 124,999	-	1	-	**1**
-	-	-	-	125,000 - 129,999	-	-	-	-
1	-	-	**1**	130,000 - 134,999	-	-	-	-
-	-	-	-	135,000 - 139,999	2	-	-	**2**
1	-	1	**2**	140,000 - 144,999	-	-	-	-
1	-	-	**1**	145,000 - 149,999	-	-	1	**1**
-	-	-	-	190,000-194,999	1			**1**
-	-	-	-	225,000-229,999	1	-	-	**1**
816	**8**	**73**	**897**		**1,092**	**10**	**84**	**1,186**

The Officers disclosed separately in senior officers' remuneration table below are included in the bands above.

A number of employees work in shared services with other regional forces. Disclosure of such employees is made in the accounts of the force that holds the employment contract of those individuals.

OFFICERS' REMUNERATION – SENIOR OFFICERS

The remuneration paid to senior employees and senior police officers is as follows:

Post Holder 2025/26	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable (from 7th April 2025) - Christopher Todd	228	-	**228**	64	**292**
Deputy Chief Constable (from 8th August 2023 to 17th September 2025) - David Marshall	69	-	**69**	24	**93**
Deputy Chief Constable (from 30th August 2025) - Sarah Baker	138	-	**138**	32	**170**
Assistant Chief Constable - Local Policing and Community Safety - Michael Walker	137	-	**137**	47	**184**
Assistant Chief Constable - Corporate Services & Operations (from 30th December 2024 to 29th August 2025) - Sarah Baker	55	-	**55**	19	**74**
Assistant Chief Constable - Specialist Crime & Criminal Justice - Andrew Walker	121	-	**121**	43	**164**
Assistant Chief Officer Resources - Christopher Philpott	150	-	**150**	25	**175**
	898	-	**898**	**254**	**1,152**
PCC					
Police and Crime Commissioner	81		**81**	15	**96**
Chief Executive	116	6	**122**	22	**144**
	197	**6**	**203**	**37**	**240**
PCC Group Total	**1,095**	**6**	**1,101**	**291**	**1,392**

Post Holder 2024/25	Salary (Including Fees & Allowances) £000	Other Emoluments £000	Total Remuneration excluding Pension Contributions £000	Pension Contributions £000	Total Remuneration including Pension Contributions £000
Chief Constable					
Chief Constable (from 1st July 2024) - Judith Heaton	144	-	**144**	-	**144**
Chief Constable (until 30th June 2024) - Paul Anderson	104	-	**104**	-	**104**
Deputy Chief Constable - David Marshall	146	-	**146**	51	**197**
Assistant Chief Constable - Corporate Services & Operations (until 4th November 2024)	78	5	**83**	24	**107**
Assistant Chief Constable - Local Policing & Community Safety (until 12th February 2025)	117	-	**117**	41	**158**
Assistant Chief Constable - Specialist Crime & Criminal Justice (until 31st December 2024) - Local Policing & Community Safety (from 1st January 2025)	125	-	**125**	39	**164**
Assistant Chief Constable - Corporate Services & Operations (from 30th December 2024)	33	-	**33**	12	**45**
Assistant Chief Constable - Specialist Crime & Criminal Justice (from 13th January 2025)	25	-	**25**	9	**34**
Assistant Chief Officer Resources	144	-	**144**	24	**168**
	916	**5**	**921**	**200**	**1,121**
PCC					
Police and Crime Commissioner	78	-	**78**	14	**92**
Chief Executive	116	-	**116**	21	**137**
	194	-	**194**	**35**	**229**
PCC Group Total	**1,110**	**5**	**1,115**	**235**	**1,350**

In addition to the above the PCC Chief Finance Officer (Section 151) is seconded from Humberside Fire. Humberside Police and Crime Commissioner contribute towards 40% of their salary, NI and pension costs. In 2025/26 the force paid £55k for salary costs (2024/25 £51k) and £10k for pension costs (2024/25 £9k).

OFFICERS' REMUNERATION – EXIT PACKAGES

The numbers of employee compulsory and voluntary exit packages agreed with total cost per band and total cost of the redundancies are set out below:

Exit Package Cost Band £	2025/26 No. of compulsory redundancies	No. of other agreed departures	Total No. of exit packages by cost band	Total cost of exit packages in each band £000
0 - 20,000	-	5	**5**	35
20,001 - 40,000	-	3	**3**	78
	-	**8**	**8**	**113**

Exit Package Cost Band £	2024/25 No. of compulsory redundancies	No. of other agreed departures	Total No. of exit packages by cost band	Total cost of exit packages in each band £000
0 - 20,000	-	8	**8**	41
20,001 - 40,000	1	1	**2**	66
40,001 - 60,000	-	1	**1**	47
80,001 - 100,000	-	1	**1**	95
120,001 - 140,000	1	-	**1**	135
	2	**11**	**13**	**384**

15. REGIONAL COLLABORATION

REGIONAL COLLABORATION BOARD (RCB)

The Regional Collaboration Programme was developed to bring opportunities to participating Forces across many policing activities whilst retaining local Police Forces, local identity and local accountability.

A Regional Collaboration Board has governance of the arrangements. This Board comprises the four PCCs within the Yorkshire and Humberside Region together with their respective Chief Constables and Chief Executives. The arrangements are subject to agreement under Section 22A of the Police Act 1996 (as amended).

Regional Collaboration is funded from contributions made by the four participating PCCs and the level of contribution from each PCC is dependent upon an assessment of the benefit to be derived from each specific project or initiative.

The North East Collaboration Board has been established between Humberside, the three Yorkshire forces and Cleveland, Durham and Northumbria.

LEAD FORCE COLLABORATION ARRANGEMENTS

A Lead Force model has been adopted for each functional area of regional collaboration, with the Regional Collaboration Board having governance over all the arrangements.

The PCC for Humberside has Lead Force responsibility within the regional programme for Underwater Search services.

The Underwater Search Unit made a surplus of £18.8k in the financial year 2025/26 (Surplus £0.7k in 2024/25) with the PCC for Humberside contributing £465k (£496k in 2024/25).

The PCC for Humberside has made contributions during the year ended 31 March 2026 to other Lead Forces as follows:

Lead Force	Functional Area	Contributions Made	
		2025/26 £'000	2024/25 £'000
South Yorkshire Mayoral Combined Authority	Stores	185	162
West Yorkshire Mayoral Combined Authority	Serious and Organised Crime	3,420	3,088
	Scientific Support	5,661	5,226
	Collision Investigation	805	688
	Prison Intelligence Unit	12	12
	Casualty Bureau	11	10

OTHER REGIONAL COLLABORATION ARRANGEMENTS

The PCC for Humberside collaborates in a two force partnership with the South Yorkshire Mayoral Combined Authority on the provision of Information Services. The cost of the collaboration is shared based on the total size of the respective force budgets assessed using a measure of net revenue expenditure. The summary position for the joint operations is outlined below:

	Information Services	
	2025/26 £'000	2024/25 £'000
Expenditure		
Staff Costs	7,099	6,741
Property related expenses	-	-
Supplies and services	8,591	7,078
Transport related expenses	87	82
Third party costs	-	-
	15,777	**13,901**
Income		
Contributions (see below)	15,777	13,901
Other income	-	-
	15,777	**13,901**
Deficit/(Surplus) in year	-	-
Contributions:		
Humberside Police	6,546	5,819
South Yorkshire Police	9,231	8,082
	15,777	**13,901**

In addition to the Information Services arrangement, the PCC has a collaboration agreement in place with South Yorkshire for the use of a number of Legal Service staff. Income received by the PCC for this arrangement in 2025/26 was £0.379m (2024/25 £0.344m)

LOCAL COLLABORATION ARRANGEMENTS

Humberside Police and Humberside Fire Authority collaborate on a joint operation in respect of their emergency vehicle maintenance requirements, which are delivered by Emergency Services Fleet Management (Humberside) Ltd (ESFM), a company limited by guarantee which was established for that purpose. Humberside Police retain joint control of this company with Humberside Fire Authority.

The Net Cost of ESFM Ltd in relation to the Humberside Police in 2025/26 was £2.007m (2024/25 £1.993m), with a closing Net Assets figure of £0.227m (2024/25 £0.317m).

Humberside Police provide Estates Management Services to Humberside Fire Authority on a lead Authority basis. The Joint Estates Service (JES) provides premises repairs, regular maintenance, utility management and support for capital projects. Governance for the JES is provided by the JES board chaired by the Assistant Chief Officer (Resources). The Area Manager of Prevention, Protection, Fleet and Estates from Humberside Fire and Rescue Service also sits on the board. The overall operational cost of the JES is £14.628m (2024/25 £14.566m) with income of £4.520m received from Humberside Fire and Rescue Service (2024/25 £3.598m) and other income of £1.102m received from other organisations (2024/25 £1.129m).

In addition to the above, Humberside Fire Authority also provide the PCC with a Health and Safety service. In 2025/26 the PCC paid £0.141m for this service (2024/25 £0.158m).

16. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC GROUP

The table below provides a breakdown of the figure included in the Movement in Reserves Statement which adjusts the total Comprehensive Income and Expenditure recognised within the year to the resources available to the Group as specified by statutory provision.

Year Ended 31 March 2025					Year Ended 31 March 2026			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves		General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Reversal of items debited or credited to the CIES:				
10,878	**10,878**	(10,878)	-	Depreciation of non-current assets	10,664	**10,664**	(10,664)	-
4,671	**4,671**	(4,671)	-	Revaluation Losses charged on Property, Plant and Equipment	(1,645)	**(1,645)**	1,645	-
(912)	**(912)**	912	-	Capital Grants applied	(941)	**(941)**	941	-
462	**462**	(462)	-	Non-current assets value written off on disposal	128	**128**	(128)	-
-	-	-	-	Donated Assets	(214)	**(214)**	214	
112	**112**	(112)	-	Impairment	-	-	-	-
				Inclusion of items not debited or credited to the CIES:				
(7,757)	**(7,757)**	7,757	-	Statutory provision for the financing of capital investment	(8,028)	**(8,028)**	8,028	-
(336)	**(336)**	336	-	Capital Expenditure funded from Revenue	(143)	**(143)**	143	-
				Adjustments involving the Capital Unapplied Reserve:				
(358)	**(358)**	358	-	Reversal of cash sale proceeds credited to gain/loss on disposal in CIES	(23)	**(23)**	23	-
				Adjustments involving the Pension Reserve:				
(77,460)	**(77,460)**	77,460	-	Reversal of items relating to retirement benefits debtied or credited to CIES	(79,340)	**(79,340)**	79,340	-
99,913	**99,913**	(99,913)	-	Employer's pension contributions and direct payments to pensioners payable in the year	96,070	**96,070**	(96,070)	-
				Adjustments involving the Accumulated Absences Reserve:				
(532)	**(532)**	532	-	Holiday pay accrual charged to the CIES	(70)	**(70)**	70	-
				Adjustments Relating to the Collection Fund:				
(152)	**(152)**	152	-	Collection Fund adjustment charged to the CIES	946	**946**	(946)	-
28,529	**28,529**	**(28,529)**	-	**Total Adjustments**	**17,404**	**17,404**	**(17,404)**	-

17. ANALYSIS OF ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS – PCC

Year Ended 31 March 2025					Year Ended 31 March 2026			
General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves		General Fund Balance	Total Usable Reserves	Total Unusable Reserves	Total Reserves
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Reversal of items debited or credited to the CIES:				
10,878	**10,878**	(10,878)	-	Depreciation of non-current assets	10,664	**10,664**	(10,664)	-
4,671	**4,671**	(4,671)	-	Revaluation Losses charged on Property, Plant and Equipment	(1,645)	**(1,645)**	1,645	-
(912)	**(912)**	912	-	Capital Grants applied	(941)	**(941)**	941	-
462	**462**	(462)	-	Non-current assets value written off on disposal	128	**128**	(128)	-
-	**-**	-	-	Donated Assets	(214)	**(214)**	214	-
112	**112**	(112)	-	Impairment	-	**-**	-	-
				Inclusion of items not debited or credited to the CIES:				
(7,757)	**(7,757)**	7,757	-	Statutory provision for the financing of capital investment	(8,028)	**(8,028)**	8,028	-
(336)	**(336)**	336	-	Capital Expenditure funded from Revenue	(143)	**(143)**	143	-
				Adjustments involving the Capital Unapplied Reserve:				
(358)	**(358)**	358	-	Reversal of cash sale proceeds credited to gain/loss on disposal in CIES	(23)	**(23)**	23	-
				Adjustments involving the Pension Reserve:				
(230)	**(230)**	230	-	Reversal of items relating to retirement benefits debtied or credited to CIES	(249)	**(249)**	249	-
138	**138**	(138)		Employer's pension contributions and direct payments to pensioners payable in the year	(20)	**(20)**	20	
				Adjustments involving the Accumulated Absences Reserve:				
10	**10**	(10)	-	Holiday pay accrual charged to the CIES	(9)	**(9)**	9	-
				Adjustments Relating to the Collection Fund:				
(152)	**(152)**	152	-	Collection Fund adjustment charged to the CIES	946	**946**	(946)	-
6,526	**6,526**	**(6,526)**	-	**Total Adjustments**	**466**	**466**	**(466)**	-

18. PROPERTY, PLANT & EQUIPMENT

The property, plant and equipment held on the PCC Group balance sheet can be split into a number of different asset categories as follows:

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
Gross Book Value	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
As at 1st April 2025	152,603	34,483	943	450	1,576	**190,055**
Additions & Enhancements	1,620	4,698	1,148	-	-	**7,466**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	498	-	-	(50)	120	**568**
Donated	-	169	49	-	-	**218**
Disposals	-	(7,538)	-	-	-	**(7,538)**
Transfers	(900)	309	(356)	2,200	(1,300)	**(47)**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,034	-	-	-	(246)	**1,788**
As at 31st March 2026	**155,855**	**32,121**	**1,784**	**2,600**	**150**	**192,510**
Depreciation						
As at 1st April 2025	556	17,509	-	-	-	**18,065**
In Year	4,399	4,939	-	-	126	**9,464**
On Assets Revalued	(4,955)	-	-	-	(126)	**(5,081)**
On Assets Sold	-	(7,409)	-	-	-	**(7,409)**
On Transfers	-	-	-	-	-	**-**
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	-	-	-	-	**-**
As at 31st March 2026	**-**	**15,039**	**-**	**-**	**-**	**15,039**
Net Book Value						
As at 31st March 2026	**155,855**	**17,082**	**1,784**	**2,600**	**150**	**177,471**
As at 31st March 2025	**152,047**	**16,974**	**943**	**450**	**1,576**	**171,990**

	Land & Buildings	Vehicles, Plant & Equipment	Assets Under Construction	Assets Held for Sale	Surplus Assets	TOTAL
Gross Book Value	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
As at 1st April 2024	163,831	32,389	691	800	150	**197,861**
Additions & Enhancements	3,255	5,267	559	-	-	**9,081**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(5,557)	-	-	-	-	**(5,557)**
Disposals	-	(3,480)	-	(350)	-	**(3,830)**
Transfers	(1,426)	307	(307)	-	1,426	**-**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(7,500)	-	-	-	-	**(7,500)**
As at 31st March 2025	**152,603**	**34,483**	**943**	**450**	**1,576**	**190,055**
Depreciation						
As at 1st April 2024	378	16,125	-	-	-	**16,503**
In Year	4,744	4,637	-	-	10	**9,391**
On Assets Revalued	(4,566)	-	-	-	(10)	**(4,576)**
On Assets Sold	-	(3,365)	-	-	-	**(3,365)**
On Transfers	-	-	-	-	-	**-**
Impairment losses recognised in the surplus/deficit on the Provision of Services	-	112	-	-	-	**112**
As at 31st March 2025	**556**	**17,509**	**-**	**-**	**-**	**18,065**
Net Book Value						
As at 31st March 2025	**152,047**	**16,974**	**943**	**450**	**1,576**	**171,990**
As at 31st March 2024	**163,453**	**16,264**	**691**	**800**	**150**	**181,358**

19. ASSET NUMBERS

31 March 2025		31 March 2026
17	Local Police Team Buildings	17
11	Police Stations	10
3	Other Buildings	3
4	Headquarters and Offices	4
4	Vulnerable Victims Units	4
1	Training Centre	1
1	Custody Suite	1
3	Surplus Assets	1
1	Assets Held for Sale	3
2	Assets Under Construction - Property	12
11	Assets Under Construction - Vehicles	3
2	Assets Under Construction - Intangibles	4
616	Vehicles	633

Details on the valuations of property held by the PCC Group can be found in Note 21 in the accounts.

20. INTANGIBLE ASSETS

	2025/26		2024/25
Gross Book Value	**£000**	**Gross Book Value**	**£000**
As at 1st April 2025	6,401	As at 1st April 2024	6,966
Additions & Enhancements	513	Additions & Enhancements	115
Reversal of Previous Costs	-	Reversal of Previous Costs	-
Category Transfer from PPE	47	Category Transfer from PPE	-
Disposals	(1,696)	Disposals	(680)
As at 31st March 2026	**5,265**	**As at 31st March 2025**	**6,401**
Amortisation		**Amortisation**	
As at 1st April 2025	3,560	As at 1st April 2024	3,130
In Year	767	In Year	1,110
On Reversals	-	On Reversals	-
On Transfers	-	On Transfers	-
On Disposals	(1,696)	On Disposals	(680)
As at 31st March 2026	**2,631**	**As at 31st March 2025**	**3,560**
Net Book Value		**Net Book Value**	
As at 31st March 2026	**2,634**	As at 31st March 2025	**2,841**
As at 31st March 2025	**2,841**	As at 31st March 2024	**3,836**

The Intangible Assets all relate to computer software which has been capitalised.

21. PROPERTY VALUATIONS

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Previous to this Code amendment the PCC Group undertook valuations on a 4 yearly rolling programme basis, with the top 20% of the highest valued properties being revalued every financial year. From 1 April 2025 the PCC Group has amended its rolling programme to a 5 year programme in line with the new Code requirements. Those properties that are not subject to a full valuation in line with the valuation programme will be subject to indexation. An impairment review is undertaken at the year end to ensure the value of property has not materially increased or decreased.

The below table shows the gross book value of the property included within these accounts split into when the property was last valued, or subject to indexation.

It has been deemed by the PCC Group, in line with advice provided by external experts, that there is no suitable index available to apply to land elements of property valued on the depreciated replacement cost basis (which includes all the police stations and main headquarter buildings included within the PCC Group estate portfolio). Therefore in line with the Code these will not be subject to indexation, but will be subject to a full valuation within the five year transition period allowed by the Code, and subsequently valued via a desktop valuation in year three. The value of these assets are reported as valued as at March 2023 to 2025 in the below table.

	Land and Buildings		Assets Held for Sale		Surplus Assets	
	Full Valuation	Indexation	Full Valuation	Indexation	Full Valuation	Indexation
	£000	£000	£000		£000	£000
Valued at current value as at:						
31 March 2023	373	-	-	-	-	-
31 March 2024	2,131	-	-	-	-	-
31 March 2025	9,396	-	-	-	-	-
31 March 2026	6,911	137,044	2,600	-	150	-
Total Gross Book Value	**18,811**	**137,044**	**2,600**	**-**	**150**	**-**

Indexation

The choice of indices has not been mandated by the Code and is left as a matter of judgement for individual authorities. The PCC Group has deemed the following indices to be appropriate to use for its estate:

BCIS – Building Cost Information Service (BCIS) are a measure of building construction cost inflation or deflation. This index has been used against all DRC valuations (excluding the land element). As the build costs within BCIS rates are in effect an index in themselves, this approach is deemed to provide the most accurate indexation and best reflects what a revaluation would demonstrate in terms of value without undertaking a full valuation. This accounts for £136.611m of the gross book value indexed as at 31 March 2026.

CoStar Market Sales Index – Used for any properties valued under EUV and FV, the CoStar index is created from their analysis of completed transactions within various different markets and submarkets. This allows for an index representing a particular local area to be used. This accounts for £0.433m of the gross book value indexed as at 31 March 2026.

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

The following table shows all indices used, along with the average percentage change in rate and total increase or decrease in valuation resulting from indexation.

	Average Change	Valuation Change
	%	£000
BCIS - All in TPI	6.2	6817
BCIS - Offices	4.6	116
BCIS - Police Stations	2.2	371
BCIS - Warehouses/Stores	(3.8)	(2)
CoStar Hull GBR Index	0.9	4
Total Indexation applied in 2025/26	**2.0**	**7,306**

Further details on estimates and assumptions made linked with indexation can be found within the Accounting Policies.

22. LEASES

Authority as Lessee – 2025/26

The force lease contracts comprise of leases of operational land and buildings used as part of the overall force estate strategy. During 2025/26 the force had 13 individual contracts in place for leases which have been deemed to come under IFRS16 and are therefore included within the force balance sheet. 1 lease contract came to an end during the financial year resulting in a closing total of 12 individual contracts in place as at the end of March.

Right of Use Assets:

The table below shows the change in value of right-of-use assets held under leases by the force in 2025/26.

2024/25 £000		2025/26 £000
1,569	Balance at 1 April	1,589
397	Additions	-
-	Revaluations	214
(377)	Depreciation	(433)
-	Disposals	-
1,589	**Balance at 31 March**	**1,370**

Lease Liabilities:

The table below shows the movement in both long and short term liabilities linked with leases held by the force during 2025/26.

2024/25			2025/26	
Short Term Lease Liabilties	Long Term Lease Liabilites		Short Term Lease Liabilties	Long Term Lease Liabilites
£000	£000		£000	£000
270	1,299	Balance at 1 April	418	1,224
48	221	Additions	-	-
7	122	Remeasurements	(3)	181
-	-	Disposals	-	-
(325)	-	Repayment of Principal	(416)	-
418	(418)	Transfer from Long to Short Term Liability	437	(437)
418	**1,224**	**Balance at 31 March**	**436**	**968**

Transactions under Leases

The force incurred the following expenses and cash flows in relation to leases during 2025/26.

2024/25 £000		2025/26 £000
	Comprehensive Income and Expenditure Statement	
76	Interest expense on lease liabilities	69
48	Expense relating to short-term leases	30
81	Expense relating to exempt leases of low-value items	65
	Cash Flow Statement	
560	Total cash outflow for leases	597

Maturity analysis of lease liabilities

The lease liabilities within the accounts are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

	31st March 2026 £000	31st March 2025 £000
Less than one year	489	483
One to five years	772	1,150
More than five years	379	186
Total Undiscounted Liabilities	**1,640**	**1,819**

23. SUMMARY OF CAPITAL EXPENDITURE AND SOURCES OF FINANCE

The note below shows the movement in the Capital Financing Requirement due to capital expenditure for 2025/26, and the source of finance used.

The Capital Financing Requirement is an indicator that authorities have to include within the suite of Prudential Indicators relating to capital finance in Local Authorities.

It is a measure of the PCC Group's underlying need to borrow for capital purpose. The PCC Group has decided to part fund capital by using prudential borrowing, this is reflected in the Capital Financing Requirement balance at the end of the financial year.

2024/25 £000		2025/26 £000
120,571	**Opening Capital Financing Requirement**	122,362
	Capital Investment	
9,073	Property, Plant and Equipment	7,465
1,966	Right of Use Assets	-
115	Intangible Assets	513
	Sources of Finance	
(336)	Revenue funding of Capital	(143)
(7,757)	Minimum Revenue Provision	(8,028)
(912)	Capital Grant	(941)
(358)	Capital Receipts	(23)
122,362	**Closing Capital Financing Requirement**	**121,205**
	Explanation of Movements in Year	
(175)	Increase/(Decrease) in underlying need to borrow	(1,157)
1,966	Assets acquired under finance leases/Right of Use Assets	-
1,791	**Increase/(Decrease) in Capital Financing Requirement**	**(1,157)**

24. SHORT TERM DEBTORS AND CREDITORS

SHORT TERM DEBTORS

PCC Group 2024/25 £'000	PCC 2024/25 £'000	Short-Term Debtor by Source:	PCC Group 2025/26 £'000	PCC 2025/26 £'000
9,625	9,625	Government Departments	9,210	9,210
15,077	15,077	Other Police and Local Authorities	16,669	16,669
1	1	NHS	1	1
9,581	9,413	Other	10,909	10,746
34,284	**34,116**	**Total Short Term Debtors**	**36,789**	**36,626**
		Short-Term Debtor by Type:		
26,504	26,336	Debtors & Accruals	27,699	27,536
7,780	7,780	Prepayments	9,090	9,090
34,284	**34,116**	**Total Short Term Debtors**	**36,789**	**36,626**

SHORT TERM CREDITORS

PCC Group 2024/25 £'000	PCC 2024/25 £'000	Short-Term Creditor by Source:	PCC Group 2025/26 £'000	PCC 2025/26 £'000
9,893	4,524	Government Departments	8,698	2,657
14,030	20,294	Other Police and Local Authorities	14,924	21,876
58	58	NHS	61	61
13,025	9,481	Other	11,360	7,866
37,006	**34,357**	**Total Short Term Creditors**	**35,043**	**32,460**
		Short-Term Creditor by Type:		
36,464	33,815	Creditors & Accruals	34,636	32,053
542	542	Income in Advance	407	407
37,006	**34,357**	**Total Short Term Creditors**	**35,043**	**32,460**

The PCC ‘Other Police and Local Authorities’ creditors figure of £21.876m includes the intercompany creditor of £6.952m with the Chief Constable.

25. SHORT TERM INVESTMENTS

Short term investments relate to those investments which are due to mature within the next 12 months. The movement in short term investments throughout the year is as follows;

	Balance at 1st April 2025	New Investments	Investment Maturities	Balance at 31 March 2026
	£000	£000	£000	£000
Short Term Investments with Financial Institutions	2,000	361,230	(363,230)	-
	2,000	**361,230**	**(363,230)**	**-**

26. BORROWING

SHORT TERM BORROWING

This relates to borrowing due for maturing within 12 months.

	Balance at 1st April 2025 £000	Loans Repaid £000	New Loans £000	Transferred from Long Term Borrowing £000	Balance at 31 March 2026 £000
Public Works Loan Board (PWLB)	8,445	(8,445)	-	8,254	**8,254**
Other Borrowing	-	-	13,000	-	**13,000**
	8,445	**(8,445)**	**13,000**	**8,254**	**21,254**

LONG TERM BORROWING

This relates to borrowing that will need to be repaid after more than one year.

	Balance at 1st April 2025 £000	Loans Repaid £000	New Loans £000	Transferred to Short Term Borrowing £000	Balance at 31 March 2026 £000
Public Works Loan Board (PWLB)	96,786	-	4,000	(8,254)	**92,532**

Debt at 31st March 2025 £000		Debt at 31st March 2026 £000
8,254	1-2 years	3,182
10,392	2-5 years	14,327
17,640	5-10 years	18,523
16,500	10-15 years	16,500
44,000	> 15 years	40,000
96,786		**92,532**

27. USABLE RESERVES

The PCC and PCC Group has five revenue reserves and one capital reserve:

Change Management Reserve - This Reserve has been provided specifically to support initiatives that are aimed at securing improvements and will "pump prime" and meet the initial cost of investment in services.

Partnership Reserve - This Reserve was created to allow the PCC/PCC Group to continue schemes that were previously funded by partner agencies and to support partnership work.

Risk Management Reserve - This Reserve will allow the Chief Constable and the PCC to assist in meeting the cost of items highlighted through the Chief Constable's and the PCC's risk management processes.

Prices and Pay Reserve – This Reserve has been provided to support increases in inflation that are in excess of the budgeted amount in the short-term. For permanent inflationary pressures the increase will be incorporated into the Police and Crime Commissioners Medium-Term Resource Strategy.

General Reserve - This Reserve is currently being maintained at 3% of the net revenue budget and is designed to cushion the PCC/PCC Group against unforeseen expenditure pressures.

Capital Unapplied Reserve - This Reserve reflects capital grants and receipts that have been received but have yet to be used to fund capital expenditure.

The movements on the usable reserves in the year are:

2025/26	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Change Management Reserve	5,036	(5,036)	-
Partnership Reserve	2,200	(314)	**1,886**
Risk Management Reserve	2,000	-	**2,000**
Prices and Pay Reserve	1,000	(464)	**536**
General Reserve	7,000	718	**7,718**
General Fund Balance	**17,236**	**(5,096)**	**12,140**
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	**17,236**	**(5,096)**	**12,140**

2024/25	Opening Balance £000	Transfers to/(from) Reserves £000	Closing Balance £000
Revenue Reserves			
Change Management Reserve	14,095	(9,059)	**5,036**
Partnership Reserve	2,198	2	**2,200**
Risk Management Reserve	2,000	-	**2,000**
Prices and Pay Reserve	400	600	**1,000**
General Reserve	7,000	-	**7,000**
General Fund Balance	**25,693**	**(8,457)**	**17,236**
Capital Reserves			
Capital Unapplied Reserve	-	-	-
Total Usable Reserves	**25,693**	**(8,457)**	**17,236**

28. UNUSABLE RESERVES

The breakdown of the unusable reserves held on the PCC Group/PCC balance sheet is as follows;

2024/25 PCC Group £'000	2024/25 PCC £'000		2025/26 PCC Group £'000	2025/26 PCC £'000
(1,569,465)	(14)	Pensions Reserve	(1,538,339)	(14)
(16,528)	(16,528)	Capital Adjustment Account	(13,832)	(13,832)
71,558	71,558	Revaluation Reserve	74,855	74,855
1,223	1,223	Collection Fund Adjustment Account	278	278
(2,508)	(27)	Accumulated Absences Adjustment Account	(2,438)	(18)
(1,515,720)	**56,212**	**Total Unusable Reserves**	**(1,479,476)**	**61,269**

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 PCC/PCC Group 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 PCC/PCC Group makes employer's contributions to pension funds or eventually pay any pensions for which they are 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 PCC/PCC Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 PCC Group £'000	2024/25 PCC £'000		2025/26 PCC Group £'000	2025/26 PCC £'000
(1,737,648)	(16)	Opening Balance	(1,569,465)	(14)
245,500	1,294	Actuarial Gains or (losses) on the pensions assets and liabilities	60,678	80
(54,864)	(1,384)	Effect of LGPS Pension Asset Ceiling	(12,822)	(349)
77,460	230	Reversal of items relating to retirement benefits debited/credited to the Surplus or Deficit on the Provision of Services in the CIES	79,340	249
(99,913)	(138)	Employers Pension Contributions and direct payments to pensioners	(96,070)	20
(1,569,465)	**(14)**	**Closing Balance**	**(1,538,339)**	**(14)**

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account is credited with amounts set aside by the PCC/PCC Group to finance expenditure on non-current assets and absorbs the timing differences that might arise as a result of setting aside of resources being out of line with accounting charges for depreciation and impairment losses.

2024/25 £'000		2025/26 £'000
(12,674)	Opening Balance	(16,528)
336	Direct Revenue Financing	143
7,757	Minimum Revenue Provision	8,028
209	Revaluation reserve write down re disposals	-
358	Receipts on disposal of non current assets	23
(462)	Carrying value of disposed assets	(128)
(15,663)	Annual depreciation, impairment and revaluations	(9,020)
2,699	Historical cost depreciation adjustment	2,495
-	Donated Assets	214
912	Application of Government Grants to finance capital expenditure	941
(16,528)	**Closing Balance**	**(13,832)**

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the PCC/PCC Group arising from increases in the value of its Property, Plant and Equipment. A transfer can be made from the Revaluation Reserve to the Capital Adjustment Account to reflect the amount of additional depreciation that has been charged due to increases in value. The balance is also reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost, or when assets with accumulated gains are disposed of and the gains are realised.

2024/25 £'000		2025/26 £'000
78,276	Opening Balance	71,558
(3,810)	Revaluation of Non Current Assets	5,792
(209)	Amounts written out relating to sold asset	-
(2,699)	Historical cost depreciation adjustment	(2,495)
71,558	**Closing Balance**	**74,855**

COLLECTION FUND ADJUSTMENT ACCOUNT

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

ACCUMULATED ABSENCES ADJUSTMENT ACCOUNT

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

2024/25			2025/26	
PCC Group	PCC		PCC Group	PCC
£'000	£'000		£'000	£'000
(3,040)	(17)	Opening Balance	(2,508)	(27)
532	(10)	Adjustment based on calculation for untaken leave	70	9
(2,508)	**(27)**	Closing Balance	**(2,438)**	**(18)**

29. PROVISIONS

PROVISIONS

The PCC Group hold a number of provisions on its balance sheet as at the 31 March 2026.

The provisions held are as follows:

SHORT TERM PROVISIONS

As at the end of March 2026 liabilities exist on a number of legal claims against the PCC Group. The exact amount and timing of any resulting claims are currently unknown, therefore an estimated provision of £1,405K (2024/25 £1,472k) has been allocated for by the PCC Group based on information held at the year end.

At the end of 2024/25 a provision of £258k was made at the year end for targeted variable payments due to be made under Regulation 34 of the Police Regulations 2003, this provision was utilised in year and no further provision was made at the 2025/26 year end.

LONG TERM PROVISIONS

A long-term provision of £183k (2024/25 £183k) exists as at the end of March 2026 for potential undercover claims raised. It is likely that there will be a transfer of economic benefit from PCCs to claimants, as claims are made, therefore a long-term provision for the estimated costs to the PCC Group has been created.

As part of the introduction of IFRS16 a decommissioning provision was created for any site restoration costs where an obligation already exists. The total provision in relation to decommissioning costs as at the end of March 2026 is £40k (2024/25 £5k).

30. CONTINGENT LIABILITIES

CIVIL CLAIMS

A number of potential civil and other claims could be brought against the PCC Group. The current total estimated liability is £3,378k (2024/25 £2,262k). The timing of these claims is very unpredictable and is likely to be over a number of years.

REGIONAL WORKING – EMPLOYMENT OF STAFF

The Regional Collaboration Board has agreed to the adoption of a lead force model to provide managers and staff/officers engaged in Regional Working with consistent Human Resources policy and practices. Under these arrangements police staff will be employed by the lead force on a permanent, substantive basis and Police officers will be seconded.

The PCC for Humberside has agreed to indemnify other PCCs for its share of any costs in the event of any employment tribunal or civil court claims related to regional employment. This indemnity is unlimited. At this time, it is not possible to predict the value or timing of any obligations falling due as a result of this indemnity and so no provision has been made.

McCLOUD PENSION

In respect of the McCloud Pension case, claimants have lodged claims for compensation under two active sets of litigation, Aarons, and Penningtons.

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims for Aarons sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under advice from Counsel, but it is expected that most of these claims will be settled under the current compensation mechanism that is provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022.

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

31. ASSETS AND LIABILITIES IN RELATION TO RETIREMENT BENEFITS

The underlying assets and liabilities for retirement benefits of the PCC and PCC Group at 31 March 2026 and 31 March 2025 are as follows:

	Local Government Pension Scheme		Police Pension Schemes		TOTAL	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Present Value of the Defined Benefit Obligation	(264,811)	(240,373)	(1,537,860)	(1,568,960)	**(1,802,671)**	**(1,809,333)**
Fair Value of Plan Assets	395,631	358,345	-	-	**395,631**	**358,345**
Effect of Asset Ceiling Adjustment	(131,299)	(118,477)	-	-	**(131,299)**	**(118,477)**
Net Asset/(Liability)	**(479)**	**(505)**	**(1,537,860)**	**(1,568,960)**	**(1,538,339)**	**(1,569,465)**

Allocation of Net Asset/(Liability):	31 March 2026 £'000	31 March 2025 £'000
PCC	(14)	(14)
Chief Constable	(1,538,325)	(1,569,451)
	(1,538,339)	**(1,401,282)**

PENSION COMMENTARY

The liabilities show the PCC's and PCC Group's long-term commitments to pay retirement benefits. The total net liability of £1,538m has a substantial impact on the net worth of the PCC and PCC Group as recorded in the balance sheet, resulting in a negative overall balance of £1,467m in the PCC Group balance sheet.

In 2025/26, Police and Local Government Pension Schemes have seen a decrease in the overall pension liability. This is primarily due to an increase in gains and losses from changes in financial assumptions, resulting from an increase in discount rates compared to last year which places a lower value on obligations. A continuation in high discount rates has led to a pension surplus on the Local Government Pension Scheme (LGPS) in 2025/26 of £130.820m (2024/25 £117.972m). However, IAS19 restricts, by the way of an asset ceiling, the amount of pension asset surplus which is to be disclosed on an authority's balance sheet. It was deemed by the force's actuary that the net asset ceiling for 2025/26 was £0m (2024/25 £0m), therefore a net asset ceiling adjustment has been incorporated into the force balance sheet of £131.299m. This results in an overall liability of £0.479m for the LGPS. This relates to the liability held for unfunded obligations which are not included within the net asset ceiling requirements.

The last full actuarial valuation on the Police Pension Scheme was carried out as at 31 March 2020 and was reported during 2023/24. Resulting amendments to contribution rates have been made for 2024/25. The latest actuarial valuation as at 31 March 2024 is currently ongoing. The last actuarial review was carried out on the LGPS as at 31 March 2025. The next actuarial review takes place as at 31 March 2028.

In June 2023 the High Court ruled in the case of Virgin Media Ltd vs NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. On 25 July 2024 the Court of Appeal upheld the decision of the High Court. On 5 June 2025 the government announced that relevant certificates have been located in respect of the 2014 reforms. No update has been received as to whether the certificate in respect of the 2008 reforms has been located. The Government announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Legislation permitting to this issue was included in the government's Pension Scheme Bill (amendments) tabled on 1 September 2025. Due to the ongoing uncertainty around this case and the unknown impact on public service schemes, no allowance has currently been taken into account within the PCC balance sheet. Management will continue to monitor any developments on this case and consider the impact where further information is made available.

32. RECONCILIATION OF PRESENT VALUE OF SCHEME ASSETS AND LIABILITIES

RECONCILIATION OF SCHEME LIABILITIES

	Unfunded Liabilities: Police Pension Schemes		Funded Liabilities: Local Government Pension Scheme	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
1st April	(1,568,960)	(1,737,080)	(240,373)	(275,330)
Current service cost	(9,870)	(12,920)	(6,186)	(8,532)
Past service costs (including curtailments)	-	-	-	(343)
Interest cost	(86,940)	(81,180)	(13,978)	(13,452)
Contributions by scheme participants	(13,240)	(12,450)	(3,187)	(3,180)
Benefits paid	83,459	80,782	8,109	7,536
Remeasurements:				
Gains and losses from changes in assumptions	51,441	195,528	12,449	50,355
Experience gains and losses	6,250	(1,640)	(21,645)	2,573
31st March	**(1,537,860)**	**(1,568,960)**	**(264,811)**	**(240,373)**

The expected budgeted contributions to the LGPS for 2026/27 are £6.8m (2025/26 was £8.1m) and £34.4m for the Police Pension Fund (2025/26 was £33m).

RECONCILIATION OF SCHEME ASSETS

	Local Government Pension Scheme	
Present Value of Scheme Assets	2025/26 £'000	2024/25 £'000
1st April	358,345	338,375
Interest income on Plan assets	20,904	16,514
Employer contributions	9,062	9,070
Contributions by scheme participants	3,187	3,180
Benefits paid	(8,050)	(7,478)
Remeasurements:		
Return on assets excluding net interest	12,183	(1,316)
31st March	**395,631**	**358,345**

Effect of Asset Ceiling

Effect of the Asset Ceiling at 31st March 2024	(118,477)	(63,613)
Changes to the Effect of the Asset Ceiling in Year	(12,822)	(54,864)
Effect of the Asset Ceiling at 31st March 2025	**(131,299)**	**(118,477)**

33. BASIS FOR ESTIMATING ASSETS AND LIABILITIES

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

The Police Schemes have been assessed by the Government Actuaries Department and the Local Authority Scheme, which is administered by the East Riding of Yorkshire Council, has been assessed by Hymans Robertson, actuaries.

The main assumptions used in their calculations have been:

	Local Government Pension Scheme		Police Pension Schemes	
	2025/26 %	2024/25 %	2025/26 %	2024/25 %
Rate of Inflation	3.00	2.75	2.95	2.70
Rate of Increases in Salaries	3.00	2.75	3.70	3.45
Rate of increase in Pensions	3.00	2.75	2.95	2.70
Rate for Discounting Scheme Liabilities	6.30	5.80	6.10	5.65
CARE Revaluation			4.20	3.95
Take up option to convert annual pension into retirement grant:				
Pre April 2008 service	80	80		
Post April 2008 service	60	60		

The sensitivity of scheme liabilities to changes in the main assumptions are:

2025/26	Local Government Pension Scheme %	£000	Police Pension Schemes %	£000
Change in assumption:				
0.5% increase in salaries increase rate	-	975	0.50	10,000
0.5% increase in pensions increase rate	8.00	22,320	7.00	106,000
0.5% decrease in discounting of liabilities rate	9.00	23,285	7.00	104,000
1 year increase in member life expectancy rate	4.00	10,592	2.50	39,000

2024/25	Local Government Pension Scheme %	£000	Police Pension Schemes %	£000
Change in assumption:				
0.5% increase in salaries increase rate	-	1,000	1.00	12,000
0.5% increase in pensions increase rate	10.00	23,765	7.00	111,000
0.5% decrease in discounting of liabilities rate	10.00	24,085	7.00	110,000
1 year increase in member life expectancy rate	4.00	8,217	2.50	36,000

Opposite changes in assumptions would produce equal and opposite changes in scheme liabilities. Doubling the changes in assumptions would produce approximately double the change in scheme liabilities.

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain consistent. The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposed, the actuary estimates that a one-year increase in life expectancy would approximately increase the employer's defined benefit obligation by around 2.5-4%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages). The approach taken in preparing the sensitivity analysis is consistent with that adopted in the previous year.

The weighted average duration of the scheme liabilities are:

	Local Government Pension Scheme	Police Pension Schemes
	Years	Years
2025/26	18.0	15.0
2024/25	20.0	15.0

The Police Pension Schemes have no assets to cover the liabilities incurred.

Assets in the LGPS are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the assets held by the fund:

		2025/26		2024/25
Asset quoted prices:	**%**	**£000**	**%**	**£000**
Equity securities	-	-	-	-
Debt securities	7.8	30,827	7.8	27,921
Private equity	6.2	24,673	6.2	22,348
Real estate	8.3	32,874	8.3	29,776
Investment funds	76.6	302,899	76.6	274,353
Cash and cash equivalents	1.1	4,358	1.1	3,947
Effect of Asset Ceiling Adjustment		(131,299)		(118,477)
Total		**264,332**		**239,868**
In active markets	73.9	292,536	73.9	264,966
Not in active markets	26.1	103,095	26.1	93,379
Effect of Asset Ceiling Adjustment		(131,299)		(173,341)
		264,332		**185,004**

34. ASSUMED MORTALITY RATES

Mortality rates are projected using published tables. Future mortality improvements are in line with the 2014-based UK principal population projections.

POLICE PENSION FUND

2025/26

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	22.0	24

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.4	25.3

2024/25

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.9	23.9

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	23.3	25.2

LOCAL GOVERNMENT PENSION SCHEME

2025/26

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.1	24

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.9	25.4

2024/25

Current Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	20.5	23.5

Future Pensioners		
Exact Age	Expectation of life (in years) for existing pensioners	
	Males	Females
65	21.2	25

35. REMEASUREMENTS OF THE NET DEFINED BENEFIT LIABILITY

The IAS19 remeasurement movements on the Pensions Reserve can be analysed into the following remeasurement categories, measured as absolute amounts and as percentages of assets or liabilities at 31 March:

LOCAL GOVERNMENT

	2024/25		2025/26	
	£'000	%	£'000	%
Return on assets, excluding net interest	(1,316)	(0.37)	12,183	3.08
Difference between actuarial assumptions about liabilities and actual experience	2,573	1.07	(21,645)	(8.17)
Changes in the demographic and financial assumptions used to estimate liabilities	50,355	20.9	12,449	4.70
Effect of Asset Ceiling	(54,864)	(22.82)	(12,822)	(4.84)
Total IAS19 Remeasurements	**(3,252)**	(1.35)	**(9,835)**	(3.71)

POLICE PENSION SCHEMES

	2024/25		2025/26	
	£'000	%	£'000	%
Difference between actuarial assumptions about liabilities and actual experience	(1,640)	(0.10)	6,250	0.41
Changes in the demographic and financial assumptions used to estimate liabilities	195,528	12.46	51,441	3.34
Total IAS19 Remeasurements	**193,888**	12.36	**57,691**	3.75

Allocation of IAS19 Remeasurements:

	2024/25	2025/26
	£'000	£'000
PCC	90	269
Chief Constable	(190,726)	(48,125)
Total IAS19 Remeasurements	**(190,636)**	**(47,856)**

36. FINANCIAL INSTRUMENTS

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'Financial Instrument' covers both Financial Assets and Financial Liabilities and includes both the most straight forward Financial Assets and Liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives. IFRS 9 Financial Instruments has been adopted however the impact on the Financial Statements is minimal due to the use of only simple financial instruments.

FINANCIAL ASSETS AND LIABILITES

Trade creditors and debtors included as financial instruments are less than the creditors and debtors included in the Balance Sheet as those that are not contractual or are not due to be settled in cash or by another financial instrument are excluded.

The carrying and fair value amounts of financial liabilities and assets held by the PCC Group on the Balance Sheet are:

	Balance at 31 March 2026		Balance at 31 March 2025	
Financial Liabilities	**Carrying Amount £000**	**Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Trade Creditors	11,994	11,994	23,653	23,653
Cash Overdrawn	-	-	-	-
PWLB Loans	100,786	71,551	105,231	76,111
PFI and Finance Lease Liabilties	1,404	1,404	1,642	1,642
Other Loans	13,000	13,000	-	-
Total	**127,184**	**97,949**	**130,526**	**101,406**

These liabilities relate to loans from the PWLB and local authorities, which are included in the Balance Sheet as outstanding principal (carrying value) and accrued interest, shown separately within current liabilities. Trade creditors and other payables are shown at the invoiced amounts.

The fair value is lower than the carrying amount because the PCC Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the markets at the balance sheet date. The fair value measurement for loans payable has been provided by the PWLB based on their premature repayment rates. Other Loans represents short term borrowing held at fair value.

The financial liabilities held by the force measured at fair value have been classified as Level 1; quoted prices in active markets for identical liabilities.

	Balance at 31 March 2026		Balance at 31 March 2025	
Financial Assets	**Carrying Amount £000**	**Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Trade Debtors	16,498	16,498	23,270	23,270
Deposits with Banks and Financial Institutions	-	-	2,000	2,000
Total	**16,498**	**16,498**	**25,270**	**25,270**

Financial Assets include temporary investments that have fixed or determinable payments, but are not quoted in an active market, and trade debtors and receivables based on the invoiced/billed amounts.

The nature and the type of Financial Instruments held by the PCC/PCC Group are not significant in relation to the overall financial position of the PCC/PCC Group.

RECLASSIFICATION/DE-RECOGNITION - The PCC/PCC Group has not reclassified any Financial Instruments during the year as to how they are measured, i.e. at amortised cost rather than fair value and no financial assets have been transferred during the year, in such a way that part or all do not qualify for recognition. No early repayment has been undertaken.

COLLATERAL - The PCC/PCC Group has not pledged any financial assets as collateral for liabilities during the year and holds no collateral as security.

EFFECT OF FINANCIAL INSTRUMENTS ON THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Charges and income to the Comprehensive Income and Expenditure Statement in relation to Financial Instruments are made up as follows:

	Liabilties			Assets	
	PWLB Loans	Short Term Borrowing	PFI and Finance Leases	Deposits with Banks and Financial Institutions	Total
	£000	£000	£000	£000	£000
Interest Expense	2,573	76	69	-	**2,718**
Interest Income	-	-	-	(965)	**(965)**
Net Affect for the Year	**2,573**	**76**	**69**	**(965)**	**1,753**

FINANCIAL RISKS

The PCC's and PCC Group's activities expose it to a variety of financial risks.

The PCC Group's overall Risk Management Policy in relation to financial instruments is embedded within the Treasury Management Strategy Statement. The Policy has been prepared to include the requirements of the CIPFA Code of Practice in Treasury Management. In relation to specific risk categories set out above, the PCC Group's position is as follows:

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the PCC Group.

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

The PCC Group regards the prime objective of its Treasury Management activities to be the security of the principal sums it invests.

Deposits are made in accordance with the treasury management practices and associated schedules approved as part of the treasury management policy statement.

Customers of the PCC Group are assessed, taking into account their latest financial standing and credit for customers is not generally allowed.

The Debtors at 31 March 2026, includes £25.9m that relates to Central and Local Government organisations, and as such is not classed as a credit risk. The profile of the remaining debtors which are monitored on a regular basis is set out below:

	2025/26 £000	2024/25 £000
Up to Three Months	2,255	228
More than Three Months	279	50
Total	**2,534**	**278**

Liquidity Risk

Liquidity risk is the possibility that the PCC Group might not have funds available to meet its commitments to make payments.

As at 31 March 2026 the PCC Group had balances on revenue reserves of £12.14m, cash and cash equivalents of £4.5m and deposits with banks and financial institutions of £0m. The PCC Group also has access to borrowing from the Public Works Loan Board (PWLB). There is therefore no significant risk that the PCC Group would be unable to meet its financial commitments.

As part of the Treasury Management Strategy Statement the PCC Group considers the maturity analysis of borrowings at the beginning of the financial year in order to manage the profile of debt repayable. The position at 31 March 2026 can be found within Note 25 of these accounts.

Market Risk

Market risk is the possibility that financial loss might arise for the PCC Group as a result of changes in such measures as interest rates and stock market movements.

The PCC Group is not exposed to specific risk in terms of interest movements as both borrowings and investments are at fixed rates. The PCC Group manages its exposure to fluctuations in interest rates with a view to containing its costs within approved budgets within the arrangements set out in its Treasury Management Strategy Statement.

Fluctuations in market interest rates are a factor that is considered when formulating the PCC Group’s MTRS which provides a framework for investment and borrowing decisions.

37. NOTES TO THE CASH FLOW STATEMENT

ADJUSTMENTS FOR NON-CASH MOVEMENTS

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
(22,453)	92	Notional Pension Costs (in excess of) / less than actual pensions paid	(16,730)	269
(15,663)	(15,663)	Depreciation and Impairment	(9,020)	(9,020)
(5,505)	(6,047)	Other non cash movements	4,702	4,641
(43,621)	**(21,618)**		**(21,048)**	**(4,110)**

ADJUSTMENTS FOR INVESTING AND FINANCING CASH MOVEMENTS

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
912	912	Capital Grants credited to surplus or deficit on the provision of services	941	941
358	358	Proceeds from the sale of Property, Plant and Equipment Assets	23	23
1,270	**1,270**		**964**	**964**

CASH AND CASH EQUIVALENTS

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
428	428	Bank Imprest and current accounts	332	332
10	10	Cash in Hand	10	10
-	-	Cash Clearing	-	-
3,600	3,600	Short term deposits with banks and building societies	4,153	4,153
4,038	**4,038**		**4,495**	**4,495**

INVESTING ACTIVITIES

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
9,079	9,079	Purchase of Property, Plant and Equipment	7,713	7,713
115	115	Purchase of Intangible Assets	513	513
(912)	(912)	Capital Grants received	(941)	(941)
(358)	(358)	Proceeds from sale of Property, Plant and Equipment	(23)	(23)
358,685	358,685	Purchase of Short Term Investments	361,230	361,230
(360,685)	(360,685)	Proceeds from Short Term Investments	(363,230)	(363,230)
-	-	Other Receipts from Investing Activities	-	-
5,924	**5,924**		**5,262**	**5,262**

FINANCING ACTIVITIES

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
(22,000)	(22,000)	Cash Receipts of Short and Long Term Borrowing	(17,000)	(17,000)
18,081	18,081	Repayment of Short and Long Term Borrowing	8,445	8,445
324	324	Cash payments for the reduction of outstanding liabilities in relation to finance lea	420	420
(3,595)	**(3,595)**		**(8,135)**	**(8,135)**

OPERATING ACTIVITIES

The below table discloses the cash flow of interest received and paid during the year.

31 March 2025 PCC Group £'000	31 March 2025 PCC £'000		31 March 2026 PCC Group £'000	31 March 2026 PCC £'000
(1,699)	(1,699)	Interest received	(886)	(886)
3,185	3,185	Interest paid	2,615	2,615
1,486	**1,486**		**1,729**	**1,729**

38. RELATED PARTY TRANSACTIONS

In accordance with the reporting requirements of IAS 24, the Group is required to disclose details of material transactions with related parties, that is bodies or individuals that have the potential to influence the Group or to be controlled or influenced by the Group.

There are direct relationships between the PCC and several central and local government organisations, the main ones being the Home Office (Police Grant), the Ministry of Justice (Grant) and the four Unitary Authorities (Council Tax/Precepts). These are disclosed elsewhere in the financial statements.

The PCC has direct control over the Group's finances and is responsible for setting priorities through the Police and Crime Plan. The Chief Constable retains operational independence and operates within the budget set by the PCC, to deliver the Force aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept.

There are also direct relationships between the PCC and other PCCs within the Yorkshire and Humberside region and PCCs in Cleveland, Durham and Northumbria in respect of Regional Collaboration arrangements. Details are disclosed in note 15 to the financial statements.

The Police and Crime Commissioner for Humberside is a councillor for Barton Town Council. During 2025/26 no transactions were made between the PCC and the town council (£nil in 2024/25).

The Chief Constable is represented on the National Police Chiefs Council which is an independent professional body of chief police officers and senior staff equivalents.

The Deputy Chief Constable and the Assistant Chief Officer of the force are Directors of the Emergency Services Fleet Management (Humberside) Ltd. Emergency Services Fleet Management (Humberside) Ltd is a joint operation that provides vehicle maintenance services to Humberside Police and Humberside Fire Authority. The company supplied services with a value of £2,614,476 to Humberside Police during 2025/26 (£2,451,255 in 2024/25). The PCC Group leases part of its Melton workshop facility to the company for which a rent of £198,799 was charged in 2025/26 (£198,799 2024/25). Other income received totaled £28,243 in 2025/26 (£35,527 2024/25). Details of Humberside Police's share of income, expenditure, assets and liabilities of this joint operation are disclosed in Note 15 to the financial statements.

The Police and Crime Commissioner for Humberside, Deputy Chief Constable and Chief Finance Officer for the Chief Constable are no longer board members for the North East Business Resilience Centre, a police-led not-for-profit organisation that provide cyber security support to small businesses. However, the Police and Crime Commissioner was a board member throughout 2025/26. During 2025/26 a total of £105,490 in NPCC regional cyber grant payments were made to the organisation from the PCC Group (£200,000 2024/25).

The Chief Executive of the OPCC is a non-executive director on the board of Ongo Homes, a social housing provider in North Lincolnshire. During 2025/26 payments of £15k were made by the PCC Group to Ongo Homes in relation to funding a project to tackle serious crime and ASB (£nil in 2024/25).

The Deputy Chief Constable is a director of The Police Treatment Centres. During 2025/26 payments of £23k were made in relation to a grant payment and wellbeing services. This posting began during 2025/26.

The Deputy Chief Constable is a director of Police Children's Charity. During 2025/26 no payments were made between both parties. The posting began during 2025/26.

The spouse of the Chief Finance Officer for the Police and Crime Commissioner is the finance director for the safety business unit at NEC Software Solutions. During 2025/26 payments of £174k were made by the force to NEC Software for IT services (£101,854 in 2024/25).

The Chief Finance Officer and the Deputy Chief Finance Officer to the PCC are seconded from Humberside Fire and Rescue Services for 40% of their time. The Office of the Police and Crime Commissioner for Humberside contributes towards all relevant pay and employee costs for this proportion of their time. The Police and Crime Commissioner for Humberside is also a member of the Humberside Fire Authority. The joint operations ran by both the PCC Group and Humberside Fire are detailed in note 15 to the financial statements.

A survey of the Police and Crime Commissioner for Humberside, Senior Staff within the OPCC, the Chief Constable/Senior Officers of Humberside Police and parties related to them was undertaken in preparing these financial statements. Except as disclosed above, no material related party transactions were identified.

39. EVENTS AFTER THE BALANCE SHEET DATE

The unaudited draft Statement of Accounts were issued on 30 June 2026. The PCC Group reviewed events occurring between 31 March and the issue date and did not identify any additional events that were adjusting events in respect of conditions existing at the Balance Sheet date.

POLICE PENSION FUND ACCOUNTS

The Code of Practice on Local Authority Accounting sets out the accounting treatment for the Police Pension Fund Accounts in the financial year 2025/26.

The Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts are made to and from the Police and Crime Commissioner for Humberside's ("PCC") Police Fund. These Police Pension Fund Accounts do not form part of the Chief Constable's or PCC Group Financial Statements.

TRANSACTIONS RELATING TO RETIREMENT BENEFITS

As part of the terms and conditions of employment of its officers and other employees, the PCC Group offers retirement benefits. Although these benefits will not actually be payable until employees retire, the PCC Group has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The PCC Group participates in the following pension schemes:

The Police Pension Schemes for police officers – three schemes where provided for police officers, the 1987 Scheme, the 2006 scheme and the 2015 scheme. From 1 April 2022 all active scheme members have been transferred into the 2015 scheme due to the end of the police pension remedy period. The 1987 and 2006 schemes are now closed to future pension build up.

The 2015 pension scheme has officers' contributions in a range of 12.44 to 13.78% (2024/25 12.44 to 13.78%). All schemes are unfunded schemes, i.e. no investment assets are built up to meet the pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Local Government Pension Scheme for police staff, administered by the East Riding of Yorkshire Council – is a funded scheme, i.e. the PCC and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The accounting and funding arrangements for Police Pensions are detailed below:

31 March 2025 £'000			31 March 2026 £'000
	CONTRIBUTIONS RECEIVABLE		
	Police and Crime Commissioner ("PCC"):		
(28,236)	- contributions at 35.3%	(29,390)	
(623)	- early retirements - Ill Health	(797)	
(12,540)	Officers' Contributions	(12,946)	
			(43,133)
	TRANSFERS IN		
(208)	Transfers in from other Pension Schemes		(543)
	BENEFITS PAYABLE		
67,555	- Pensions	69,809	
13,899	- Commutations and lump sum retirement benefits	14,230	
-	- Lump sum death benefits	178	
			84,217
	PAYMENTS TO AND ON ACCOUNT OF LEAVERS		
169	- Refunds of contributions	150	
80	- Transfers out to other Pension Scheme	138	
-	- Transfers out to other Police Forces: 1974 arrangments	-	
			288
40,096	**NET AMOUNT PAYABLE FOR THE YEAR BEFORE TRANSFER FROM THE PCC**		**40,829**
(36,179)	Additional funding payable by the PCC to meet the deficit (funded by the Home Office)		(36,752)
(3,917)	Additional funding payable by the PCC to meet the deficit (NOT funded by the Home Office)		(4,077)
-	**NET AMOUNT PAYABLE/RECEIVABLE FOR THE YEAR**		-

NET ASSETS STATEMENT

31 March 2025 £'000		31 March 2026 £'000
	CURRENT ASSETS	
-	Police Fund Debtor - Home Office	-
-	Police Fund Debtor - Other	-
5,749	Pensions Paid in Advance	5,981
	CURRENT LIABILITIES	
3,900	Police Fund Creditor - Home Office	1,906
-	Police Fund Creditor - Other	-
1,849	Humberside Police and Crime Commissioner	4,075
-		-

NOTES TO THE POLICE PENSION FUND ACCOUNTS

The Police Officer Pension Schemes make up the account:

- 1987 Police Pension Scheme (no longer holding active members)
- 2006 Police Pension Scheme (no longer holding active members)
- 2015 Police Pension Scheme

PCCs are obliged to include the Pension Fund Account in their Statement of Accounts in accordance with regulation 7(1)(d) of the Accounts and Audit Regulations 2003. The Fund is administered and managed by the Humberside Police Finance Section.

The fund is charged with all pensions expenditure in accordance with Home Office guidance, with income being employee contributions, employer contributions, which for 2025/26 was 35.3% of pensionable pay (2024/25 35.3%).

Other income items within the fund are transfer payments from other pension schemes and a capital charge that is twice the average pensionable pay of officers that retire on ill health.

The Home Office provide a pension “top up” grant to fund differences on the fund account, 80% is received up front for the relevant financial year, with the balance provided on submission of the PCC’s financial statements.

There has been an adjustment of 4.3% to the cash flow to the Police Pension Fund due to the increase in the employer contribution rate from 31% to 35.3% being reflected in an increase in HM Treasury pensions top up funding of £4,077k (2024/25 £3,917k).

There are no investment assets, the fund is balanced to nil at the yearend by either a contribution from the Police Fund, or if a surplus balance on the fund, a transfer to the Police Fund.

The fund does not account for benefits payable in the future (IAS 19 Employee Benefits), which is a divergence from the accounting policy for the Police Fund Account as stated in the statement of accounting policies. Details of the long term pension obligations and the cost of pensions can be found in the PCC Group’s financial statements.

Employees’ and employer’s contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary’s Department.

The responsibility for future pension benefits still lies with the PCC Group, through the Police Fund Account. The responsibility for amounts due to/from the Fund Account and the Home Office is shown within the Police Fund, not the Pensions Fund.

As previously stated the Chief Constable is responsible for administering the Police Pension Fund in accordance with the Police Reform and Social Responsibility Act 2011. All payments and receipts are made to and from the PCCs Police Fund. As such, the Chief Constable and the PCC are the only related parties to the Fund and all the transactions shown in the Police Pension Fund Accounts have been processed through the PCC.

GLOSSARY OF ACCOUNTING TERMS

The PCC and PCC Group has adopted the International Financial Reporting Standards ("IFRS") based Code of Practice on Local Authority Accounting as its standard basis of accounting.

Definitions of accounting terms used are given below:

Term	Definition
Accounting period	The period of time covered by the financial statements, normally a period of twelve months.
Accruals basis	Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and revenue is recognised when it is earned, not when the cash is actually received.
Agency cost	Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.
Amortisation	The term used for depreciation of intangible assets such as the annual charge in respect of computer licenses the PCC/ PCC Group has purchased.
Asset	An item owned or leased by the PCC/ PCC Group, which has a value, for example, land and buildings, vehicles, equipment, cash.
Assets held for sale	Assets are held for sale if their value will be recovered through a sale transaction rather than through continuing use.
Balance Sheet	This represents a summary of all the assets and liabilities of the PCC/ PCC Group.
Capital expenditure	Expenditure on new assets or on the enhancement of existing assets so as to prolong their useful life or enhance value.
Capital Financing Account	This account represents amounts set aside from revenue or capital receipts to finance expenditure on property, plant and equipment or for the repayment of external loans and certain other capital financing transactions.
Capital Financing Requirement (CFR)	The Capital Financing Requirement is a measure of the extent to which the PCC/ PCC Group needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.
Capital receipts	Proceeds from the sale of property, plant and equipment.
Carry overs	These are underspends at the end of the financial year, which are carried forward into the next financial year to support that year's expenditure plans.
Cash and cash equivalents	Cash includes cash held in bank accounts and cash in hand. Cash equivalents are assets that can be readily converted into cash such as deposits and certain short term investments.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the main professional accountancy body relating to the public sector.
Collection Fund	Precept Income is collected on behalf of the PCC by the four billing Authorities (East Riding of Yorkshire Council; Kingston upon Hull City Council; North East Lincolnshire Council and North Lincolnshire Council). The precept income is then paid to the PCC as Precept Income.
Contingent asset or liability	An asset or liability that is not recognised in the financial statements due to the level of uncertainty surrounding it but is disclosed as it is possible that it may result in a future inflow or outflow of resources.

Creditors	Amounts owed by the PCC/ PCC Group for goods received or services rendered but not yet paid for at the end of the financial year.
Current asset or liability	An asset or liability that the PCC/ PCC Group expect to hold or discharge for a period of less than one year from the Balance Sheet date.
Debtors	Sums of money due to the PCC/ PCC Group for work done or services supplied but not received at the end of the financial year.
Deferred liabilities	Liabilities which by arrangement are payable beyond the next year at some points in the future or paid off by an annual sum over a period of time.
Depreciation	The accounting charge representing the use of property, plant and equipment assets which spreads the cost or value of the asset over its useful life.
Employee benefits	All forms of consideration given to employees for services rendered. These are salaries and wages, social security costs (national insurance), superannuation contributions, paid sick leave, paid annual and long service leave and termination payments.
Financial instruments	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Going concern basis	The underlying assumption used in producing the financial statements that the PCC/ PCC Group will continue to operate for at least 12 months from the Balance Sheet date.
Impairment	The fall in the value of an asset.
Income Received in Advance	Income received that should be classed as a benefit in the next financial year.
Intangible assets	Capital expenditure which does not create a tangible asset.
Inventories	Stocks held by the PCC/ PCC Group such as uniforms, fuel etc.
Leases	A method of financing expenditure over a period of time. Under IFRS16 assets leased into the force are classified as Right of Use assets on the balance, with a corresponding lease liability.
Liability	An amount owing to a third party such as a loan or unpaid invoice from a supplier.
Minimum Revenue Provision (MRP)	The Minimum Revenue Provision is the amount required by statute that the PCC/ PCC Group must fund to cover the redemption of external debt, including any supported or unsupported borrowing used to fund capital; the MRP amount being equal to the capital expenditure funded by the borrowing over the expected life of the assets.
Medium Term Resource Strategy (MTRS)	The MTRS covers a 5 year period and describes the financial direction of the Chief Constable and the PCC capturing known and estimated funding, financial pressures, staffing resources and development needs as well as seeking to identify financial risks. It is an indication of the likely direction of financial planning over the next year.
Net assets	Total assets less total liabilities.
Non-current asset or liability	An asset or liability that the PCC/ PCC Group expects to hold or discharge for a period of more than one year from the Balance Sheet date.
Non Distributed Cost	This is where overheads are not charged or apportioned to activities within the SeRCOP service expenditure analysis.
Precept	A levy which the PCC makes through the Council Tax to pay for services.
Prepayment	Where an amount of expenditure is paid in the current financial year, but the goods or services are a benefit in the next/following year.
Provision	An amount set aside to provide for a liability which is likely to be incurred but the exact amount and the date on which it will arise are uncertain.
Prudential Borrowing	This is the borrowing as part of funding of capital expenditure, where no actual loan is taken out to match the element of expenditure incurred. The affect is shown through the Capital Financing Requirement and is the amount to be funded when all other funding types i.e. capital grant, revenue, capital receipts etc. have been used.

Remeasurements of the Net Defined Benefit Liability	For a defined benefit pension scheme, the changes that arise because : events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.
Reserves	General reserves are accumulated balances available to support revenue or capital spending and meet unforeseen events. Earmarked reserves are amounts set aside for an agreed purpose in one financial year and carried forward to meet expenditure in future years.
Revenue expenditure	Spending on day to day items, including salaries, premises costs and supplies and services.
The Code	The Code of Practice published by CIPFA, relating to Local Authority Accounting in the United Kingdom and is issued each year.
Unrealised gains and losses	Unrealised gains and losses are those which have been recognised by the PCC/PCC Group in its financial statements but are only potential gains as they have yet to be realised, such as rises and falls in the value of land and buildings due to changes in the property market. The gain or loss only becomes realised when the property is sold.

Acronyms and Abbreviations

CARE	Career Average Revalued Earnings
CIES	Comprehensive Income and Expenditure Statement
CIPFA	Chartered Institute of Public Finance and Accountancy
ESFM	Emergency Services Fleet Management
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
JES	Joint Estates Services
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LGPS	Local Government Pension Scheme
MRP	Minimum Revenue Provision
MTRS	Medium Term Resource Strategy
NPCC	National Police Chiefs Council
OPCC	Office of the Police and Crime Commissioner
PCC	Police and Crime Commissioner
PCP	Police and Crime Panel
PCSO	Police Community Support Officer
PRSRA	Police Reform and Social Responsibility Act
PWLB	Public Works Loans Board
SeRCOP	Service Reporting Code of Practice for Local Authorities
VAT	Value-Added Tax
VFM	Value for Money