

THE POLICE AND CRIME COMMISSIONER FOR SOUTH WALES POLICE **FINAL STATEMENT OF ACCOUNTS** (GROUP ACCOUNTS)

FOR THE
YEAR ENDED
31 MARCH 2025



Comisiynydd
yr Heddlu a
Throseddu
De Cymru

South Wales
Police
and Crime
Commissioner



**HEDDLU
DE CYMRU**
**SOUTH WALES
POLICE**





David Holloway-Young
CPFA

**CHIEF FINANCE OFFICER
to the POLICE AND CRIME
COMMISSIONER**



Comisiynydd
yr Heddlu a
Throsedd
De Cymru

South Wales
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and Crime
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CHIEF FINANCE OFFICER'S NARRATIVE REPORT 2024-25

1. SOUTH WALES AS A PLACE

The South Wales Police area consists of the seven local authority areas of Cardiff, Swansea, Rhondda Cynon Taf, Neath Port Talbot, Vale of Glamorgan, Merthyr Tydfil and Bridgend and covers an area of approximately 831 square miles. With a mixture of both urban and rural areas the former heavy industries of coal mining and steel production have mostly disappeared and have been replaced by service sector industries.

Geographically the northern area is dominated by a series of valleys that run broadly north to south with the Swansea Valley (and Gower Peninsula) furthest to the west and the Merthyr Valley furthest to the east. The lower lying coastal areas to the south of the Force area include the cities of Cardiff and Swansea which are also the most populous areas. The seven local authorities within the Force boundary have a combined population of approximately 1.3 million.

2. SOUTH WALES POLICE

South Wales Police is the largest force in Wales and the 9th largest Force in England and Wales (GRE 2024-25). The Force is divided into three Basic Command Units (BCUs) but also has central departments such as Operational Support Services providing shared resources like Police Dogs, Horses and custody cells and the Joint Scientific Investigation Unit who examine exhibits and attend scenes of crime to collect evidence. The latter is one of many functions organised and run in collaboration with neighbouring police forces achieving economies of scale, sharing expertise, premises and equipment and providing improved Value for Money for local taxpayers.

The Office of the Police & Crime Commissioner (OPCC) commissions services and awards grants in its own right in order to reduce and prevent crime and holds the Chief Constable to account for the delivery of operational policing.

3. FINANCIAL MANAGEMENT ARRANGEMENTS

The Force Finance Department, working with the OPCC Finance Team, produce accurate, high quality and timely financial information which is of relevance to a wide range of stakeholders and allows for informed management decision making.

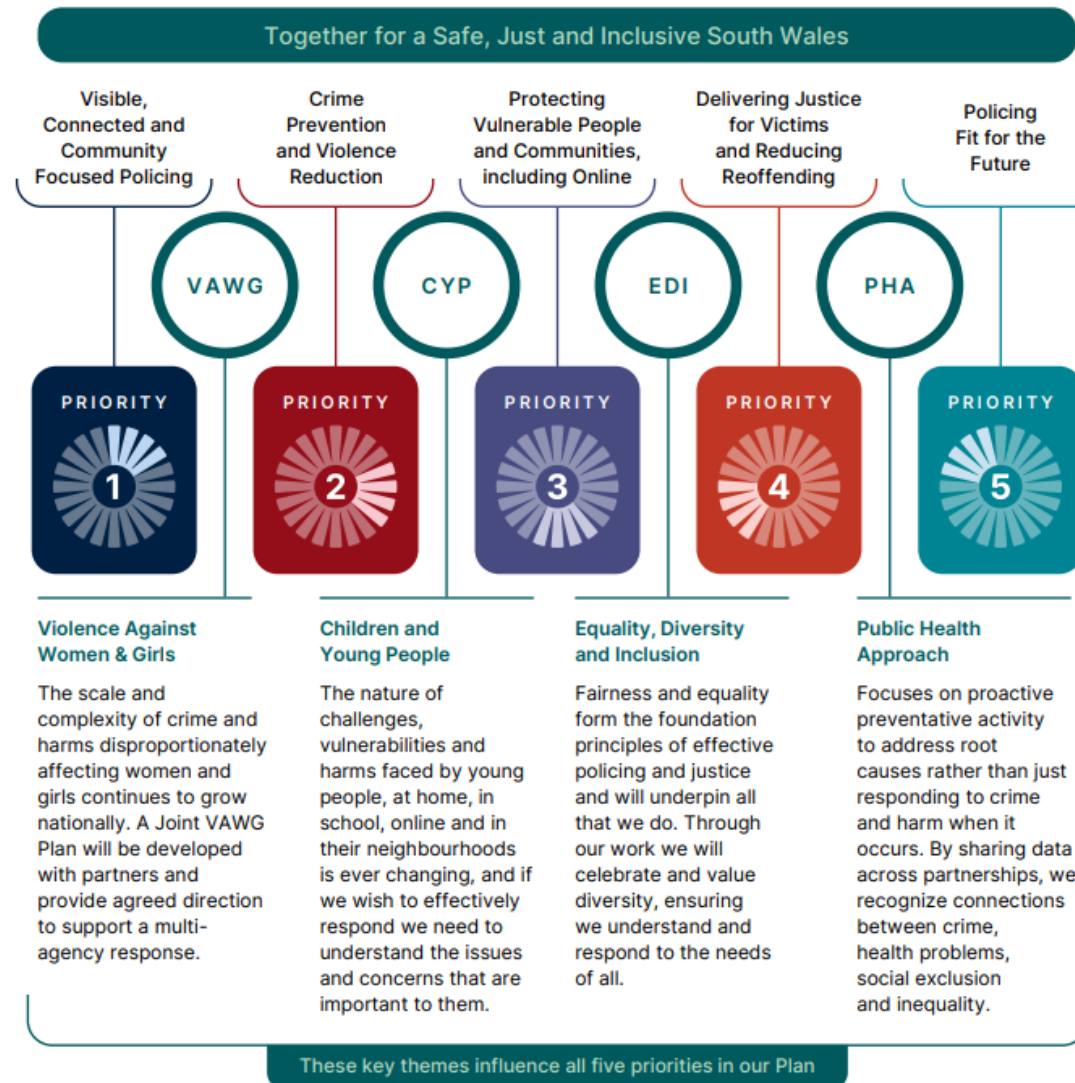
Recognising that scheduling for the statutory audit does not require draft accounts by the 31st of May deadline and to better manage available resources, both Chief Finance Officers were content to publish draft accounts by 30th June 2025. Accordingly, a Regulation 10 notice was published on the websites of both Corporations Sole documenting the revised publication date. This timing is consistent with police forces across England and Wales and in accordance with the expectations of the statutory audit body, Audit Wales.

4. THE POLICE, CRIME AND JUSTICE PLAN

The Commissioner began her first year of office during May 2024 and by 31st March 2025 was required to have written and published her Police, Crime and Justice Plan.

The Commissioner's team has ensured through a dedicated project team the development of the plan following extensive consultation with stakeholders. The final version of the plan was published on the 31st March 2025. The plan includes an extensive performance management framework to ensure achievement of the plan's objectives can be measured. The infographic below is a summary of the plan and the key priorities and objectives therein.

4. THE POLICE, CRIME AND JUSTICE PLAN



5. FINANCIAL PERFORMANCE

Core Funding and Council Tax Precept 2024-25

The 2024-25 Police Finance Settlement was announced in December 2023. Whilst overall funding increased by £24.5 million, the core grant remained largely unchanged at £195 million. This is detailed in the table below. The Police Uplift Grant increased from £6.2 million to £9.6 million this was required to fund the full year costs of additional officer intakes and remained ring fenced to be used only towards the cost of those new officers.

Funding Comparison	2024/25	2023/24	Change
	£'000	£'000	£'000
Core Grant (Home Office & Welsh Government)	194,802	194,944	(142)
Pay Award Partially Funded	11,767	7,461	4,306
Total Core Funding	206,569	202,405	4,164
Pension Grant (inc contribution rate increase)	10,480	3,106	7,374
Uplift Programme Ring Fenced Grant	9,609	6,217	3,392
Additional Recruitment Top Up	2,064	-	2,064
Total Other Funding	22,153	9,323	12,830
Total Financing	228,722	211,728	16,994

Government Grants provide approximately half (53.4%) of the funding required to meet planned and necessary expenditure. The remainder is raised from Council Tax Precept and in February 2024, the Police & Crime Panel approved the Police & Crime Commissioner's proposal of a £2.35 per month increase (annual £28.20 or 8.69% increase to £352.67) per Band D property (2023-24: £22.36 or 7.4% increase to £324.47).

At that same session the Police & Crime Panel approved the proposed 2024-25 Revenue Budget and Capital Programme. The Revenue Budget and sources of funding are shown in **TABLE 5.A**.

TABLE 5.A

	£'000	£'000	%
Budget Requirements	-	386,962	-
Sources of Finance			
Home Office Grant	144,068	-	-
Revenue Support Grant	62,501	-	-
Sub Total		206,569	53.38%
Council Tax Precept Income			
Cardiff City Council	53,384	-	-
Swansea City Council	33,082	-	-
Neath Port Talbot Council	17,220	-	-
Bridgend Council	19,561	-	-
Vale of Glamorgan	22,358	-	-
Merthyr Tydfil Council	6,681	-	-
Rhondda Cynon Taf Council	28,107	-	-
Sub Total		180,393	46.62%
Total Financing		386,962	100.00%

Revenue Outturn 2024-25

TABLE 5.B sets out the Revenue Outturn for the year of £386.96 million. This comprised expenditure of £376.33 million and transfers to earmarked reserves for known commitments of £10.13 million for the Group. The remaining balance of £0.5 million was a planned transfer to the General Police Fund to incrementally achieve the target of 3% of Gross Revenue Expenditure for the General Fund which is currently £2 million below the set target. The Grant Income/Reserve Movement is shown below as £21.06 million net of other income variances.

	Budget £'000	Outturn £'000	Variance £'000
Office of the PCC	2,747	2,722	25
Commissioned Services	13,615	15,672	(2,057)
Grant and Partnership Income/Reserve Movements	(9,442)	(11,474)	2,032
Budgets under the control of the PCC	6,920	6,920	-
Police Officers Pay and Pensions	249,150	248,185	965
Police Staff and Other Staff Costs	129,008	129,207	(199)
Premises	16,113	17,688	(1,575)
Transport	7,588	7,485	103
Supplies and Services	33,211	35,908	(2,697)
Agency and Other Costs	18,572	24,536	(5,964)
Capital Financing Costs	19,834	31,023	(11,189)
Grant Income/Reserve Movements	(93,434)	(114,490)	21,056
Budgets delegated to the Chief Constable	380,042	379,542	500
Year End Position	386,962	386,462	500

TABLE 5.B is prepared on the same basis as the management accounts that are presented during the year to the Commissioner and Chief Constable. It does not include the technical accounting adjustments such as depreciation of non-current assets and changes in pension liabilities.

Revenue expenditure is reported in the Accounts in the Comprehensive Income and Expenditure Statement (CIES). The result for 2024-25 is a group deficit on the provision of services of £46.89 million. A reconciliation between the year-end underspend reported in the management accounts and the deficit reported in the CIES is detailed in the Expenditure and Funding Analysis section of the Group Accounts.

The Office of the Police & Crime Commissioner achieved break-even against its budget. This included achievement of the £0.23 million savings target built into its budget. This was achieved mostly through underspends on the pay budget due to vacancies in the Commissioner's team.

The Chief Constable achieved the planned underspend against its budget by £0.5 million. The underspend largely arose due to the management of in-year vacancies and timing of recruitment.

Capital Expenditure 2024-25

At the commencement of 2024-25, the Commissioner had a four-year Capital Programme of £129M. This investment enabled delivery of a range of objectives including:

- Fit for purpose buildings including a state-of-the-art collaborative firearms range;
- Efficient vehicles, including electrically powered, appropriate to policing needs;
- Operationally effective technology e.g. the use of automatic facial recognition to enhance detection and prosecution of crime.

The Commissioner approved a Capital Programme for 2024-25 of £34.0 million, this was revised to £47.9 million during the year following slippage from the 2023-24 capital programme mainly due to external factors. The capital programme was £41 million with slippage of £6.8 million leaving a slight and welcomed underspend of £0.121 million. The main areas of spend and sources of funding are shown in **TABLE 5.C**.

	Original Budget £'000	Revised Budget £'000	Outturn £'000	Slippage £'000	Under/ (Over)
Infrastructure Maintenance/Renewal					
Estates	2,900	1,935	989	946	-
Fleet	3,354	5,354	5,354	-	-
Information Services	4,088	5,487	4,842	645	-
Digital Services	4,246	3,927	2,237	1,690	-
Other	1,584	1,623	124	1,499	-
Subtotal	16,172	18,326	13,546	4,780	-
Projects					
Estates	15,906	27,474	26,717	757	-
Information Services	2,802	2,112	702	1,289	121
Subtotal	18,708	29,586	27,419	2,046	121
Total Capital Programme	34,880	47,912	40,965	6,826	121
Funded by					
Direct Revenue Financing	15,856	20,064	12,976	6,826	262
Reserves	4,047	3,560	3,560	-	-
Borrowing	13,960	8,607	8,607	-	-
Grants and Contributions	702	14,073	14,214	-	(141)
Capital Receipts	315	1,608	1,608	-	-
Total	34,880	47,912	40,965	6,826	121

6. WHO WORKS FOR SOUTH WALES POLICE

At 31st March 2025 the Force and OPCC was staffed by:

	Force FTE	Commissioner's Team FTE	Total FTE
Police Officers	3,497.1	1.0	3,498.1
Police Staff	2,311.8	48.9	2,360.7
PCSOs	330.3	-	330.3
Total	6,139.2	49.9	6,189.1

NOTE: FTE excludes employees on career break or seconded out of SWP as at 31.03.2025.

The Force is also supported by Special Constables, Police Youth Volunteers (cadets) and volunteers.

7. COMMISSIONING

The Commissioner grant funds and commissions both activities and services in order to support of the delivery of the priorities and achieve the desired outcomes set out in the Police, Crime & Justice Plan. The Commissioning budget for 2024-25 was £12.8 million with £4.7 million being funded through external grants. The main commissioned and grant funded services are outlined below:

- **Dyfodol** – £2.3 million delivering substance misuse services to those who come into contact with the criminal justice service. HMPPS also contribute £1.5 million towards this service;
- **Drive** – £0.8 million aimed at improving victim safety by supporting high harm perpetrators of domestic abuse to change their behaviour;
- **Violence Prevention Unit** – £1.2 million of investment taking a public health approach to prevent all forms of violence across Wales;
- **Victims Services** – £2.9 million of investment devolved from the Ministry of Justice to support victims of crime across the Force area;
- **Women's Pathfinder** – £0.8 million of investment towards reducing the number of custodial sentences for women and reducing re-offending;
- **Community Safety Partnerships** – £0.6 million total funding towards the seven partnerships in the Force area delivering a range of activities including hate crime support, community cohesion activities and anti-social behaviour activities; and
- **Youth Offending Teams** – £0.3 million of investment delivering early intervention, prevention and diversionary services for younger people across each local authority within the Force area.

8. COLLABORATION

The Force and Commissioner have a strong track-record of collaborative working with principal partners being the Police Forces in Wales, Local Authorities, HMPPS and Local and National Health Boards. Key examples of front-line collaborations are the Joint Firearms Unit and Organised Crime Unit with Gwent and Dyfed Powys Police. Collaborative support functions include Joint Legal Services, Joint Procurement, Digital Services and Joint Scientific Support which are all delivered in collaboration with Gwent Police. Total gross expenditure on collaborative activities by the Force for 2024-25 was £36.45 million. Further detail is provided in the notes to the Statement of Accounts.

9. RISK MANAGEMENT

The Commissioner and Chief Constable actively manage Risk as part of recurring working practice. The Commissioner maintains a Risk Register and the Chief Constable manages Registers of Issues and Uncertainty. Both are updated on a regular basis and reported quarterly to the Resources Board – an oversight group that is jointly chaired by both respective Chief Finance Officers. A route of escalation is defined to the Chief Constable's Gold meeting and the Commissioner's Strategic Board. The registers are presented and reviewed by the independent members of the Joint Audit Committee for further challenge and scrutiny. Some of the most significant risks/issues/uncertainties are reported below where they can be disclosed without compromising the Force operationally and hopefully give the reader an understanding of the issues being faced by the Force:

COMMISSIONER / FORCE	RISK / ISSUE / UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
Commissioner & Force	Systemic funding issues affecting Policing in Wales such as Apprentice Levy Funding, Lack of capital asset funding and failure to reflect funding for policing the Capital City of Wales.	Less funding available to South Wales Police compared to Forces in England. This has led to a shift in the balance of funding from Home Office/Welsh Government (WG) to Local Taxpayer.	Both Corporations Sole continue to make representations to the Home Office and Welsh Government over these funding disparities. The CC's delivery plan includes a commitment to efficiency and productivity.
Commissioner	Ongoing implications of the change in rules governing police misconduct hearings.	Impact of changes and availability of Legally Qualified Persons (LQPs) is placing demand on resources resulting in delays and backlogs causing reputational damage to policing. This is a significant risk across England & Wales.	A new process in place since May 2024 with an Assistant Chief Constable (ACC) chairing the misconduct panel along with two Independent Panel Members. A Legally Qualified Person (LQP) also advises the panel. The backlog of cases continues to be assessed.
Commissioner	Landscape Review of Policing / White Paper publication.	This could include changes to roles and remits of PCCs, there are concerns that the Welsh context has not been fully considered, as many functions are already devolved to Welsh Government.	OPCC are fully engaged in the review, at an individual and all Wales level. A Welsh resource has been seconded to the Home Office (HO) team to ensure Welsh context is understood. Policing in Wales and PLU will keep on top of developments.
Commissioner	Data Protection Compliance.	Potential risks in relation to data protection compliance, specifically data sharing agreements and DPIAs (Data Protection Impact Assessments) due to recent staff changes	Some support provided by Force but there are capacity issues. On-going monitoring of compliance is taking place.
Force	Grade 2 Domestic Abuse Response times.	Response time has increased by 31 minutes since May 24. This increases the risk to the public.	An action plan has been developed to identify challenges and identify areas for improvement.
Force	Police Online Investigation Team (POLIT) Demand and Capacity.	Online Child Sexual Abuse (CSA) is forecast to grow exponentially over the next 2 years on top of an 181% increase since 2019.	Nine additional posts created and targeted operations in place to reduce backlog of cases.

9. RISK MANAGEMENT (Cont.)

COMMISSIONER / FORCE	RISK / ISSUE / UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
Force	Synthetic Opioids / Personal Protective Equipment Requirement	The risk of exposure to synthetic opioids requires investment in Personal Protective Equipment (PPE) per study from National Crime Agency (NCA) due to significant Health and Safety risk posed to officers/staff.	Stock of 3,000 masks issued to officers whilst working group determines the wider requirements.
Force	UK Supreme Court ruling on definition of a woman	Legal challenge against Force and increased estate costs/challenges required to comply with ruling.	Silver and Estates groups established whilst awaiting national and legal guidance around the issues.

10. LOOKING FORWARD

There is great uncertainty within policing at the moment with both the Landscape Review Whitepaper and the three-year Comprehensive Spending Review (CSR) both due to be published by the time the audit of these financial statements is concluded.

With some combined mayoral authorities existing in England, the pending devolvement of functions to these mayors will see them taking on PCC powers – PCCs becoming deputy mayors for example. The situation in Wales is different with a Devolved Welsh Government. Policing is a reserved matter with the Home Office and therefore PCCs will remain accountable to public for policing service. In the longer-term this differential in approach to police governance may have an impact on Welsh Forces particularly when accompanied by a change in the funding formula.

The three-year CSR whilst welcome from a medium-term financial planning perspective will no doubt be a challenging one and with the landscape review creating a National Centre of Policing with centralised functions may lead to further top slicing of the police funding envelope with less direct funding allocated to PCC's and Forces as a result.

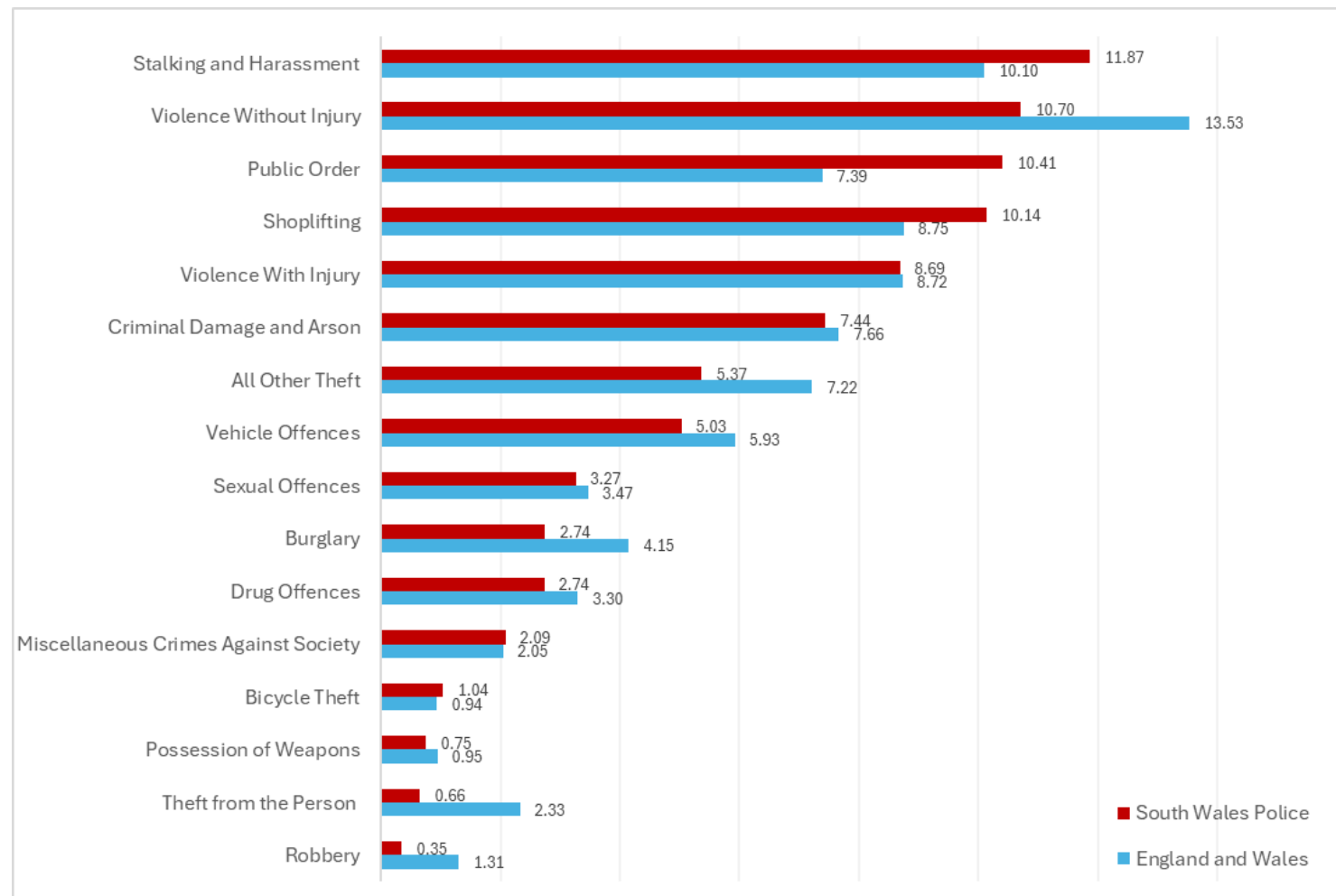
Timely drafting of accurate statements of accounts, subsequent audit and publication of audited statements of accounts will be an essential part of financial management arrangements in such uncertain times.

11. POLICE PERFORMANCE

While the Police & Crime Commissioner will hold the Chief Constable to account, the Chief Constable is responsible for the delivery of operational policing. South Wales Police receive on average 20,000 999 emergency calls a month or 657 calls a day. Additionally, the force receives just over 822 101 non-emergency calls a day.

90% (2023-24: 84.8%) of 999 calls were answered within the national target of 10 seconds. Overall, the answer rate for 999 calls was 99.8% (2023-24: 99.8%) and 92.1% for non-emergency calls (2023-24: 88.5%) which is a significant improvement on the previous year.

Crime is recorded against ONS (Office for National Statistics) crime types. The most reported crime to South Wales Police is “Stalking and Harassment” and represents 11.87 occurrences per 1,000 people (the average for England & Wales is 10.10). This, along with “Shoplifting” and “Public Order” are higher than the national average, people are as likely or less likely overall to experience a crime in South Wales as in other parts of the country. South Wales is a safer place for Violence without injury, theft and vehicle offences. A table of reported crime is presented here:



12. EXPLANATION OF ACCOUNTING STATEMENTS

The establishment of the two Corporations Sole requires each body to produce their own Statement of Accounts with the Commissioner producing a Statement of Accounts for the Group and Police Pension Fund. Notwithstanding their formal status as independent legal entities, the relationship between the Commissioner and the Chief Constable is based on working together for the benefit of the people of South Wales under the joint banner of 'South Wales Police'.

The Accounts and Audit (Wales) Regulations 2014 as amended, require Local Government Bodies to prepare a Statement of Accounts in accordance with proper practices. The Code of Practice on Local Authority Accounting in the UK (the Code) is identified as representing proper practices.

The Code applies to Local Government Bodies set out in the Public Audit (Wales) Act 2014 who are required to prepare accounts for audit by Auditor General for Wales. Section 12 of this Act was amended by the Police Reform Social Responsibility Act 2011 to replace reference to Police Authorities with Commissioners and Chief Constables.

The Code requires that Local Authorities prepare their financial statements in accordance with the International Accounting Standards Board (IASB) *Framework for the Preparation and Presentation of Financial Statements (the IASB Framework)* as interpreted by the Code. The IASB Framework sets out the concepts that underpin the preparation and presentation of financial statements for external users of the accounts. The Statement of Accounts continue to follow International Financial Reporting Standards (IFRS).

Format of the Statement of Accounts

The Statement of Accounts comprises the following:

Statement of Responsibilities for the Statement of Accounts

Sets out the responsibilities of the Commissioner, Chief Constable and Chief Finance Officers during the production and approval of the Statement of Accounts.

Expenditure and Funding Analysis

Shows how annual expenditure is used and funded from resources (Government grants, council tax and business rates) in comparison with those resources consumed or earned. It also shows how this expenditure is allocated for decision making purposes between the various services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

No separate Expenditure and Funding Analysis (EFA) is presented for the Commissioner as it would provide an incomplete picture of the required disclosures. The Group EFA is presented within the Financial Statements section below and shows the complete analysis as required.

Comprehensive Income and Expenditure Statement

This sets out the cost in the year of providing policing services in accordance with International Accounting Standards (IAS) rather than the amount funded from Government Grants and Council Tax Precept.

Movement in Reserves Statement

Analyses movements in reserves (and together with note 16 Adjustments between Accounting Basis and Funding Basis under Regulations) provides a reconciliation between funding and the cost of policing services shown in the Comprehensive Income and Expenditure Statement (CIES).

Balance Sheet

The Balance Sheet sets out the assets, liabilities and reserves held as at 31st March 2025.

Cash Flow Statement

This sets out the changes in cash and cash equivalents during the financial year.

Police Pension Fund Account

This sets out the income and expenditure associated with Police Officer Pensions, such as monthly pension payments and retirement lump sums.

Notes to the Financial Statements

These provide more detailed information on items of income, expenditure, assets, liabilities and reserves that is not practical to show in the main accounting statements detailed above.

THE REPORT OF THE AUDITOR GENERAL FOR WALES TO THE POLICE AND CRIME COMMISSIONER FOR SOUTH WALES

I have audited the financial statements of the:

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

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

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

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

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

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

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

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

Basis for opinion

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

My staff and I are independent of the Police and Crime Commissioner for South Wales, the Police and Crime Commissioner for South Wales Group and the South Wales Police Pension Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical

Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

Matters on which I report by exception

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

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

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

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on Page 16, the responsible financial officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

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

Crime Commissioner for South Wales Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Police and Crime Commissioner for South Wales, the Police and Crime Commissioner for South Wales Group and the South Wales Police Pension Fund.

- Obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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

Adrian Crompton
Auditor General for Wales
Dated :

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS 2024-25

Responsibilities of the Police and Crime Commissioner

The Police and Crime Commissioner is required to:

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

I certify the approval of this Statement of Accounts.

Dated:

EMMA WOOLS
The Police and Crime Commissioner for South Wales

Responsibilities of the Chief Finance Officer

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

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

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

The Chief Finance Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Police and Crime Commissioner for South Wales at the accounting date and her income and expenditure for the year ended 31 March 2025.

Dated:

DAVID HOLLOWAY-YOUNG, CPFA
Chief Finance Officer

FINANCIAL STATEMENTS 2024-25

Expenditure and Funding Analysis (Group)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government grants, precept and business rates) by the Commissioner in comparison with those resources consumed or earned by the Commissioner in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the expenditure types. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

	2024-25			2023-24		
	Net Expenditure Chargeable to the Police Fund £000	Adjustments between Funding Basis and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to the Police Fund £000	Adjustments between Funding Basis and Accounting Basis £000	Net Expenditure in the CIES £000
Police Officer Pay & Pensions	208,576	(27,600)	180,976	189,462	(16,345)	173,117
Police Staff Pay	79,321	(622)	78,699	76,251	1,442	77,693
Devolved Budgets	11,381	49	11,430	10,014	14	10,028
Force/Contingency Budgets	38,216	(6,729)	31,487	33,840	2,598	36,438
Centralised Budgets	18,356	(5,831)	12,525	18,001	(5,083)	12,918
Externally Funded Budgets	(10,469)	(399)	(10,868)	21,254	(29,960)	(8,706)
Collaborative Budgets	30,822	(6,893)	23,929	24,058	(4,732)	19,326
Central Budgets	(2,446)	18,054	15,608	(41,957)	33,341	(8,616)
Office of the Police and Crime Commissioner	6,460	(6,460)	-	7,758	(7,758)	-
Net Cost of Services	380,217	(36,431)	343,786	338,681	(26,483)	312,198
Other Income and Expenditure	(386,967)	90,073	(296,894)	(358,699)	80,463	(278,236)
Net (Increase)/Decrease in Reserves before reserve transfers	(6,750)	53,642	46,892	(20,018)	53,980	33,962
Transfers to/(from) Earmarked Reserves	6,250	-	-	19,748	-	-
(Surplus)/Deficit for the year	(500)	-	-	(270)	-	-
Police Fund Balance at 1 April	(10,918)	-	-	(10,648)	-	-
(Surplus)/Deficit for the year	(500)	-	-	(270)	-	-
Police Fund Balance at 31 March	(11,418)	-	-	(10,918)	-	-

Comprehensive Income and Expenditure Statement (CIES) – Group

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Local Government Bodies raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement (MIRS).

	Note	Group 2024-25			Group 2023-24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Police Officer Pay & Pensions		180,976	-	180,976	173,117	-	173,117
Police Staff Pay & Pensions		78,699	-	78,699	77,693	-	77,693
Devolved Budgets		13,411	(1,981)	11,430	12,163	(2,135)	10,028
Force/Contingency Budgets		48,943	(17,456)	31,487	43,892	(7,454)	36,438
Centralised Budgets		13,760	(1,235)	12,525	13,375	(457)	12,918
Externally Funded Budgets		25,844	(36,712)	(10,868)	31,467	(40,173)	(8,706)
Collaborative Budgets		44,713	(20,784)	23,929	33,833	(14,507)	19,326
Central Budgets		32,159	(16,551)	15,608	18,399	(27,015)	(8,616)
Police Services		438,505	(94,719)	343,786	403,939	(91,741)	312,198
Corporate and Democratic Core		3,231	(145)	3,086	3,406	(177)	3,229
Commissioned Services (including Community Safety Fund Expenditure)		14,126	(11,790)	2,336	13,237	(9,343)	3,894
Non Distributed Costs:							
- Retirement Benefits Past Service Cost		40	-	40	(30)	-	(30)
- Police Pension Remedy Compensation		971	(971)	-	-	-	-
- Other Non Distributed Costs including Termination Benefits - Voluntary Retirement		2	-	2	-	-	-
Cost of Services	10	456,875	(107,625)	349,250	420,552	(101,261)	319,291
Other Operating Expenditure							
- (Gain)/Losses on Disposal of Non Current Assets		786	-	786	225	-	225
- Financing and Investment Income and Expenditure	8	132,831	(46,780)	86,051	125,528	(50,827)	74,701
- Taxation and Non-Specific Grant Income	9	-	(389,195)	(389,195)	-	(360,255)	(360,255)
(Surplus) / Deficit on Provision of Services		590,492	(543,600)	46,892	546,305	(512,343)	33,962
(Surplus) / Deficit on Revaluation of Non Current Assets				(5,931)			(3,280)
Actuarial (Gains) / Losses on Pension Assets/Liabilities				(317,920)			38,370
Other Comprehensive (Income) and Expenditure				(323,851)			35,090
Total Comprehensive (Income) and Expenditure				(276,959)			69,052

The above table shows the Group position with the statements for both the Police and Crime Commissioner and the Chief Constable separately identified in the following tables.

Comprehensive Income and Expenditure Statement (CIES) – Police and Crime Commissioner

	Note	Police and Crime Commissioner 2024-25			Police and Crime Commissioner 2023-24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Police Officer Pay & Pensions		-	-	-	-	-	-
Police Staff Pay & Pensions		-	-	-	-	-	-
Devolved Budgets		-	(1,981)	(1,981)	-	(2,135)	(2,135)
Force/Contingency Budgets		-	(17,456)	(17,456)	-	(7,454)	(7,454)
Centralised Budgets		-	(1,235)	(1,235)	-	(457)	(457)
Externally Funded Budgets		-	(36,712)	(36,712)	-	(40,173)	(40,173)
Collaborative Budgets		-	(20,784)	(20,784)	-	(14,507)	(14,507)
Central Budgets		-	(16,551)	(16,551)	-	(27,015)	(27,015)
Police Services		-	(94,719)	(94,719)	-	(91,741)	(91,741)
Corporate and Democratic Core		3,231	(145)	3,086	3,406	(177)	3,229
Commissioned Services (including Community Safety Fund Expenditure)		14,126	(11,790)	2,336	13,237	(9,343)	3,894
Non Distributed Costs:							
- Retirement Benefits Past Service Cost		-	-	-	-	-	-
- Police Pension Remedy Compensation		-	(971)	(971)	-	-	-
- Other Non Distributed Costs including Termination Benefits - Voluntary Retirement		-	-	-	-	-	-
Cost of Services		17,357	(107,625)	(90,268)	16,643	(101,261)	(84,618)
Other Operating Expenditure							
- (Gain)/losses on disposal of non current assets		786	-	786	225	-	225
- Financing and investment income and expenditure	8	893	(46,780)	(45,887)	753	(50,827)	(50,074)
- Taxation and non-specific grant income	9	-	(389,195)	(389,195)	-	(360,255)	(360,255)
Commissioning Costs (intra-group transfer)		571,456	-	571,456	528,684	-	528,684
(Surplus)/deficit on Provision of Services		590,492	(543,600)	46,892	546,305	(512,343)	33,962
(Surplus) or deficit on revaluation of non current assets				(5,931)			(3,280)
Actuarial (gains)/losses on pension assets/liabilities				10			152
Other Accounting Adjustments due to restatements				-			-
Commissioning Costs (intra-group transfer)				(317,930)			38,218
Other Comprehensive (Income) and Expenditure				(323,851)			35,090
Total Comprehensive (Income) and Expenditure				(276,959)			69,052

Comprehensive Income and Expenditure Statement (CIES) – Chief Constable

	Note	Chief Constable 2024-25			Chief Constable 2023-24		
		Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Police Officer Pay & Pensions		180,976	-	180,976	173,117	-	173,117
Police Staff Pay & Pensions		78,699	-	78,699	77,693	-	77,693
Devolved Budgets		13,411	-	13,411	12,163	-	12,163
Force/Contingency Budgets		48,943	-	48,943	43,892	-	43,892
Centralised Budgets		13,760	-	13,760	13,375	-	13,375
Externally Funded Budgets		25,844	-	25,844	31,467	-	31,467
Collaborative Budgets		44,713	-	44,713	33,833	-	33,833
Central Budgets		32,159	-	32,159	18,399	-	18,399
Police Services		438,505	-	438,505	403,939	-	403,939
Non Distributed Costs:							
- Retirement Benefits Past Service Cost		40	-	40	(30)	-	(30)
- Police Pension Remedy Compensation		971	-	971			
- Other Non Distributed Costs including Termination Benefits - Voluntary Retirement		2	-	2			
Cost of Services		439,518	-	439,518	403,909	-	403,909
Other Operating Expenditure							
- Financing and Investment Income and Expenditure	8	131,938	-	131,938	124,775	-	124,775
Commissioning Costs (intra-group transfer)		(571,456)	-	(571,456)	(528,684)	-	(528,684)
(Surplus) / Deficit on Provision of Services		-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets/Liabilities				(317,930)			38,218
Commissioning Costs (intra-group transfer)				317,930			(38,218)
Other Comprehensive (Income) and Expenditure				-			-
Total Comprehensive (Income) and Expenditure				-			-

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves, which cannot. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing services, more details of which are shown in the CIES. The Net (Increase)/Decrease before Transfers to Earmarked Reserves line shows the statutory Police Fund Balance before any discretionary transfers to or from earmarked reserves.

	Note	Police Fund Balance £000	Earmarked Police Fund Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2024 brought forward		(10,918)	(64,964)	(104)	(75,986)	2,667,711	2,591,725
Movement in reserves during 2024-25							
(Surplus)/deficit on provision of services		46,892	-	-	46,892	-	46,892
Other comprehensive income and expenditure		-	-	-	-	(323,851)	(323,851)
Total comprehensive income and expenditure		46,892	-	-	46,892	(323,851)	(276,959)
Adjustments between accounting basis & funding basis under regulations	16	(53,642)	-	104	(53,538)	53,538	-
Net (increase)/decrease before transfers to earmarked reserves		(6,750)	-	104	(6,646)	(270,313)	(276,959)
Transfers (to)/from Earmarked Reserves		6,250	(6,250)	-	-	-	-
(Increase)/decrease movement in year	7	(500)	(6,250)	104	(6,646)	(270,313)	(276,959)
Balance at 31 March 2025 carried forward		(11,418)	(71,214)	-	(82,632)	2,397,398	2,314,766

	Note	Police Fund Balance £000	Earmarked Police Fund Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2023 brought forward		(10,648)	(45,216)	-	(55,864)	2,578,537	2,522,673
Movement in reserves during 2023-24							
(Surplus)/deficit on provision of services		33,962	-	-	33,962	-	33,962
Other comprehensive income and expenditure		-	-	-	-	35,090	35,090
Total comprehensive income and expenditure		33,962	-	-	33,962	35,090	69,052
Adjustments between accounting basis & funding basis under regulations	16	(53,980)	-	(104)	(54,084)	54,084	-
Net (increase)/decrease before transfers to earmarked reserves		(20,018)	-	(104)	(20,122)	89,174	69,052
Transfers (to)/from Earmarked Reserves		19,748	(19,748)	-	-	-	-
(Increase)/decrease movement in year	7	(270)	(19,748)	(104)	(20,122)	89,174	69,052
Balance at 31 March 2024 carried forward		(10,918)	(64,964)	(104)	(75,986)	2,667,711	2,591,725

Balance Sheet

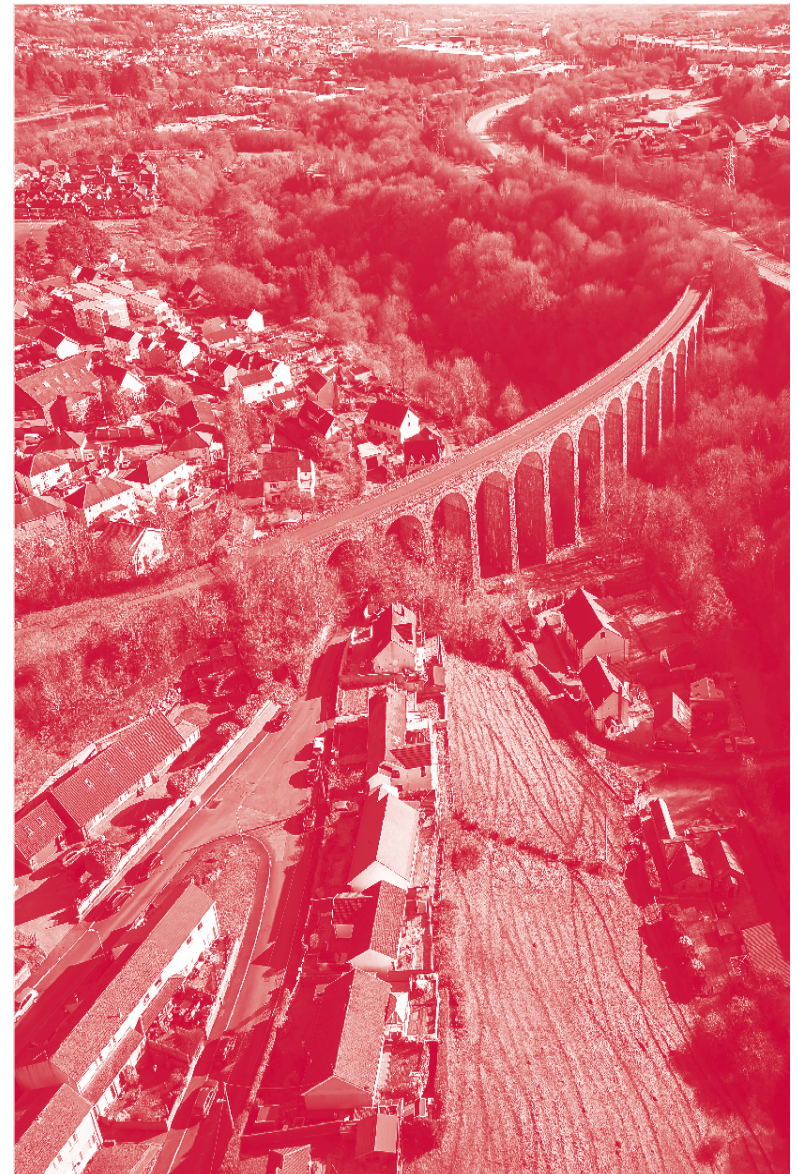
The statement shows the value of the recognised assets and liabilities. Net assets (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories - usable reserves (i.e. those reserves that it may use to provide services), subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt) and unusable, i.e. they cannot be used to provide services. This category includes reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations' (e.g. Pension deficits).

	Note	31 March 2025			31 March 2024		
		Group £000	Police and Crime Commissioner £000	Chief Constable £000	Group £000	Police and Crime Commissioner £000	Chief Constable £000
Property, Plant & Equipment	17	220,546	220,546	-	204,582	204,582	-
Intangible Assets	17	3,745	3,745	-	1,831	1,831	-
Local Government Pension Scheme	26	-	-	-	-	-	-
Other Long Term Debtors	22	198	-	198	222	-	222
Long Term Debtors - intra-group transfer		excluded on consolidation for group	-	2,562,833	excluded on consolidation for group	-	2,820,636
Long term Assets		224,489	224,291	2,563,031	206,635	206,413	2,820,858
Short Term Investments	21	38,266	38,266	-	25,787	25,787	-
Assets Held For Sale	20	295	295	-	195	195	-
Inventories		3,353	-	3,353	2,705	-	2,705
Short Term Debtors	22	42,869	42,869	-	69,697	69,697	-
Debtors - intra-group working capital		-	(39,121)	39,121	-	(44,032)	44,032
Cash and Cash Equivalents	21	27,096	27,096	-	14,842	14,842	-
Current Assets		111,879	69,405	42,474	113,226	66,489	46,737
Short Term Borrowing		(1,594)	(1,594)	-	(1,085)	(1,085)	-
Short Term Creditors	23	(47,337)	(4,863)	(42,474)	(51,344)	(4,607)	(46,737)
Current Liabilities		(48,931)	(6,457)	(42,474)	(52,429)	(5,692)	(46,737)
Long Term Creditors - intra-group transfer		excluded on consolidation for group	(2,562,833)	-	excluded on consolidation for group	(2,820,636)	-
Provisions	24	(6,465)	(6,465)	-	(6,074)	(6,074)	-
Long Term Borrowing		(32,035)	(32,035)	-	(30,742)	(30,742)	-
Other Long Term Creditors	23	(653)	(653)	-	(1,461)	(1,461)	-
Other Long Term Liabilities:							
- Local Government Pension Scheme	26	(790)	(19)	(771)	(900)	(22)	(878)
- Police Pension Scheme	26	(2,562,260)	-	(2,562,260)	(2,819,980)	-	(2,819,980)
Long Term Liabilities		(2,602,203)	(2,602,005)	(2,563,031)	(2,859,157)	(2,858,935)	(2,820,858)
Net Assets		(2,314,766)	(2,314,766)	-	(2,591,725)	(2,591,725)	-
Usable Reserves	7	(82,632)	(82,632)	-	(75,986)	(75,986)	-
Unusable reserves	25	2,397,398	2,397,398	-	2,667,711	2,667,711	-
Total Reserves		2,314,766	2,314,766	-	2,591,725	2,591,725	-

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of South Wales Police/the Commissioner during the reporting period. The statement shows how it 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 are funded by way of taxation and grant income or from the recipients of services provided. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to 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).

	Note	2024-25 £000	2023-24 £000
Net (surplus)/deficit on the provision of services		46,892	33,962
Adjustments to net (surplus)/deficit on the provisions of services for non-cash movements		(111,706)	(62,962)
Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities		19,441	4,975
Net cash flows from Operating Activities	30	(45,373)	(24,025)
Returns on Investments and Servicing of Finance		(3,724)	(2,582)
Investing Activities	31	38,790	32,519
Financing Activities	32	(1,947)	997
Net (increase)/decrease in cash and cash equivalents		(12,254)	6,909
Cash and cash equivalents at the beginning of the reporting period		14,842	21,751
Cash and cash equivalents at the end of the reporting period	22	27,096	14,842



Police Pension Fund Account

Police Scheme	2024-25 £000	2023-24 £000
Contributions receivable		
From employer:		
- Normal	(52,640)	(43,168)
- Early retirements (incl. capital equivalent charge for ill health retirements)	(464)	-
From members	(20,278)	(18,677)
	(73,382)	(61,845)
Transfers in		
Individual transfers in from other schemes	(190)	(330)
Benefits payable		
Pensions	101,600	95,402
Commutations and lump sum retirement benefits	13,537	13,854
Lump sum death benefits	446	281
	115,583	109,537
Payments to and on account of leavers		
Transfers to other schemes	-	15
Refunds of contributions	144	100
	144	115
Sub-total before transfer from the Police Fund	42,155	47,477
Additional funding payable by Police Fund (by way of top up grant)	(42,155)	(47,477)
Funding Shortfall to be met by Police Fund	-	-
Net Asset Statement - Net current assets and liabilities		
Current assets:		
Debtor - net balances owed from the Police Fund	3,885	16,723
Bank balance	-	-
Current liabilities:		
Creditor - benefits payable to retiring officers end of March paid April	(2,280)	(1,174)
Creditor - grant owed to Home Office	(1,605)	-
Creditor - net balances owed to Police Fund	-	(15,549)
Net	-	-

Notes to the Police Pension Fund Accounts

The requirement to establish a separate Police Pension Fund Account was established by the Police Pension Fund Regulations 2007 (SI 2007/1932). Employees' and Employers' contributions to this fund are set by central Government.

The police pension fund is administered and managed by a third party, XPS Administration.

The Police pension is an unfunded scheme and as such, the fund has no investment assets. The payments in and out of the Pension Fund are balanced to nil each year by receipt of additional contribution from the Police Fund, which is in turn reimbursed by the Home Office.

The fund's financial statements do not take account of future liabilities to pay pensions and other benefits after the year end. These are accounted for in the Group Balance Sheet as future retirement benefits. Other than the notes above, the Police Pension Fund has followed the accounting policies as set out in **Note 1** and **Note 26**.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

General Principles

The Statement of Accounts summarises transactions for the financial year 2024-25 and the outturn at the year-end of 31 March 2025 and comparative positions in respect of 2023-24. The Commissioner is required to produce an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 which requires them to be prepared in accordance with proper accounting practices under Section 21 of the Local Government Act 2003. The general principles and practices adopted in compiling these accounts are those recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). Reference is made to the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (the Code) based on International Financial Reporting Standards (IFRS).

Local Government Bodies have some discretion in determining what policies need to be provided and the level of detail disclosed, but it should be noted that the Code states that users of financial statements are assumed to have a reasonable knowledge of accounting, which would limit the detail required in the summary of significant accounting policies.

Accruals of income and expenditure

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

- Revenue from the provision of services is recognised when the percentage of completion of the transaction can be reliably measured and it is probable that economic benefits or service potential associated with the transaction will be received;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected; and

- Where actual amounts were not available, it may have been necessary to use appropriate estimated values.

The Police & Crime Commissioner's Team

Transactions of the Police and Crime Commissioner include operating costs of her Team and certain other corporate costs, which are accounted for as Corporate and Democratic Core expenditure under the Code together with a new classification for the commissioning of services. Gross expenditure includes asset charges (depreciation and revaluation decreases) with all income being included so as to transfer funding to meet the Chief Constable's Expenditure Account. The Group's income and expenditure includes all income and expenditure relating to the Police and Crime Commissioner and Chief Constable.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. This includes instant and callable account bank deposits as well as instant access Money Market Funds. The Code does not include strict criteria for the composition of cash equivalents and the Commissioner has some discretion in this policy. Further advice suggests that fixed term deposits are not highly liquid and not readily convertible to cash and, in certain market conditions, there could be a risk of change in value. On this basis all fixed term deposit investments are accounted for as investments.

Contingent liabilities

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

Contingent assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Commissioner or Chief Constable. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service. An accrual is made for the cost of holiday entitlements or any form of leave, (e.g. annual leave and flexi-leave) as 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 to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when there is a demonstrable commitment to the termination of the employment of an officer or group of officers, or making an offer to encourage voluntary redundancy.

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

Post-Employment Benefits

Police Officers' pensions are unfunded by statute. However, the funding arrangements changed on 1 April 2006 from 'Pay As You Go' (i.e. based on payments to current pensioners), a direct charge to the Revenue Account, to an annual employers' pension contribution based on percentage of salary, with the balance payable to pensioners met from a grant provided by the Home Office. All other employees are eligible to join the Local Government Pension Scheme.

The Commissioner and Chief Constable are participating members of the Rhondda Cynon Taf County Borough Council Pension Fund making appropriate employer contributions for their staff scheme members into that fund.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees.

Events after the reporting period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Events taking place after this latter date are not reflected in the financial statements or notes.

Where events taking place before this date (adjusting events) provide information about conditions existing at the Balance Sheet date, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information. Where events taking place before this date (non-adjusting events) are indicative of conditions arising after the Balance Sheet date, the financial statements are not adjusted, but if material, disclosure will be made in a note.

Exceptional items and prior period adjustments

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

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

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

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Financial instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Commissioner or Chief Constable becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

The effective rate of interest is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets – Deposits, Loans and Receivables

Deposits, loans and receivables are recognised on the Balance Sheet when the Commissioner or Chief Constable becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

For most of the deposits, loans and receivables, the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Foreign currency translation

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

Government grants and other contributions

Whether paid on account, by instalments or in arrears, Government grants and third-party contributions and donations are recognised as due to South Wales Police/ the Commissioner when there is reasonable assurance that:

- the Commissioner or Chief Constable will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

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

Certain low value grants below *de minimis* are recognised in the year of receipt. Balances are assessed at each year-end and for certain low value *de minimis* amounts these may be recognised. Should future adjustments be necessary, these will be accounted for in a future period.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset. Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets can be determined by reference to an active market. In practice, no intangible asset meets this criterion, and they are therefore carried at amortised cost.

Inventories and long-term contracts

Inventories (stocks) are valued at the lower of cost or net realisable value. Long term contracts are accounted for on the basis of charging the (Surplus) or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Joint arrangements –

Accounting for the consolidation of joint arrangements

Where the Commissioner/Force has entered into collaborative arrangements with other Commissioners/Forces an assessment has been made against IFRS 11 Joint Arrangements to determine the appropriate accounting treatment. IFRS11 requires all such arrangements to be classed as either Joint Ventures or Joint Operations. All of the Commissioner's/Force's such arrangements are classed as Joint Operations where the Commissioner/Force is entitled to their fair share of the Joint Operations' Assets and Liabilities.

Leases

In 2024-25, South Wales Police has applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom (the Code).

The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought onto the Balance Sheet at 1 April 2024. See **Note 19** for more details on transition to IFRS 16.

As a lessee, from 1st April 2024, assessments took place to establish whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. Exemptions that have been applied are for leases that are short-term (for leases with a term of 12 months or less) and where there is a low value (where the underlying asset is less than £10,000 when new).

Initial Recognition

The lease liability is initially recognised at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate will be used. The incremental borrowing rate is based on the rate of interest that SWP would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments can include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The right-of-use asset is initially measured at cost. Cost comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received) and any initial direct costs. Right-of-use assets are capitalised at cost and disclosed together with property, plant and equipment.

Where a right-of-use asset is acquired at a peppercorn rate or for nil consideration, its cost shall be measured at its fair value as at the commencement date, provided by an independent valuer. The difference between the fair value of the right of use asset and the lease liability is recognised in the surplus or deficit on the provision of services in line with a donated asset being taken to the Capital Adjustment Account.

Subsequent Measurement

The cost model is applied as a proxy for current value to subsequently measure right-of-use assets for leases that are short-term (5 years or less) or longer-term leases where there is a provision to update the lease payments for market conditions in the lease agreement.

Where the cost model is appropriate, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Where the cost model is not appropriate, for long-term leases not subject to rent reviews and peppercorn or nil consideration leases, the right of use asset will be measured at fair value by an external valuer at the balance sheet date.

The lease liability will be subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications specified. Variable lease payments not included in the initial measurement of the lease liability will remain in the Comprehensive Income and Expenditure Statement (CIES) as an expense in the period.

Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the (Surplus) or Deficit on Provision of Services. Depreciation is not charged on assets held for sale. Capital receipts in excess of £10,000, after initial recognition in the Comprehensive Income and Expenditure Statement, are taken to the Capital Receipts Reserve and can only be used for capital investments or debt redemption with receipts less than £10,000 being kept in the Comprehensive Income and Expenditure Statement.

Property, plant and equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The full value of capital expenditure is included in the additions line but the carrying value going forward reflects the value of the asset. Assets individually valued over £10,000 are capitalised, where their estimated life is of material benefit beyond one year, although it may be chosen to capitalise items below this threshold on a case-by-case basis.

Measurement

Assets are initially measured at cost, comprising:

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

The Code in summary prescribes the following bases for measuring classes of property, plant and equipment:

Separate valuations for land and buildings and any components.

Inclusion of an estimate of the remaining useful life of the building and any components.

The valuation methodology is determined by the classification of the asset:

- **Assets Under Construction** – Historic Cost;
- **Other land and buildings** – Current value based on 'Market Value' (MV), existing use (EUV) or Depreciated Replacement Cost (DRC);
 - Where there is no market-based evidence of current value, because of the specialist nature of the asset and the asset is rarely sold, this is estimated using a depreciated replacement cost approach;
- **Vehicles, plant, furniture and equipment** – DRC if EUV cannot be determined;
- **Surplus Assets** – Fair Value based on existing use (EUV);
- **Assets held for sale** – measured at the lower of carrying amount and fair value less costs to sell, and depreciation on those assets should cease; and

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. External valuations are contracted out to Avison Young (UK) Ltd. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

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

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

The effective date of valuations for the following asset categories are as follows:

- Land and buildings: Valuations for the Mid Glamorgan division were undertaken in 2024-25;
- Vehicles, plant and equipment: annual reviews, resulting from respective asset management functions facilitated by internal departments including Fleet Management and Information Systems for computer and other technology systems.

Impairment

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

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

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

Depreciation

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

Depreciation applies to all property, plant and equipment, whether held at historical cost or re-valued amount, with certain exceptions:

- Land where it can be demonstrated that the asset has an unlimited useful life;
- Investment properties;
- Assets under construction until available for use;
- Assets classified as held for sale (i.e. surplus or derecognised); and
- Assets are held at their estimated residual value.

The depreciation charge shall be based on the depreciable amount allocated over the useful life of the asset, using a depreciation method that reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed. Revisions to the above shall be considered annually, including depreciation methods, estimated useful lives, residual values and should expectations significantly differ, the revision is a change in accounting estimate and not a change in accounting policy.

Where an item of property, plant and equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Where there is more than one significant part of the same asset, which have the same useful life and depreciation method, such parts may be grouped in determining the depreciation charge.

The following bases are used:

Land and buildings

Land values are not depreciated, buildings with asset values exceeding a threshold of

£2.5m are considered for separation into their component parts. This threshold captures most of the main higher valued operational properties, effectively covering about 80% in terms of total building asset values.

Potential components shall have regard to estimated remaining asset lives and in principle be limited to the host structure, roof, services (mechanical and electrical). This is considered appropriate in meeting the requirements. A de-minimis threshold of 20% of the building value is applied. In future years where part of an asset is replaced, the replaced part will need to be derecognised.

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

the Revaluation Reserve to the Capital Adjustment Account.

Vehicles

On a straight line basis over the period estimated to benefit from their use – between 2 and 15 years.

Computer Hardware

On a straight line basis over the period estimated to benefit from their use – between 3 and 7 years.

Intangible – Computer Software Licences

Amortised on a straight line basis over the estimated life, between 3 and 7 years.

The useful economic lives detailed are a guideline and are subject to the individual asset in question.

Provisions

Provisions set aside amounts to provide for liabilities, which are likely to be incurred but there is uncertainty as to the amounts or the dates on which they will arise. Provisions are charged direct to the Comprehensive Income and Expenditure Statement whilst the expenditure, when incurred, is charged against the provision.

Reserves

The Commissioner sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Police Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Police 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 South Wales Police/the Commissioner – these reserves are explained in the relevant policies.

Amounts have been set aside to meet specific expenditure in future years, as earmarked capital and revenue reserves. Additionally, a general reserve (Police Fund), funded from accumulated surpluses of income over expenditure, is maintained to meet exceptional and unforeseen expenditure. South Wales Police/the Commissioner has a risk based approach to the retention of reserves with the aim of having a Police Fund balance of 3% of Gross Revenue Expenditure.

Value added tax

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

NOTE 2: Accounting Standards Issued, Not Adopted

Under the Code the Group is required to report information setting out the impact of an accounting change required by a new accounting standard which has been issued but not yet adopted by the code.

- **IAS 21 The Effects of Changes in Foreign Exchange Rate** (Lack of Exchange ability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- **IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

NOTE 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies, South Wales Police/the Commissioner has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts include:

- That there is a high degree of uncertainty about future levels of funding. The Commissioner has determined that this uncertainty is not yet sufficient to provide an indication that the assets might be further impaired as a result of a need to close facilities and reduce levels of service provision.
- Several judgements are made regarding the implementation of IFRS 16 Leases: the threshold for low value exemptions is £10,000 in line with capitalisation *de minimis*; the incremental borrowing rate used for leases on transition is the PWLB annuity loan rate for the term of the lease; where judgement is required on lease term, for example, on leases that have expired but are continuing indefinitely, SWP will make a judgement on the lease term based on a reasonable expectation of the period during which the underlying asset will be used. Input will be obtained from the relevant departments who have the detailed knowledge required to make this assessment, and judgements will be applied on an individual asset basis, based on the best information available at the time of making the assessment. Leases will be continually monitored to identify any changes that may impact initial judgements.
- Depreciation of property, plant and equipment is calculated on the basis of the assets' useful economic lives which are estimations. The useful economic lives of buildings are reviewed upon valuation.

- Numerous provisions are recorded in the Group Balance Sheet and annual changes in the level of provisions are charged to the Group Comprehensive Income and Expenditure Statement. Judgement takes place in determining the level of provision using factors such as the progress of legal claims against the Force and any supporting data that would allow a reasonable estimate to be calculated. The availability of further supporting information such as Ombudsman decisions is also considered.
- Contingent Liabilities may need to be included in the notes to the accounts where the above data/information in relation to provisions is either not available or not deemed as sufficiently reliable for a reasonable provision to be calculated. Judgement is therefore needed in determining whether a contingent liability should be declared or a provision made.
- Accruals for accumulated absences are based on information from the force rostering system for both officers and rostered operational staff and other police staff, however the accrual is based on an assumption that the leave will be taken in the following financial year and reflects the salary costs thereof.

NOTE 4: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant facts. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred. During the current economic climate, any reduction in spending of this nature may bring doubt into the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets will fall.
- Pensions – information is received from the Actuary for both the Police and Local Government Pension Scheme Liabilities. The following table shows the sensitivity analysis on the assumptions used:

Item Uncertainties		Effect if Actual Results Differ from Assumptions	
Pensions Liability – Police (Information from Actuary)			
Sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions:			
Change in Assumption *		Impact on Defined Benefit Obligation (DBO)	
		%	£ million
Rate of discounting scheme liabilities	+0.5% a year	-7.0%	-185
Rate of increase in salaries	+0.5% a year	1.0%	22
Rate of increase in pensions/deferred revaluation	+0.5% a year	7.0%	183
Life expectancy: all members and adult dependents assumed to be one year younger		2.5%	59
Pensions Liability – LGPS (Information from Actuary)			
The results shown in the report are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2025 is set out below.			
In each case, only the assumption mentioned is altered; all other assumptions remain the same. For inflation, for example, we have assumed this will not change the salary inflation figure and will affect pension increases only. We have not included sensitivity of unfunded benefits on materiality grounds.			
Change in Assumption *		Impact on Defined Benefit Obligation (DBO)	
		%	£ million
Adjustment to discount rate	+0.1% p.a.	-1.7%	-6.90
Adjustment to salary increase rate	+0.1% p.a.	0.3%	1.22
Adjustment to pension increase rate	+0.1% p.a.	1.5%	6.09
Adjustment to mortality age rating assumption **	+1 year	-2.2%	-8.93
Adjustment to discount rate	-0.1% p.a.	1.8%	7.31
Adjustment to salary increase rate	-0.1% p.a.	-0.3%	-1.22
Adjustment to pension increase rate	-0.1% p.a.	-1.4%	-5.68
Adjustment to mortality age rating assumption **	-1 year	2.2%	8.93

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above. The weighted average duration of the defined benefit obligation is around 16 years for all schemes combined.

** A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

NOTE 5: Events after the Reporting Period

There are no post Balance Sheet events.

NOTES TO THE EXPENDITURE & FUNDING ANALYSIS STATEMENT

NOTE 6: Notes to the Expenditure and Funding Analysis

Adjustments to Police Fund to arrive at Comprehensive Income and Expenditure Statement amounts	2024-25				2023-24			
	Adjustments for Capital Purposes £000	Pension Adjustments £000	Other Differences £000	Total £000	Adjustments for Capital Purposes £000	Pension Adjustments £000	Other Differences £000	Total £000
Police Officer Pay & Pensions	-	(25,581)	(2,019)	(27,600)	-	(17,747)	1,402	(16,345)
Police Staff Pay	-	(126)	(496)	(622)	-	1,056	386	1,442
Devolved Budgets	(8)	-	57	49	(14)	-	28	14
Force/Contingency Budgets	(15,911)	(89)	9,271	(6,729)	(7,826)	(44)	10,468	2,598
Centralised Budgets	-	-	(5,831)	(5,831)	-	-	(5,083)	(5,083)
Externally Funded Budgets	(39)	(739)	379	(399)	(470)	(494)	(28,996)	(29,960)
Collaborative Budgets	(727)	(2,728)	(3,438)	(6,893)	(317)	(1,260)	(3,155)	(4,732)
Central Budgets	13,927	(450)	4,577	18,054	3,293	(409)	30,457	33,341
Office of the Police and Crime Commissioner	-	(12)	(6,448)	(6,460)	(8)	34	(7,784)	(7,758)
Net Cost of Services	(2,758)	(29,725)	(3,948)	(36,431)	(5,342)	(18,864)	(2,277)	(26,483)
Other Income and Expenditure	(1,447)	89,815	1,705	90,073	(1,332)	77,253	4,542	80,463
Difference between Police Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statements (Surplus)/Deficit on Provision of Services	(4,205)	60,090	(2,243)	53,642	(6,674)	58,389	2,265	53,980

Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. The statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Adjustments for Pensions

The net changes for the removal of pension contributions and the addition of IAS 19 (Employee Benefits) pension related expenditure and income.

Adjustments for Other Differences

These include adjustments through the accumulated absence reserve.

NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

NOTE 7: Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the Police Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Police Fund expenditure in 2024-25.

Earmarked Revenue Reserves	Balance at 31 March 2023 £000	Transfers Out £000	Transfers In £000	Balance at 31 March 2024 £000	Transfers Out £000	Transfers In £000	Balance at 31 March 2025 £000
Health and Wellbeing Reserve	(744)	200	(200)	(744)	184	-	(560)
PCC's Partnership Fund	(1,028)	1,028	(1,150)	(1,150)	1,150	(1,650)	(1,650)
PCC's General & Violence Prevention Unit Reserve	(1,246)	36	(78)	(1,288)	18	(71)	(1,341)
SWP ROCU/RTF Reserve	(435)	435	-	-	-	-	-
Other Specific Reserves under £150,000	(806)	437	(574)	(943)	563	(322)	(702)
Regional Incentivisation/ROCU 3 Force Reserve	(1,493)	78	(406)	(1,821)	200	(637)	(2,258)
Information Systems - Various	(176)	132	(352)	(396)	296	(433)	(533)
Officer Safety Equipment	(576)	-	(250)	(826)	45	-	(781)
Operational Policing	(250)	250	-	-	-	-	-
PSC Overtime	(250)	85	(85)	(250)	-	-	(250)
Major Crime Fund	(250)	-	-	(250)	-	-	(250)
Bank Holiday Reserve	(780)	780	-	-	-	(257)	(257)
Forensics Contract Price Increases	(382)	-	-	(382)	-	-	(382)
PEQF	(200)	200	-	-	-	-	-
Go Safe Partnership Restructure/Recovery	(1,485)	-	-	(1,485)	-	-	(1,485)
JSIU Forensic Collision Investigation	(230)	-	-	(230)	-	-	(230)
Fuel & Unbudgeted Inflation Reserve	(4,000)	2,000	-	(2,000)	1,504	-	(496)
Police Uplift Programme	(920)	920	-	-	-	-	-
Digital Forensics Accreditation & Infrastructure	(250)	13	(243)	(480)	230	(220)	(470)
Pension Remedy Costs	(32)	-	(340)	(372)	201	-	(171)
NPCC Hub Funding	-	-	(700)	(700)	700	-	-
Taser Cartridges	-	-	(195)	(195)	78	(108)	(225)
Police Property Act Income	-	-	-	-	-	(1,582)	(1,582)
Summer Demand	-	-	-	-	-	(150)	(150)
South Wales Police Delivery Plan	-	-	-	-	-	(512)	(512)
Innovation Fund *	-	-	(15,000)	(15,000)	557	-	(14,443)
Total Earmarked Revenue Reserves	(15,533)	6,594	(19,573)	(28,512)	5,726	(5,942)	(28,728)
Total Earmarked Capital Reserves	(29,683)	7,403	(14,172)	(36,452)	5,106	(11,140)	(42,486)
Total Earmarked Reserves	(45,216)	13,997	(33,745)	(64,964)	10,832	(17,082)	(71,214)
Capital Receipts Unapplied	-	-	(104)	(104)	104	-	-
Police Fund	(10,648)	-	(270)	(10,918)	-	(500)	(11,418)
Total Reserves	(55,864)	13,997	(34,119)	(75,986)	10,936	(17,582)	(82,632)
Movement during the year - (increase)/decrease				(20,122)			(6,646)

Additional information and planned future spend profile over the next two financial years for earmarked revenue reserves

	Balance at 31 March 2025 £000	Comments	Spend Profile	
			2025-26 £000	2026-27 £000
Earmarked Revenue Reserves:				
Health and Wellbeing Reserve	(560)	Health and Wellbeing strategy to transform organisational capability to help address VFM Gap.	280	280
PCC's Partnership Fund	(1,650)	Top up for Partnership Fund - maintains existing initiatives on Women's Pathfinder and other initiatives approved in the 24/25 MTFS	1,650	-
PCC's General / Specific Reserve	(1,341)	To fund commitments for VPU, Dyfodol and other initiatives	1,341	-
Other Specific Reserves under £150,000	(702)	Consolidation of individual reserves	702	-
Regional Incentivisation/ROCU 3 Force Reserve	(2,258)	3 Force Reserve ARIS receipts plus 3 Force underspend	1,129	1,129
Information Systems - Various	(533)	Microsoft Licenses, Control Works plus contingency for outcome of Competition & Marketing Authority appeal	533	-
Officer Safety Equipment	(781)	Operational requirement to improve officer safety, Body Armour, Uniform and Equipment	781	-
PSC Overtime	(250)	To fund pressures caused by increase in demand whilst review ongoing	250	-
Major Crime Fund	(250)	Contingency for Major Crime Incidents e.g. Cat A Murders	250	-
Forensics Contract Price Increases	(382)	National contract negotiations	382	-
Go Safe Partnership Restructure/Recovery	(1,485)	To fund the review and outcome	1,485	-
JSIU Forensic Collision Investigation	(230)	To support the achievement of mandatory accreditation requirements	230	-
Fuel & Unbudgeted Inflation Reserve	(496)	To fund the short term budget shortfall in energy costs whilst market stabilises	496	-
Digital Forensics Accreditation & Infrastructure	(470)	To support the achievement of mandatory accreditation requirements	470	-
Pension Remedy Costs	(171)	24/25 liability following McCloud judgment	171	-
Bank Holiday Reserve	(257)	To cover additional costs of bank holidays	-	257
Innovation Fund *	(14,443)	To fund science and innovation projects by Police Forces across England & Wales	6,951	3,891
Taser Cartridges	(225)	To fund additional cost of cartridges for existing X2 tasers until replacement programme takes place	225	-
Police Property Act Income	(1,582)	To be spent in accordance with Regulations to defray certain expenses, to pay compensation and to make charitable donations.	250	250
Summer Demand	(150)	To cover additional costs as a result of increased summer demand	150	-
South Wales Police Delivery Plan	(512)	To support the new Delivery Plan	512	-
Total Earmarked Revenue Reserves	(28,728)	Spend Profile	18,238	5,807

* Included in earmarked reserves is a sum of £14.4 million (31 March 2024: £15 million) for the Innovation Fund. This is ring-fenced for National Science & Innovation projects to be allocated by approved initiatives by the National Science & Innovation Committee which has broad representation from policing. The Chief Constable, Mr Jeremy Vaughan, was the chair of the Committee at the Balance Sheet date.

Further details of the types of capital reserves and use of can be found within the Medium-Term Financial Strategy for the financial year.

NOTE 8: Financing and Investment Income and Expenditure**Group**

	2024-25 £000	2023-24 £000
Interest payable on debt	735	768
Interest payable on Right of Use Asset Leases	166	-
Pension interest costs	131,930	124,760
Pensions top up grant receivable (Home Office)	(42,155)	(47,477)
Investment interest income	(4,625)	(3,350)
Total	86,051	74,701

The Police and Crime Commissioner

	2024-25 £000	2023-24 £000
Interest payable on debt	735	768
Interest payable on Right of Use Asset Leases	166	-
Pension interest costs	(8)	(15)
Pensions top up grant receivable (Home Office)	(42,155)	(47,477)
Investment interest income	(4,625)	(3,350)
Total	(45,887)	(50,074)

NOTE 9: Taxation and Non-Specific Grant Income

	2024-25 £000	2023-24 £000
Capital government grants and contributions	(2,233)	(1,557)
Council tax income	(180,393)	(163,754)
Non domestic rates (Welsh Government)	(482)	(431)
Revenue Support Grant (Welsh Government)	(62,019)	(62,144)
Non ring fenced government grants (Home Office)	(144,068)	(132,369)
Total	(389,195)	(360,255)

NOTE 10: Subjective Analysis – Income and Expenditure

	2024-25 £000	2023-24 £000
Fees, charges & other service income	(38,878)	(25,540)
Government grants	(68,747)	(75,721)
Total income	(107,625)	(101,261)
Employee expenses	340,996	326,488
Other operating expenses	115,879	94,064
Total cost of services	456,875	420,552
Net Cost of Services	349,250	319,291

Further details of fees, charges and other service income, as well as Government grants are detailed in the below note.

NOTE 11: Grant and Other Income

South Wales Police/the Commissioner credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024-25:

NOTE 11 (TABLE A)

Credited to Services	Funding Body	2024-25 £000	2023-24 £000
Adverse Childhood Experiences	Home Office	(100)	(175)
Additional Officer Uplift	Home Office	(12,825)	(9,064)
Anti-Social Behaviour	Home Office	(1,429)	(1,050)
Asset Confiscation Enforcement Team	Home Office	(252)	(242)
Civil Disorder 2024	Home Office	(224)	-
Counter Terrorism - Firearms	Home Office	(1,354)	(1,323)
Counter Terrorism - Special Branch	Home Office	-	(2,719)
Counter Terrorism Intelligence Unit	Home Office	(11,228)	(7,277)
Counter Terrorism Security Advisors	Home Office	(691)	(677)
County Lines	Home Office	(87)	(211)
Criminal Records Bureau	Home Office	(826)	(775)
Cyber Crime	Home Office	(1,269)	(1,147)
Dedicated Security Posts	Home Office	(741)	(743)
Digital Services	Home Office	(49)	(234)
Drug Death Reductions	Home Office	(650)	(650)
Local Communities Fund	Home Office	(212)	-
National Data Management Centre	Home Office	(5,833)	(5,433)
NPCC Hub Funding	Home Office	-	(700)
Out of Court Family Pathfinder	Home Office	(285)	-
Police Incentivisation Fund	Home Office	(2,660)	(893)
Pay Award	Home Office	(3,701)	(7,461)
Pension Contributions Assistance Grant	Home Office	(10,480)	(3,106)
Regional Organised Crime Unit/Regional Intelligence Unit	Home Office	(5,343)	(3,005)
Right Care, Right Person	Home Office	-	(141)
Safer Streets	Home Office	(353)	(904)
Science and Innovation	Home Office	(300)	(15,000)
Software Licences	Home Office	-	(452)
Specialist Knife Crime	Home Office	-	(535)
Victim Support	Home Office	(2,878)	(2,867)
Violence Against Women & Girls	Home Office	(199)	(95)
Violence Prevention	Home Office	(1,182)	(1,217)
Police Pension Remedy Compensation Grant	Home Office	(971)	-

NOTE 11 (TABLE A) – Continued

Credited to Services	Funding Body	2024-25 £000	2023-24 £000
Speed Reduction Camera Partnership Casualty Reduction	Home Office/Welsh Government	(3,671)	(3,342)
Apprentice Levy Compensation	Welsh Government	(2,400)	(2,400)
Community Support Officers	Welsh Government	(6,677)	(9,689)
Female Offending Blueprint	Welsh Government	(95)	(155)
All Wales Schools Programme	Welsh Govt/Other Local Govt bodies	-	(1,980)
Other Miscellaneous Grants (less than £150,000 individually)	Various	(451)	(294)
Less Grants Shared With Other Collaborative Partners		10,669	10,235
Total Grants Credited to Services		(68,747)	(75,721)
Corporate Grants			
Pension Top Up Grant	Home Office	(42,155)	(47,477)
		(42,155)	(47,477)
Total		(110,902)	(123,198)

	2024-25 £000	2023-24 £000
Other Income		
Recovery of Costs from Other Public Bodies	(1,962)	(3,036)
Income from Secondments	(1,674)	(1,879)
Special Duty Charges	(905)	(945)
Policing the Senedd	(835)	(736)
Vehicle Recovery Scheme	(200)	(188)
Rents	(328)	(328)
Mutual Aid to Other Police Forces	(763)	(887)
Police Costs Recovered	(25,966)	(15,458)
Training Course Fees	(1,131)	(1,404)
Partnership contributions	(5,350)	(4,849)
Sale of Vehicles	(345)	(272)
Sale of Accident Reports	(122)	(89)
Speed Awareness	(18)	(10)
Proceeds of Crime Income	(293)	(142)
Non-Domestic Rates Rebate	(1,235)	(457)
Police Property Act	(1,582)	-
Contract Termination / Recovery	(2,253)	-
Other (less than £150,000 individually)	(977)	(816)
Notional Income in respect of Covid-19 PPE	-	(17)
Less Income Shared With Other Collaborative Partners	7,061	5,973
Total Other Income Credited to Services	(38,878)	(25,540)
Investment Income	(4,625)	(3,350)
Total Other Income	(43,503)	(28,890)
Total Income Credited to Services	(107,625)	(101,261)

NOTE 12: Officers'/Employees' Remuneration

Remuneration Ratio

This disclosure is a requirement of the Accounts and Audit (Wales) Regulations 2014 and ensures transparency and accountability in public sector entities.

The Police and Crime Commissioner's Team

The ratio between the Chief of Staff's (Chief Executive) remuneration to the median remuneration within the Police and Crime Commissioner's Team was:

	2024-25	2023-24
Chief of Staff - Annualised Salary	£126,350	£118,800
Median	£41,115	£37,926
RATIO	3.1	3.1

Chief Constable

The ratio between the Chief Constable's remuneration to the median remuneration within the Force was:

	2024-25	2023-24
Highest Paid Director (Chief Constable) - Annualised Salary	£207,870	£193,278
Median	£38,022	£35,745
RATIO	5.5	5.4

Remuneration Bandings

During the year the number of police officers and employees who received remuneration in excess of £60,000 are provided on page 23. This is a specific requirement of the Accounts and Audit (Wales) Regulations 2014. Definition includes annual salaries and expense allowances but excludes employer's pension contributions. It also includes exit payments as appropriate. The following table excludes senior police officers that are recorded in the tables on pages 24 and 25. This is in accordance with regulations. There were nationally determined pay awards for staff and officers of 7% in September 2023 and 4.75% in September 2024. This partly acknowledged the abnormally high levels of inflation experienced by UK and internationally, these pay awards manifest in the change in numbers seen in the remuneration bandings.

Group

Bandings £	Numbers 2024-25	Numbers 2023-24
60,000-64,999	273	257
65,000-69,999	211	78
70,000-74,999	76	30
75,000-79,999	17	10
80,000-84,999	11	12
85,000-89,999	11	8
90,000-94,999	10	11
95,000-99,999	12	2
100,000-104,999	6	6
105,000-109,999	2	1
110,000-114,999	3	-
	632	416

Exit Packages

There were two exit packages totaling £36,997.98 agreed in 2024-25 (2023-24 £37,741.76).

Remuneration Report for Senior Relevant Police Officers and Senior Employees

The following table sets out the remuneration disclosures for relevant police officers (above the rank of Superintendent) and senior employees (designated office holders to a local Government body) whose salary is equal to or more than £60,000 per year. The regulations require persons whose salary exceeds £150,000 per year must also be identified by name. In addition to the remuneration included above the following disclosures include employers' pension contributions. Where columns are nil, they need not be included. Equivalent disclosure is provided for the comparative year.

The Police and Crime Commissioner's Team 2024-25

Post Holder Information (Post Title)	Notes	From	To	Annualised Salary £	Salary (including Fees & Allowances) £	Bonuses £	Expense Allowances £	Termination Payments £	Benefits in Kind (e.g. Car Allowance) £	Other Payments £	Total Remuneration excluding Pension Contributions 2024-25 £	Pension contributions (Employers) £	Total Remuneration including Pension Contributions 2024-25 £
Police and Crime Commissioner 1	Note 1	01/04/2024	08/05/2025	88,602	9,289	-	-	-	-	-	9,289	-	9,289
Police and Crime Commissioner 2	Note 2	09/05/2025	31/03/2025	88,602	79,313	-	-	-	-	-	79,313	13,007	92,320
Deputy Police and Crime Commissioner	Note 3	02/04//2024	08/05/2024	89,112	8,850	-	-	-	-	-	8,850	1,451	10,301
Director of Strategy & Projects	Note 4	01/04/2024	31/03/2025	66,360	66,360	-	-	-	-	-	66,360	10,883	77,243
Chief Executive		01/04/2024	31/03/2025	126,350	126,350	-	-	-	-	-	126,350	20,721	147,072
Head of Community Safety & Violence Prevention		01/04/2024	31/03/2025	62,392	62,392	-	-	-	-	-	62,392	10,835	73,226
Chief Finance Officer		01/04/2024	31/03/2025	95,125	95,125	-	-	-	-	-	95,125	15,600	110,725

Note 1: No pension applicable

Note 2: Took office 08/05/2024 following election on 03/5/2024

Note 3: The Deputy Police and Crime Commissioner was employed by the Commissioner on 02/04/2024 having been seconded in previously. The postholder was elected to the office of Police and Crime Commissioner on 03/05/2024. There was no replacement in this role.

Note 4: The Post Holder was seconded out throughout the year with costs fully recovered.

The Police and Crime Commissioner's Team 2023-24

Post Holder Information (Post Title)	Notes	From	To	Annualised Salary £	Salary (including Fees & Allowances) £	Bonuses £	Expense Allowances £	Termination Payments £	Benefits in Kind (e.g. Car Allowance) £	Other Payments £	Total Remuneration excluding Pension Contributions 2023-24 £	Pension contributions (Employers) £	Total Remuneration including Pension Contributions 2023-24 £
Police and Crime Commissioner	Note 1	01/04/2023	31/03/2024	88,602	88,602	-	-	-	-	-	88,602	-	88,602
Deputy Police and Crime Commissioner	Note 2	01/04/2023	31/03/2024	-	-	-	-	-	-	-	-	-	-
Director of Strategy & Projects	Note 3	01/04/2023	31/03/2024	64,227	64,227	-	-	-	-	-	64,227	10,405	74,632
Chief Executive		01/04/2023	31/03/2024	119,592	119,592	-	-	-	-	-	119,592	19,374	138,966
Head of Community Safety & Violence Prevention		01/04/2023	31/03/2024	58,853	58,853	-	-	-	-	-	58,853	9,534	68,387
Chief Finance Officer	Note 4	01/04/2023	31/07/2023	112,307	35,967	-	-	2,846	-	-	38,813	5,827	44,640
Chief Finance Officer 2	Note 5	01/09/2023	31/03/2024	88,095	52,829	-	-	-	-	-	52,829	8,558	61,387

Note 1: No pension applicable

Note 2: The role of Deputy Police and Crime Commissioner was carried out by a secondee who is not employed by the PCC for South Wales. Total costs incurred for these services in 2023-24 were £117,353.

Note 3: The Post Holder was seconded out throughout the year with costs fully recovered.

Note 4: Retired 31/07/2023- received a payment of £2,846.02 Annual Leave On Termination. Received backpay for period 01/04/2023 – 31/07/2023.

Note 5: Appointed 01/09/2023.

The Chief Constable 2024-25

Post Holder Information (Post Title and Name)	From	To	Annualised Salary £	Salary (including fees & allowances) £	Bonuses £	Expense Allowances £	Compensation for loss of office £	Benefits in Kind (e.g. car allowance) £	Other payments £	Total Remuneration excluding pension contributions 2024-25 £	Pension contributions £	Total Remuneration including Pension Contributions 2024-25 £
Chief Constable J. Vaughan	01/04/2024	31/03/2025	209,372	209,372	-	-	-	-	-	209,372	73,908	283,281

Post Holder Information (Post Title)	Notes	From	To	Annualised Salary £	Salary (including Fees & Allowances) £	Bonuses £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind (e.g. Car Allowance) £	Other Payments £	Total Remuneration excluding Pension Contributions 2024-25 £	Pension Contributions £	Total Remuneration including Pension Contributions 2024-25 £
Deputy Chief Constable M. Travis		01/04/2024	31/03/2025	157,241	157,241	-	-	-	-	-	157,241	55,506	212,747
Assistant Chief Constable	Note 1	01/04/2024	31/03/2025	133,191	133,191	-	-	-	7,548	-	140,739	47,016	187,755
ACC Territorial Policing 1		01/04/2024	31/03/2025	132,466	132,466	-	-	-	3,541	37	136,044	46,760	182,804
T/ACC Territorial Policing 2		01/04/2024	02/06/2024	125,697	21,064	-	-	-	-	-	21,064	7,436	28,500
ACC Specialist Crime		01/04/2024	31/03/2025	126,379	126,379	-	313	-	1,845	-	128,537	44,612	173,148
ACC All Wales Police Collaboration	Note 2	01/04/2024	31/03/2025	133,476	133,476	-	-	-	998	-	134,474	47,117	181,591
ACC All Wales Police Collaboration 2	Note 3	06/01/2025	31/03/2025	-	-	-	-	-	-	-	-	-	-
T/ACC Head of Support Portfolio 1		01/04/2024	31/03/2025	122,741	122,741	-	899	-	1,506	-	125,147	43,328	168,474
T/ACC Head of Support Portfolio 2		17/02/2025	31/03/2025	118,213	14,344	-	148	-	-	-	14,491	5,063	19,555
Chief Financial Officer		01/04/2024	31/03/2025	133,191	133,191	-	-	-	2,318	-	135,509	21,843	157,352
T/ Chief Financial Officer	Note 4	01/01/2025	31/03/2025	94,958	24,239	-	-	-	-	-	24,239	3,975	28,214
Chief People Officer		01/04/2024	31/03/2025	133,191	133,191	-	-	-	3,910	-	137,101	21,843	158,944
Director of Joint Legal Services		01/04/2024	31/03/2025	97,218	97,218	-	-	-	-	-	97,218	15,944	113,161
Director of Digital Data Technology		01/04/2024	31/03/2025	97,218	97,218	-	1,239	-	-	7,000	105,457	17,092	122,549

Note 1: Seconded to NPCC to 31/09/2024 with costs fully recovered for period.

Note 2: Seconded to NPCC from 06/01/2025 with costs fully recovered for period.

Note 3: Post occupied by Dyfed Powys Police officer. Included here only for completeness. South Wales Police contributed £8,963 to salary costs.

Note 4: Temporary promotion 01/01/2025 to assist covering a medical related absence of Chief Financial Officer.

Section 248A of the Income Tax (Earnings & Pensions Act 2003 states: “1) *This section applies where a) an emergency vehicle is made available to a person employed in an emergency service for the person’s private use and b) the terms on which it is made available prohibit its private use otherwise than when the person is on call or engaged in on call or engaged in on-call commuting and c) the person does not make private use of it other than in such circumstances, 2) No liability to income tax arises by virtue of Chapter 6 or 10 or Part 3 (taxable benefits: cars, vans etc. and residual liability to charge) in respect of the benefit*”.

This exemption applies to the above table as follows: Chief Constable, Deputy Chief Constable (both full year), ACC Specialist Crime (from 11 November 2024) and ACC Territorial Policing 1 (from 28 November 2024).

The Chief Constable 2023-24 (restated)

Post Holder Information (Post Title and Name)		From	To	Annualised Salary £	Salary (including Fees & Allowances) £	Bonuses £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind (e.g. Car Allowance) £	Other Payments £	Total Remuneration excluding Pension Contributions 2023-24 £	Pension Contributions £	Total Remuneration including Pension Contributions 2023-24 £
Chief Constable J. Vaughan		01/04/2023	31/03/2024	193,278	193,278	-	-	-	-	-	193,278	59,916	253,194

Post Holder Information (Post Title)	Notes	From	To	Annualised Salary £	Salary (including fees & allowances) £	Bonuses £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind (e.g. Car Allowance) £	Other Payments £	Total Remuneration excluding Pension Contributions 2023-24 £	Pension Contributions £	Total Remuneration including Pension Contributions 2023-24 £
Deputy Chief Constable 1	Note 1	01/04/2023	26/11/2023	145,305	93,853	-	-	-	-	-	93,853	29,094	122,947
Deputy Chief Constable 2	Note 2	24/11/2023	31/03/2024	145,305	52,697	-	-	-	3,564	-	56,261	16,336	72,597
ACC Territorial Policing 1	Note 3	01/04/2023	31/03/2024	126,068	126,068	-	-	-	9,751	-	135,819	39,081	174,900
T/ACC Territorial Policing 2		01/04/2023	31/03/2024	118,297	118,297	-	-	-	2,895	-	121,192	36,672	157,864
T/ACC Territorial Policing 3	Note 4	01/04/2023	31/03/2024	116,193	116,193	-	516	-	-	-	116,709	36,020	152,729
ACC Specialist Crime 1		01/04/2023	31/03/2024	112,561	112,561	-	1,239	-	-	-	113,800	34,894	148,694
T/ACC Specialist Crime 2	Note 5	28/08/2023	23/11/2023	111,891	27,676	43	299	-	-	-	28,018	8,580	36,598
ACC All Wales Police Collaboration 1		01/04/2023	31/03/2024	113,418	113,418	-	-	-	6,694	-	120,112	35,159	155,271
ACC Head of Support Portfolio 1	Note 2	01/04/2023	23/11/2023	126,068	80,348	-	-	-	6,598	-	86,946	24,908	111,854
T/ACC Head of Support Portfolio 2		24/11/2023	31/03/2024	111,891	40,579	-	437	-	-	-	41,016	12,579	53,595
Chief Financial Officer		01/04/2023	31/03/2024	126,068	126,068	-	-	-	5,289	-	131,357	20,423	151,780
Chief People Officer	Note 6	01/04/2023	31/03/2024	126,068	126,068	-	-	-	4,634	6,015	136,717	20,014	156,731
Director of Joint Legal Services		01/04/2023	31/03/2024	92,017	92,017	-	-	-	-	-	92,017	14,907	106,924
Director of Digital Data Technology	Note 7	03/04/2023	31/03/2024	92,017	91,526	-	1,232	-	-	-	92,758	14,827	107,585

Note 1: Left South Wales Police 26/11/2023.

Note 2: Promoted to Deputy Chief Constable from ACC Head of Support Portfolio 24/11/2023.

Note 3: Seconded to National Police Chiefs' Council 16/01/2023. Employment costs fully recovered from NPCC.

Note 4: Temporary promotion 27/03/2023 to cover long term illness of T/ACC Territorial Policing 2.

Note 5: Temporary promotion to ACC Specialist Crime between 28/08/2023 and 23/11/2023.

Note 6: Discretionary performance-based non-pensionable payment of £8,538 in year for the period April 2022 to August 2023.

Note 7: Originally excluded from Senior Officers Remuneration table in 2023-24

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

NOTE 13: Related Parties

IAS 24 requires South Wales Police/the Commissioner to disclose all material transactions with related parties – bodies or individuals that have the potential to control or influence, or to be controlled by South Wales Police/the Commissioner. Disclosure of these transactions allows readers to assess the extent to which the South Wales Police/the Commissioner might have been constrained in their ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with South Wales Police/the Commissioner.

Central Government

Central Government has significant influence over the general operations of South Wales Police/the Commissioner. It is responsible for providing the statutory framework within which South Wales Police/the Commissioner operates. It provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that South Wales Police/ the Commissioner has with other parties. Note 9 Taxation and Non-Specific Grant Income details the funding received during the financial year together with last year's comparative.

Grants received from Government departments are set out in Note 11, most of which have strict terms and conditions. South Wales Police/the Commissioner has direct control over its financial and operating policies.

Members

All Members of the Joint Audit Committee (JAC) were issued with a form to declare any external interests and related party transactions. The total of members' allowances paid is shown in Note 12. The related party transactions that occurred are reported below.

Member	Relationship	Related Party	Related Party Transactions				Related Party Transactions			
			Expenditure £ 24-25	Income £ 24-25	Creditors £ 31/03/2025	Debtors £ 31/03/2025	Expenditure £ 23-24	Income £ 23-24	Creditors £ 31/03/2024	Debtors £ 31/03/2024
Chair of JAC	Chair of the Governance and Audit Committee	Swansea Council	789,023	3,094	-	5,000	873,121	2,368	-	-
Member of JAC	Chair of the Standards Committee	Swansea Council	789,023	3,094	-	5,000	873,121	2,368	-	-
Member of JAC	Member of Audit Committee	Welsh Government *	22,191	120,457	-	32,596	-	139,186	-	10,120
Member of JAC	Chair of Governance & Audit Committee / Joint Scrutiny Committee and Member of the Standards Committee	Merthyr Tydfil County Borough Council	483,106	-	-	-	578,190	-	-	-
Member of JAC	Chair of the Standards Committee	Mid & West Wales Fire Authority	10,702	143,801	-	-	10,842	224,603	-	-
Member of JAC	Member of the Education and Inclusion Committee ***	Rhondda Cynon Taf Council	1,472,159	743,032	-	-	1,050,904	619,576	-	48,132
Member of JAC	Member of Audit Committee	ACAS	1,344	-	-	-	4,130	-	-	-
Member of JAC	Non-legal Member	HM Courts and Tribunal Service	1,014	-	-	-	408	-	-	-
Member of JAC	Independent Board Member**	Velindre University NHS Trust	-	-	-	-	750	-	-	-
Member of JAC	Board Member	Sport Wales	-	-	-	-	23,200	-	-	-
Member of JAC	Member of the Governance and Audit Committee	Pembrokeshire County Council	-	-	-	-	4,890	-	-	-
Two Members of JAC	Member	National Trust	200	-	-	-	-	-	-	-

* During 2024-25, the Commissioner received a number of grants from Welsh Government which are detailed in Note 11.

** Position ceased from 31/01/2024.

*** Position ceased from 31/07/2024.

Chief Officer Team

Position	Relationship	Related Party	Related Party Transactions				Related Party Transactions			
			Expenditure £ 24-25	Income £ 24-25	Creditors £ 31/03/2025	Debtors £ 31/03/2025	Expenditure £ 23-24	Income £ 23-24	Creditors £ 31/03/2024	Debtors £ 31/03/2024
Various Senior Members of CC Team	Director	The Cyber Resilience Centre for Wales Limited	17,939	6,501	-	-	-	44,469	-	-
Two Senior Members of CC Team	Trustee*	South Wales Police Youth Trust	20,000	-	-	-	20,000	-	-	-
Senior Member of CC Team	Member of Wales Leadership Board	Business in the Community	20,200	-	-	-	-	-	-	-
Senior Member of CC Team	Director**	Police Digital Service	-	23,360	-	-	-	-	-	-

* Included comparative for 2023-24

** Appointed 20/01/2025 therefore not a related party for 2023-24

Police and Crime Commissioner's Team

Position	Relationship	Related Party	Related Party Transactions				Related Party Transactions			
			Expenditure £ 24-25	Income £ 24-25	Creditors £ 31/03/2025	Debtors £ 31/03/2025	Expenditure £ 23-24	Income £ 23-24	Creditors £ 31/03/2024	Debtors £ 31/03/2024
Two (2023-24: One) Senior Members of PCC Team	Board Member	Association of Police & Crime Commissioners	58,314	7,908	-	-	55,419	5,835	-	-
One (2023-24: Two) Senior Members of PCC Team	Members	GMB Union	-	-	-	-	4,800	-	-	-
Senior Member of PCC Team	Member	Bevan Foundation	552	-	-	-	528	-	-	-
Senior Member of PCC Team	Member	Welsh National Opera	-	-	-	-	5,500	-	-	-
Senior Member of PCC Team	Member	Automobile Association	1,815	-	540	-	1,960	-	-	-
Senior Member of PCC Team	Trustee**	Action for Children	-	-	-	-	44,654	-	-	-
Senior Member of PCC Team	Treasurer*	South Wales Police Youth Trust	20,000	-	-	-	20,000	-	-	-
Senior Member of PCC Team	Trustee*	South Wales Police Youth Trust	20,000	-	-	-	20,000	-	-	-
Senior Member of PCC Team	Member	National Trust	200	-	-	-	-	-	-	-

* Included comparative for 2023-24

** Retired during 2023-24 therefore not a related party in 2024-25

A robust process is in place to approve and register the business interests of both police staff and officers. The Commissioner has a statutory responsibility to declare any interests and these are published on the website, at the following location (<http://www.southwalescommissioner.org.uk>)



NOTE 14: Members' Allowances

In accordance with the Code, there were £8.1k (total for Group) of allowances paid to members of the Joint Audit Committee in 2024-25 (£10.1k 2023-24). Members' allowances apply to both the Police and Crime Commissioner's and the Chief Constable's accounts. Members receive a taxable attendance allowance which is paid through payroll.

NOTE 15: External Audit Costs

South Wales Police/the Commissioner has incurred £129k (2023-24 £127k) of audit fees covering both the Commissioner and the Chief Constable, in relation to the audit of the Statement of Accounts. The total fee is split equally between the Commissioner and Chief Constable.

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

NOTE 16: Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against:

Police Fund Balance

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

Capital Receipts Reserve

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

	Police Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Total Unusable Reserves £000
2024-25				
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of Items Debited or Credited to the Comprehensive Income and Expenditure Statement:				
Charges for Depreciation and Impairment of Non-Current Assets	(13,050)	-	(13,050)	13,050
Revenue Expenditure Funded from Capital under Statute (REFCUS)	(13,122)	-	(13,122)	13,122
Revaluation losses on Non-Current assets	988	-	988	(988)
Amortisation of Intangible Assets	(729)	-	(729)	729
Donated Right of Use Asset Gain	116	-	116	(116)
Amounts of Non-Current Assets written off on Disposal or Sale as part of the Gain/(Loss) on Disposal to the Comprehensive Income and Expenditure Statement	(786)	(1,503)	(2,289)	2,289
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	4,296	-	4,296	(4,296)
Capital expenditure charged against the Police Fund	26,609	-	26,609	(26,609)
Adjustments primarily involving the Capital Receipts Reserve:				
Use of the Capital Receipts Reserve to finance new capital expenditure	-	1,607	1,607	(1,607)
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(173,400)	-	(173,400)	173,400
Employer's pension contributions and direct payments to pensioners payable in the year	113,310	-	113,310	(113,310)
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2,178	-	2,178	(2,178)
Adjustments primarily involving the Collaboration Account:				
Amounts by which the Comprehensive Income and Expenditure Statement is adjusted for Collaboration	(52)	-	(52)	52
Total Adjustments	(53,642)	104	(53,538)	53,538

	Police Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Total Unusable Reserves £000
2023-24				
Adjustments primarily involving the Capital Adjustment Account:				
Reversal of Items Debited or Credited to the Comprehensive Income and Expenditure Statement:				
Charges for Depreciation and Impairment of Non-Current Assets	(11,261)	-	(11,261)	11,261
Revenue Expenditure Funded from Capital under Statute (REFCUS)	(2,490)	-	(2,490)	2,490
Revaluation losses on Non-Current assets	(1,165)	-	(1,165)	1,165
Amortisation of Intangible Assets	(989)	-	(989)	989
Amounts of Non-Current Assets written off on Disposal or Sale as part of the Gain/(Loss) on Disposal to the Comprehensive Income and Expenditure Statement	(226)	(835)	(1,061)	1,061
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	1,937	-	1,937	(1,937)
Capital expenditure charged against the Police Fund	20,696	-	20,696	(20,696)
Adjustments primarily involving the Capital Receipts Reserve:				
Use of the Capital Receipts Reserve to finance new capital expenditure	-	731	731	(731)
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(166,240)	-	(166,240)	166,240
Employer's pension contributions and direct payments to pensioners payable in the year	107,850	-	107,850	(107,850)
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2,123)	-	(2,123)	2,123
Adjustments primarily involving the Collaboration Account:				
Amounts by which the Comprehensive Income and Expenditure Statement is adjusted for Collaboration	31	-	31	(31)
Total Adjustments	(53,980)	(104)	(54,084)	54,084

NOTES TO THE BALANCE SHEET

NOTE 17: Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment (PPE)									
	Other Land & Buildings £000	Vehicles £000	Information Systems & Equipment £000	Surplus Assets £000	Right of Use Assets £000	Assets Under Construction £000	Total PP&E £000	Intangible Assets £000	Total PPE £000
Movements on balances in 2024-25									
Cost or Valuation									
At 1 April 2024	165,052	22,429	44,595	50	-	7,565	239,691	4,443	244,134
Restate opening balances	-	-	34	-	3,473	(4,144)	(637)	-	(637)
*Additions - capital	5,467	5,350	4,268	25	402	10,086	25,598	2,648	28,246
Accumulated Depreciation and Impairment written to Gross Carrying Amount	(3,970)	-	-	-	(8)	-	(3,978)	-	(3,978)
Revaluation (decreases)/increases to Revaluation Reserve	5,923	-	-	-	8	-	5,931	-	5,931
Revaluation (decrease)/increase or impairments to Surplus/Deficit on Provision of Services (SDPS)	988	-	-	-	-	-	988	-	988
Derecognition - disposals	(1,456)	(2,733)	(7,181)	-	(161)	-	(11,531)	(1,847)	(13,378)
Reclassified to/from Held for Sale	(200)	-	-	-	-	-	(200)	-	(200)
Right-of-use asset Sale / Leaseback	(667)	-	-	-	667	-	-	-	-
Reclassification to/from Assets Under Construction	130	103	-	-	-	(233)	-	-	-
Right-of-use asset re-measurements	-	-	-	-	(300)	-	(300)	-	(300)
At 31 March 2025	171,267	25,149	41,716	75	4,081	13,274	255,562	5,244	260,806
Depreciation and Impairment									
At 1 April 2024	(1,873)	(9,742)	(23,494)	-	-	-	(35,109)	(2,612)	(37,721)
Restate opening balances	-	-	(34)	-	-	-	(34)	-	(34)
Depreciation charge	(4,173)	(2,720)	(5,549)	(37)	(571)	-	(13,050)	(729)	(13,779)
Derecognition - disposals	98	2,094	6,989	-	18	-	9,199	1,842	11,041
Accumulated Depreciation and Impairment written to Gross Carrying Amount	3,970	-	-	-	8	-	3,978	-	3,978
At 31 March 2025	(1,978)	(10,368)	(22,088)	(37)	(545)	-	(35,016)	(1,499)	(36,515)
Net Book Value									
At 31 March 2025	169,289	14,781	19,628	38	3,536	13,274	220,546	3,745	224,291
At 31 March 2024	163,179	12,687	21,101	50	-	7,565	204,582	1,831	206,413

* There was also £13.1 million of capital spend on assets that were not in South Wales Police's estate and therefore deemed as Revenue Expenditure Funded from Capital Resources under Statute (REFCUS).

Property, Plant and Equipment (PPE)								
	Other Land & Buildings £000	Vehicles £000	Information Systems & Equipment £000	Surplus Assets £000	Assets Under Construction £000	Total £000	Intangible Assets £000	Total PPE £000
Movements on balances in 2023-24								
Cost or Valuation								
At 1 April 2023	162,581	18,904	43,034	50	4,472	229,041	8,176	237,217
*Additions - capital	4,394	4,331	8,908	-	3,710	21,343	1,066	22,409
Accumulated Depreciation and Impairment written to Gross Carrying Amount	(3,903)	(1,164)	(2,368)	(36)	-	(7,471)	(2,409)	(9,880)
Revaluation (decreases)/increases to Revaluation Reserve	3,243	-	-	36	-	3,279	-	3,279
Revaluation (decrease)/increase or impairments to Surplus/Deficit on Provision of Services (SDPS)	(1,163)	-	-	-	-	(1,163)	-	(1,163)
Derecognition - disposals	-	(259)	(4,979)	-	-	(5,238)	(2,390)	(7,628)
Reclassified to/from Held for Sale	(100)	-	-	-	-	(100)	-	(100)
Reclassifications to Other Categories	-	617	-	-	(617)	-	-	-
Reclassification to/from Assets Under Construction	-	-	-	-	-	-	-	-
At 31 March 2024	165,052	22,429	44,595	50	7,565	239,691	4,443	244,134
Depreciation and Impairment								
At 1 April 2023	(1,947)	(8,577)	(25,693)	(36)	-	(36,253)	(6,313)	(42,566)
Depreciation charge	(3,829)	(2,329)	(5,105)	-	-	(11,263)	(989)	(12,252)
Derecognition - disposals	-	-	4,936	-	-	4,936	2,281	7,217
Accumulated Depreciation and Impairment written to Gross Carrying Amount	3,903	1,164	2,368	36	-	7,471	2,409	9,880
At 31 March 2024	(1,873)	(9,742)	(23,494)	-	-	(35,109)	(2,612)	(37,721)
Net Book Value								
At 31 March 2024	163,179	12,687	21,101	50	7,565	204,582	1,831	206,413
At 31 March 2023	160,634	10,327	17,341	14	4,472	192,788	1,863	194,651

* There was also £2.49 million of capital spend on assets that were not in South Wales Police's estate and therefore deemed as Revenue Expenditure Funded from Capital Resources under Statute (REFCUS).

Number of Fixed Assets

The below table excludes any Right of Use Assets.

	2024-25 Numbers	2023-24 Numbers
Police Headquarters, Bridgend	1	1
Divisional Headquarters	4	4
Other Police Stations and Offices	50	50
Radio Masts	4	4
House for Police Officers	1	1
Total	60	60
Vehicles	1,085	1,061

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation. Further details are also included in the accounting policies:

- Other Land and Buildings – 10 to 70 years; and
- Vehicles, Plant, Furniture & Equipment – 2 to 15 years.
- Right of Use Assets (excluding Land) – over the lease term

Capital Commitments

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

Commitments	2024-25 £000	2023-24 £000
Property Schemes	16,059	25,727
Vehicles	695	3,168
Computer Systems	894	2,695
Communication Systems	34	72
Other	6,355	201
Total	24,037	31,863

These would not include other planned or new capital schemes, arising as budgeted by the capital programme.

Investment Properties

South Wales Police/the Commissioner does not hold properties whose sole purpose is to earn rentals, for capital appreciation or both.

Intangible Assets

South Wales Police/the Commissioner accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software.

NOTE 18: Capital Expenditure and Capital Financing

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

	2024-25 £000	2023-24 £000
Opening Capital Financing Requirement (CFR)	38,422	36,887
Adjustment for Right of Use Assets - Other Long Term Liabilities	3,357	-
Adjusted CFR	41,779	36,887
Capital Investment		
Property, Plant and Equipment	15,110	17,633
Assets Under Construction	10,086	3,710
Intangible Assets	2,648	1,066
Right of Use Assets	(45)	-
Revenue Expenditure Funded from Capital Resources under Statute	13,124	2,490
Sources of finance		
Capital Receipts	(1,607)	(731)
Minimum Revenue Provision	(4,296)	(1,937)
Government Grants and Other Contributions	(14,214)	(10,419)
Direct Revenue Contributions	(16,539)	(10,277)
Closing Capital Financing Requirement	46,046	38,422
Movement in the Year (Increase)/Decrease	(4,267)	(1,535)
Explanation of movement in the year:		
Capital Financing (Minimum Revenue Provision)	4,296	1,937
Decrease/(Increase) in Other Long Term Liabilities - Right of Use Assets	45	-
Decrease/(Increase) in Underlying Need to Borrow (Unsupported Government Borrowing)	(8,608)	(3,472)
(Increase)/Decrease in Capital Financing Requirement	(4,267)	(1,535)

The increase in the Capital Financing Requirement is equal to the amount of capital expenditure funded from borrowing £8.6 million less the Minimum Revenue Provision and change in Right of Use Assets.

NOTE 19: IFRS 16 Leases

Transition to IFRS 16 Leases

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024 discounted by the Force's incremental borrowing rate at that date
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.14%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review.

The practical expedient in paragraph 4.2.2.93 of IFRS 16 has been applied to contracts that were previously identified as leases applying IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease, except in relation to nil consideration leases.

For peppercorn or nominal consideration leases, a right-of-use asset has been measured at fair value with any gain on transition recognised as a donated asset in accordance with Section 2.3 of the Code and IPSAS 23 as an adjustment to opening balances.

This has resulted in the following additions to the Balance Sheet on transition:-

	£'000
Property, Plant and Equipment – Right of Use Assets	
Land and buildings	3,434
Vehicles	9
Other assets	30
Total Property, Plant and Equipment – Right of Use Assets	3,473
Lease Liabilities	
Non-current creditors	2,774
Current creditors	583
Total Lease Liabilities	3,357
Donated Assets - Capital Adjustment Account	116
Total Lease Liabilities & Reserves	3,473

The newly recognised lease liabilities of £3.357 million compares with the operating lease commitments of £6.231 million at 31 March 2024 disclosed in the notes to the 2023-24 financial statements. When these are discounted to their present value of £3,505k (using the incremental borrowing rate at 1 April 2024), There is a difference of a reduction of £149k from the newly recognised lease liabilities. This is mainly due to the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

Amounts Recognised in Comprehensive Income and Expenditure	
Statement (CIES)	£'000
Short term leases expense	71
Low value assets expense	167
Variable lease payments	5

	Future Lease Payments £'000	Discounted Future Lease Payments £'000
Maturity Analysis of Lease Liabilities		
Less than one year	751	616
Between one and two years	563	460
Between two and five years	877	679
Between five and ten years	301	66
More than ten years	2,660	873
	5,152	2,694
Less Interest Element	(2,458)	-
Present Value Lease Obligation	2,694	2,694

There are references to Right of Use assets within other disclosures within this Statement of Accounts. The total cash outflows in the year for Right of Use assets is £0.957 million.

NOTE 20: Assets Held for Sale

These assets are measured at the lower of their carrying amount and fair value. They are taken outside of the scope of capital accounting pending sale.

	2024-25 £000	2023-24 £000
Balance outstanding at start of year	195	745
Assets newly classified/(declassified) as held for sale:		
Property, plant and equipment	200	100
Assets sold	(100)	(650)
Balance outstanding at year end	295	195

**NOTE 21: Short-Term Investments, Cash & Cash Equivalents**

The balance of Short-Term Investment and Cash and Cash Equivalents is made up of the following elements:

	2024-25 £000	2023-24 £000
Short Term Investments	38,266	25,787
Total Short Term Investments	38,266	25,787

	2024-25 £000	2023-24 £000
Cash held by the Police and Crime Commissioner	30	26
Bank current accounts	235	(1,940)
Callable bank accounts	6,085	6,054
Money Market Funds	20,746	10,702
Total Cash and Cash Equivalents	27,096	14,842

NOTE 22: Debtors**Long Term Debtors**

In 2022-23, there was a change to the weekend enhancements terms and conditions for some employees and as a result they were entitled to a loan that would only be repayable on their termination of employment. No interest was charged on the loans as it is unknown as to the timeframe that each individual loan will be repaid:

	2024-25 £000	2023-24 £000
Balance outstanding at start of year	222	246
Loans repaid	(24)	(24)
Balance outstanding at year end	198	222

Short Term Debtors

Amounts owed by third parties at the Balance Sheet date are as follows:

	2024-25 £000	2023-24 £000
Central government bodies	18,724	40,380
Other local authorities and the police	15,791	15,756
NHS bodies	22	18
Other sundry debtors	1,153	1,024
Prepayments	7,179	12,519
Total	42,869	69,697



NOTE 23: Creditors

Amounts owed to third parties at the Balance Sheet date are as follows:

Long Term Creditors

	2024-25 £000	2023-24 £000
Long term creditors at start of year	1,461	-
New long term creditors	-	1,461
Movement in the year	(808)	-
Balance outstanding at year end	653	1,461

Short Term Creditors

	2024-25 £000	2023-24 £000
Central government bodies	10,346	8,436
Other local authorities	6,413	6,012
NHS bodies	299	132
Other entities and individuals (incl. other funds)	30,279	36,764
Total	47,337	51,344

NOTE 24: Provisions

Provisions represent sums set aside in respect of liabilities known or certain to occur, but for which the timing and value are uncertain. The following provisions are included in the Balance Sheet at 31 March 2025 with movements passing through the Comprehensive Income and Expenditure Statement:

	Outstanding Legal Claims £000	Insurance Claims re: MMI £000	Total £000
Balance at 1 April 2024	(4,901)	(1,173)	(6,074)
Additional Provisions Made	(2,139)	-	(2,139)
Amounts Used in 2024-25	901	-	901
Unused Amounts Reversed in 2024-25	847	-	847
Balance at 31 March 2025	(5,292)	(1,173)	(6,465)

Outstanding Legal and Insurance Claims

These group the provisions for Public Liability claims, Employers Liability costs, Employment Tribunal Claims and Other Miscellaneous Liability claims. South Wales Police/the Commissioner maintains a provision to meet the costs of likely policy excesses and self-insured risks for existing cases/claims. South Wales Police/the Commissioner provides an allocation from its revenue budget and prior year provisions to assist in meeting these costs. The estimated liability of former Municipal Mutual Insurance (MMI) managed claims of £1.17 million is being held to cover any potential changes to the levy applied for payments and represents the maximum amount that could be drawn down.

The following schedule outlines the main risks insured externally and those self-insured:

Insured risks	'Self insured' risks
Employers Liability (combined with Public Liability) above £1,650,000 in total and above £100,000 for individual claims	Employers Liability (combined with Public Liability) below £1,650,000 in total and below £100,000 for individual claims
Public Liability (combined with Employers Liability) above £1,650,000 in total and above £150,000 for individual claims	Public Liability (combined with Employers Liability) below £1,650,000 in total and below £150,000 for individual claims
Employees' Personal Accident	None
Buildings – All risks above £500 except in properties and radio masts where it is £10,000	Buildings – All risks below £500 except in respect of unoccupied properties and radio masts where it is £10,000
Vehicles – Third party only	Vehicles – Accident damage unless recovered from third party
All Risks – equipment, computers and money – above £250	All risks below £250
Fidelity Guarantee above £100,000	Fidelity claims below £100,000

NOTE 25: Unusable Reserves

Unusable reserves are not available to use to support service delivery at the reporting date. These reserves arise from either:

- a) statutory adjustments required to reconcile balances to the amounts chargeable to council tax [or rents] for the year, to comply with legislation, or
- b) accounting gains or losses recognised in other comprehensive income and expenditure in accordance with accounting standards adopted by the Code, rather than in the surplus or deficit on the provision of services.

	2024-25 £000	2023-24 £000
Revaluation Reserve	(36,082)	(31,393)
Capital Adjustment Account	(142,460)	(136,793)
Pensions Reserve - Local Government	790	900
Pensions Deficit Reserve - Police	2,562,260	2,819,980
Accumulated Absences Account	11,765	13,944
Collaboration Fair Share Reserve	1,125	1,073
Total Unusable Reserves	2,397,398	2,667,711

Revaluation Reserve

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

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

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

	£000	£000	£000	£000
Balance at 1 April		(31,393)		(29,470)
(Upward) revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(6,203)		(3,442)	
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	280		162	
Right of Use Assets Revaluation	(8)		-	
Surplus/Deficit on revaluation of non-current assets not posted to Surplus/Deficit on the Provision of Services		(5,931)		(3,280)
Assets Previously charged to Capital Adjustment Account				
Difference between fair value depreciation and historical cost depreciation (charged to the Capital Adjustment Account)	1,107		928	
Accumulated Gains on Assets Sold or Scrapped	135		429	
Amount written off to the Capital Adjustment Account		1,242		1,357
Balance at 31 March		(36,082)		(31,393)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 16 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current value figures to a historical cost basis). The account is credited with the amounts set aside by South Wales Police/the Commissioner as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets.

	2024-25		2023-24	
	£000	£000	£000	£000
Balance at 1 April		(136,793)		(129,037)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	13,050		11,262	
Revenue Expenditure Funded for Capital Under Statute	13,124		2,490	
Revaluation losses on property, plant and equipment	(988)		1,163	
Amortisation of intangible assets	729		989	
Right of Use Assets - Peppercorn & prepayments	(116)		-	
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal in the Comprehensive Income and Expenditure Statement	2,288		1,061	
Total		28,087		16,965
Adjusting amounts written out of the Revaluation Reserve	(1,242)		(1,357)	
Net written out amount of the cost of non-current assets consumed in the year		26,845		15,608
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(1,607)		(731)	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,090)		(8,118)	
Statutory provision for the financing of capital investment charged against the Police Fund	(4,296)		(1,937)	
Revenue Expenditure Funded for Capital Under Statute Contributions	(13,124)		(2,301)	
Capital expenditure charged against the Police Fund	(12,395)		(10,277)	
		(32,512)		(23,364)
Balance at 31 March		(142,460)		(136,793)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Police 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 Police Fund Balance is neutralised by transfers to or from the account.

	2024-25 £000	2023-24 £000
Balance at 1 April	13,944	11,820
Settlement or cancellation of accrual made at the end of the preceding year	(13,944)	(11,820)
Amounts accrued at the end of the current year	11,765	13,944
Balance at 31 March	11,765	13,944

Collaboration Fair Share Reserve

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

	2024-25 £000	2023-24 £000
Balance at 1 April	1,073	1,104
Amounts adjusted at the end of the current year	52	(31)
Balance at 31 March	1,125	1,073

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

	2024-25 £000	2023-24 £000
Balance at 1 April	2,820,880	2,724,120
Actuarial (gains)/losses on pension assets and liabilities	(317,920)	38,370
Reversal of items relating to retirement benefits debited or credited to Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	173,400	166,240
Employer's pension contributions and direct payments to pensioners payable in the year	(113,310)	(107,850)
Balance at 31 March	2,563,050	2,820,880

NOTE 26: Defined Benefit Pension Schemes

Legal Cases

Virgin Media

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024 but the appeal was dismissed. The Government has stated that schemes and sponsoring employers need clarity around scheme liabilities and member benefit levels in order to plan for the future. The Government will therefore introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. However, this will not likely happen until the Statement of Accounts 2025/26.

McCloud/Sargeant

The Chief Constable of South Wales Police, along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015. The claims against the Police pension scheme (the Aarons case) had previously been stayed behind the McCloud/Sargeant judgement, but a case management was held in October 2019, with the resulting Order including an interim declaration that the claimants are entitled to be treated as if they had been given full transitional protection and had remained in their existing scheme after 1 April 2015. Whilst the interim declaration applied only to claimants, the Government made clear through a Written Ministerial Statement on 25 March 2020 that non-claimants would be treated in the same way.

On 16 July 2020, HM Treasury issued a consultation regarding transitional arrangements for public sector pensions to eliminate discrimination as identified through the McCloud/ Sargeant cases. This consultation introduced a requirement for members to have been members of the scheme on or before 31 March 2012 and on or after 1 April to be eligible for remedy. On 4 February 2021, HM Treasury issued their response to the consultation which confirmed the remedy arrangements set out in the consultation, and states that members would be given a choice as to whether to retain benefits from their legacy pension scheme, or their new scheme, during the remedy period (2015-2022). This choice will be deferred for members until retirement. As the findings of the original Employment Tribunal did not identify that the introduction of the new public sector pension schemes were discriminatory (rather it was the transitional provisions), the legacy schemes will be removed from April 2022 to be replaced by the new pension schemes originally introduced in 2015.

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures, the Actuary expects that the majority of eligible police members to elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period. An allowance for McCloud remedy was first included in the 2018-19 pension disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021-22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service. Now that the remedy window is closed, the Actuary has moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme where benefits are expected to be paid from. This has led to a past service cost of £48m added to the 1987 Scheme and a past service cost of £3m in the 2006 Scheme. As these liabilities are no longer held within the 2015 Scheme there is a past service gain of £52m.

The Local Government Pension Scheme (LGPS – for Police Staff)

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

South Wales Police/the Commissioner participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Rhondda Cynon Taf (RCT) County Borough Council. This is a funded defined benefit final salary scheme, meaning that South Wales Police/the Commissioner and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The method used to determine the rate of employer's contribution are based on review by the scheme actuaries. There is no agreement with other public bodies to share other employer deficits.
- Arrangements for the award of discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

2022 Actuarial Valuation

The effect of allowing for this is shown in the 'Actuarial (gains)/losses due to liability experience' and the 'Return on plan assets (in excess of)/below that recognised in net interest' and is reflected in the Balance Sheet position. The demographic assumptions have also been updated to reflect those used for the 2022 Actuarial Valuation. These changes have had a positive effect on the Balance Sheet position.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The results allow for the 2022 Actuarial Valuation of the Fund.

However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	Pension Scheme 2024-25 £000	Discretionary Benefits Arrangements 2024-25 £000	Total 2024-25 £000	Pension Scheme 2023-24 £000	Discretionary Benefits Arrangements 2023-24 £000	Total 2023-24 £000
Local Government Pension Scheme and Unfunded Discretionary Benefits						
Comprehensive Income and Expenditure Statement						
Cost of Services:						
- Current service cost	16,120	-	16,120	16,740	-	16,740
- Past service cost (inc. curtailments)	40	-	40	-	-	-
Financing and Investment Income and Expenditure:						
- Interest on net defined benefit liability/(asset)	(3,150)	40	(3,110)	(680)	40	(640)
- Interest on unrecognised asset	2,770	-	2,770	-	-	-
Total Post Employment Benefit charged to Comprehensive Income and Expenditure Statement	15,780	40	15,820	16,060	40	16,100
Other Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement						
- Return on plan assets (in excess of)/below that recognised in net interest	20,780	-	20,780	(31,500)	-	(31,500)
- Actuarial (gains)/losses:						
Due to changes in financial assumptions	(97,320)	(50)	(97,370)	(19,700)	-	(19,700)
Due to changes in demographic assumptions	(3,640)	(10)	(3,650)	(7,090)	(20)	(7,110)
Due to liability experience	710	-	710	6,960	(40)	6,920
Due to restriction of surplus	79,920	-	79,920	57,680	-	57,680
Total Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement	450	(60)	390	6,350	(60)	6,290
Total Amount Recognised	16,230	(20)	16,210	22,410	(20)	22,390
Movement in Reserves Statement:						
- Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(15,780)	(40)	(15,820)	(16,060)	(40)	(16,100)
Actual amount charged against the Police Fund Balance for pensions in the year:						
- Employers' contributions payable to scheme			16,320			15,100
- Retirement benefits payable to pensioners			-			-

Changes to the Present Value of the Defined Benefit Obligation

	Funded Pension Scheme 2024-25 £000	Unfunded Discretionary Benefits 2024-25 £000	Total 2024-25 £000	Funded Pension Scheme 2023-24 £000	Unfunded Discretionary Benefits 2023-24 £000	Total 2023-24 £000
Assets and liabilities in relation to Post-employment Benefits						
Reconciliation of present value of the scheme liabilities (defined benefit obligation):						
Opening balance at 1 April	(477,330)	(900)	(478,230)	(466,550)	(1,010)	(467,560)
Current service cost	(16,120)	-	(16,120)	(16,740)	-	(16,740)
Interest cost	(22,690)	(40)	(22,730)	(21,300)	(40)	(21,340)
Contributions by scheme participants	(6,400)	-	(6,400)	(5,980)	-	(5,980)
Benefits paid	16,440	90	16,530	13,410	90	13,500
Past service cost (inc. curtailments)	(40)	-	(40)	-	-	-
- Actuarial (gains)/losses:						
Due to changes in financial assumptions	97,320	50	97,370	19,700	-	19,700
Due to changes in demographic assumptions	3,640	10	3,650	7,090	20	7,110
Due to liability experience	(710)	-	(710)	(6,960)	40	(6,920)
Closing balance at 31 March	(405,890)	(790)	(406,680)	(477,330)	(900)	(478,230)

Changes to the Fair Value of Assets

Reconciliation of fair value of the scheme (plan) assets:	2024-25 £000	2023-24 £000
Local Government Pension Scheme		
Opening balance at 1 April	535,010	473,950
Interest income on assets	25,840	21,980
Remeasurement gains/(losses) on assets	(20,780)	31,500
Employer contributions	16,230	15,100
Contributions by scheme participants	6,400	5,980
Benefits paid	(16,440)	(13,500)
Closing balance at 31 March	546,260	535,010

Scheme History of LGPS

	2024-25 £000	2023-24 £000	2022-23 £000	2021-22 £000	2020-21 £000
Scheme history					
Present value of liabilities:					
Local Government Pension Scheme	(405,890)	(477,330)	(466,550)	(666,990)	(696,570)
Discretionary Benefits	(790)	(900)	(1,010)	(1,170)	(1,290)
Fair value of assets in the Local Government Pension Scheme	546,260	535,010	473,950	501,690	476,370
Total	139,580	56,780	6,390	(166,470)	(221,490)
Surplus/(deficit) in the scheme:					
Local Government Pension Scheme - Funded Status	140,370	57,680	7,400	(165,300)	(220,200)
Unrecognised asset	(140,370)	(57,680)	-	-	-
Total Local Government Pension Scheme	-	-	7,400	(165,300)	(220,200)
Discretionary Benefits	(790)	(900)	(1,010)	(1,170)	(1,290)
Asset/(liability) recognised on the Balance Sheet	(790)	(900)	6,390	(166,470)	(221,490)

Net Pension Asset in 2024-25

In 2024-25, the IAS19 Balance Sheet showed a net pensions asset at the accounting date. The actuary has recognised this in accordance with IFRIC 14 calculating the maximum economic benefit that could be recognised in the accounts (referred to as the asset ceiling).

Basis for Estimating Assets and Liabilities

Assets have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Aon Hewitt Limited, an independent firm of actuaries, estimates for the County Council Fund being based on the 2022 valuation of the scheme.

The principal assumptions used by the actuary are detailed in the following table:

Local Government Pension Scheme	Pension Scheme 2024-25	Discretionary Benefits 2024-25	Pension Scheme 2023-24	Discretionary Benefits 2023-24
Mortality Assumptions				
Pensioner Member Aged 65 at Accounting Date:				
■ Men	20.9	20.9	21.0	21.0
■ Women	23.7	23.7	23.8	23.8
Active Member aged 45 at Accounting Date:				
■ Men	21.8	-	22.3	-
■ Women	24.8	-	25.2	-
Principal Financial Assumptions				
Rate of increase in salaries	3.75%	-	3.85%	-
Rate of increase in pensions	2.50%	2.50%	2.60%	2.60%
Rate for discounting scheme liabilities	5.80%	5.80%	4.80%	4.80%

Asset Allocation

The approximate split of assets for the Fund as a whole (based on data supplied via the Actuary and by the Fund Administering Authority) is shown in the table below:

Local Government Pension Scheme	31 March 2025 %	31 March 2024 %
Equity Investments	65.1%	64.0%
Property	6.1%	6.5%
Government Bonds	10.9%	12.2%
Corporate Bonds	14.7%	15.6%
Cash and other Assets	3.2%	1.7%
	100.0%	100.0%

Contributions for the accounting period ending 31 March 2026

The employers' regular contributions to the Fund for the accounting period ending 31 March 2026 are estimated to be £17.1 million. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period or changes may be due to differences between actual and estimated numbers within the scheme.

The Police Pension Scheme (for Police Officers)

This includes the 1987, 2006, and 2015 police pension schemes plus the injury benefit scheme.

Participation in Pension Schemes

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

South Wales Police/the Commissioner participates in two post-employment schemes:

- The Police Pension Scheme, administered by XPS Administration, is an unfunded defined benefit scheme, meaning that there are no investment assets built up to meet pension liabilities. Instead, from 1st April 2006, actual pension payments are met from a combination of employers' and employee contributions, based on percentages of police salaries, and the balance from Government Grant.
- Discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. A software model, developed by the Government Actuary's Department, has been used to calculate the potential long term liability and cost estimates of the Police schemes based on Actuarial review, using Pension and Payroll data.

However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the Police Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Police Fund Balance via the Movement in Reserves Statement during the year:

	Pension Scheme and Discretionary Benefits 2024-25 £000	Pension Scheme and Discretionary Benefits 2023-24 £000
Police Pension and Unfunded Injury Benefit Scheme		
Comprehensive Income and Expenditure Statement		
Cost of Services:		
- Current service cost	25,310	24,770
- Past service costs	-	(30)
Financing and Investment Income and Expenditure:		
- Interest on net defined benefit liability/(asset)	132,270	125,400
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	157,580	150,140
Other Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement		
Actuarial (gains)/losses:		
- Due to changes in financial assumptions	(316,730)	(57,540)
- Due to changes in demographic assumptions	(4,270)	-
- Due to defined benefit obligations	2,690	89,620
Total Post Employment Benefit charged to Other Comprehensive Income and Expenditure Statement	(318,310)	32,080
Total Amount Recognised	(160,730)	182,220
Movement in Reserves Statement		
- Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(157,580)	(150,140)
Actual amount charged against the Police Fund Balance for pensions in the year:		
- Employers' contributions payable to scheme	52,646	43,076

Assets and Liabilities in relation to Post-Employment Benefits

	Pension Scheme and Discretionary Benefits 2024-25 £000	Pension Scheme and Discretionary Benefits 2023-24 £000
Reconciliation of present value of the scheme liabilities (defined benefit obligation):		
Opening balance at 1 April	(2,819,980)	(2,730,510)
Current service cost	(25,310)	(24,770)
Past service charge	-	30
Interest cost	(132,270)	(125,400)
Contributions by scheme participants	(20,240)	(18,930)
Due to changes arising on the defined benefit obligation	(2,690)	(89,620)
Due to changes in demographic assumptions	4,270	-
Due to changes in financial assumptions	316,730	57,540
Benefits paid	117,230	111,680
Closing balance at 31 March	(2,562,260)	(2,819,980)

The liabilities show the underlying commitments that South Wales Police/the Commissioner has in the long run to pay post-employment (retirement) benefits. The total liability of £2.562bn (£2.820bn 2023-24) has a substantial impact on the net worth of South Wales Police/the Commissioner as recorded in the Balance Sheet, resulting in a negative overall balance. However, statutory arrangements for funding the deficit mean that the financial position of South Wales Police/the Commissioner remains healthy:

- the deficit on the police pension scheme will be made good by government grant and or increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the government and the scheme actuary; and
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Police Pension Scheme and Discretionary Benefits liabilities have been assessed by the Government Actuary's Department (GAD) an agency of the UK Government, using payroll and pension data provided by or on behalf of South Wales Police/the Commissioner.

A full revaluation exercise is being undertaken and the disclosure is based on data used for that exercise. The value of liabilities has been calculated as at 31 March 2025 by rolling forward the liability calculated as at 31 March 2020 to 31 March 2025. This approach is reasonable but introduces some degree of uncertainty. It should therefore be recognised that the results may differ from those that would emerge following an actuarial valuation based on full membership data as at 31 March 2025.

The principal assumptions used by the actuary are detailed in the following table:

Police Pension and Unfunded Injury Benefit Scheme	Pension Scheme and Discretionary Benefits 2024-25	Pension Scheme and Discretionary Benefits 2023-24
Mortality Assumptions		
Pensioner Member Aged 65 at Accounting Date:		
■ Men	21.9	21.9
■ Women	23.9	23.6
Active Member aged 45 at Accounting Date:		
■ Men	23.3	23.6
■ Women	25.2	25.1
Principal Financial Assumptions		
Rate of inflation CPI	2.70%	2.60%
Rate of increase in salaries	3.45%	3.85%
Rate of increase in pensions	2.70%	2.60%
CARE revaluation rate	3.95%	3.85%

Contributions for the accounting period ending 31 March 2026

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2026 are estimated to be £62.7 million.

Membership numbers in the various pension schemes will vary from those estimated. Employer contributions will change due to the difference between estimated numbers and actual. Injury awards will also vary due to mortality issues and additional members can be admitted to the Injury Awards scheme. These factors are difficult to predict.

NOTE 27: Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried on the Balance Sheet:

	Long term		Current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Investments				
Deposits, loans and receivables	-	-	65,362	40,629
Debtors				
Financial assets carried at contract amounts	198	222	42,869	69,697
Borrowings				
Financial liabilities at amortised cost	(32,035)	(30,742)	(1,594)	(1,085)
Creditors				
Financial liabilities carried at contract amount	(653)	(1,461)	(47,337)	(51,344)

Income, Expense, Gains and Losses

	2024-25		2023-24	
	Financial Liabilities Measured at Amortised Cost £000	Financial Assets: Loans and Receivables £000	Financial Liabilities Measured at Amortised Cost £000	Financial Assets: Loans and Receivables £000
Interest Expense	901		768	
Total Expense in Surplus/Deficit on the Provision of Services	901	-	768	-
Interest Income		(4,625)		(3,350)
Total Income in Surplus/Deficit on the Provision of Services	-	(4,625)	-	(3,350)

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented on deposits, loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- estimated ranges of interest rates at 31 March 2025 of 4.82% to 5.97% for loans from the PWLB;
- loans receivable and payable, are based on new lending rates for equivalent deposits, or loans at that date;
- no early repayment or impairment is recognised;
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; and
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2025		31 March 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Short term borrowing	(978)	(978)	(1,085)	(1,085)
Short term right of use asset liability	(616)	(616)	-	-
Long term borrowing	(29,957)	(15,419)	(30,742)	(17,869)
Long term right of use asset liability	(2,078)	(2,078)	-	-
Total	(33,629)	(19,091)	(31,827)	(18,954)

The fair value of the liabilities is lower than the carrying amount because South Wales Police/the Commissioner's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date.

Valuation of Financial Instruments Carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values:

- **Level 1** – where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities (quoted equities, quoted fixed securities, quoted index linked securities and unit trusts). Listed investments are shown at bid prices. The bid value of the investment is based on the market quotation of the relevant stock exchange.
- **Level 2** – where market prices are not available, (e.g. where an instrument is traded in a market that is not considered to be active or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data).
- **Level 3** – where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments and hedge funds, neither of which the Fund currently invests in.

	31 March 2025			31 March 2024		
	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000
Financial Assets:						
Deposits, Loans and Receivables	-	65,362	-	-	40,629	-
Financial Liabilities:						
Liabilities at Amortised Costs	-	(19,091)	-	-	(18,954)	-
Total Net Assets	-	46,271	-	-	21,675	-

Please note that no fair values have been assigned to the long term debtors and creditors held on the Balance Sheet as they are not considered materially different to the carrying values.

NOTE 28: Nature and Extent of Risks Arising from Financial Instruments

South Wales Police/the Commissioner's activities expose it to a variety of financial risks:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Commissioner;
- **Liquidity risk** – the possibility that South Wales Police/the Commissioner might not have funds available to meet its commitments to make payments; and
- **Market risk** – the possibility that financial loss might arise for South Wales Police/ the Commissioner as a result of changes in such measures as interest rates and stock market movements.

South Wales Police/the Commissioner's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by South Wales Police/the Commissioner in the annual Treasury Management Strategy.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to South Wales Police/the Commissioner's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

The credit criteria in respect of financial assets held by South Wales Police/the Commissioner are as detailed below:

- South Wales Police/the Commissioner relies on credit ratings published by Fitch Ratings, Moody's Investors Service or Standard & Poor's to establish the credit quality of counterparties (issuers and issues) and investment schemes. South Wales Police/the Commissioner has also determined the minimum long-term and short-term and other credit ratings it deems to be "high" for each category of investment; and
- The maximum amounts to be lent to each institution are subject to the above consideration of risk ratings and other factors and advice from treasury management consultants.

Further details can be found in the annual Treasury Management Strategy considered by South Wales Police/the Commissioner prior to the 1 April each financial year. Customers for goods and services are assessed taking into account their financial position, past experience and other factors.

The maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of default applies to all deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise. Deposit protection arrangements will limit any losses that might arise. South Wales Police/the Commissioner does not generally allow credit for debtors including balances owing by Government departments, other local authorities, business organisations and individuals. The past due but not impaired amount can be analysed by age as follows:

	31 March 2025 £000	31 March 2024 £000
Less than three months overdue	32	336
Three to six months overdue	4	(14)
Six to twelve months overdue	31	28
Over twelve months	6	(87)
Total overdue debt	73	263
Value of doubtful debts impaired:	23	13
Impairment of doubtful debts as % of total overdue debt	31.5%	4.9%

Liquidity Risk

South Wales Police/the Commissioner has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, South Wales Police/the Commissioner has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that South Wales Police/the Commissioner will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. South Wales Police/ the Commissioner sets limits on the proportion of its fixed rate borrowing during specified periods.

The maturity analysis of financial liabilities is as follows:

	31 March 2025 £000	31 March 2024 £000
Less than one year	1,401	890
Between one and two years	1,037	785
Between two and five years	2,304	1,729
Between five and ten years	1,546	1,719
More than ten years	27,148	26,509
Total Outstanding Borrowing	33,436	31,632

Also included on the Balance Sheet is interest due in the following financial year.
For 2024-25, accrued interest is £193k (2023-24 £195k).

Market Risk – Interest Rate Risk

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

- borrowings at variable rates – the interest expense charged to the (Surplus) or Deficit on the Provision of Services will rise. South Wales Police/the Commissioner does not normally borrow at variable rates;
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall;
- investments at variable rates – the interest income credited to the (Surplus) or Deficit on the Provision of Services will rise. South Wales Police/the Commissioner does not normally invest at variable rates; and
- investments at fixed rates – the fair value of long term assets will fall. Short term investments are carried at cost as this is a fair approximation of their value.

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

South Wales Police/the Commissioner has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans may be repaid early to limit exposure to losses.

The risk of loss is ameliorated by the fact that a proportion of Government grant payable on financing costs will normally move with prevailing interest rates or South Wales Police/ the Commissioner's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has a strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable. According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be that there would be a decrease in the fair value of fixed rate borrowing liabilities of £1.998m (£2.458m 2023-24). There were no variable rate borrowings or investments in 2024-25.

Market Risk – Price Risk

South Wales Police/the Commissioner does not generally invest in equity shares or shareholdings.

Foreign Exchange Risk

South Wales Police/the Commissioner has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

NOTE 29: Contingent Liabilities & Contingent Assets

There are no contingent liabilities nor contingent assets for the financial year.

NOTES TO THE CASH FLOW STATEMENT

NOTE 30: Cash Flow Statement – Operating Activities

	2024-25 £000	2023-24 £000
The cash flows for operating activities include the following items:		
Net (surplus)/deficit on the Provision of Services	46,892	33,962
Adjustments to net surplus/deficit on the provision of services for non-cash movements:		
Depreciation and impairment of non-current assets	(25,184)	(14,916)
Amortisation of intangible assets	(729)	(989)
Pension fund adjustments	(60,090)	(58,390)
Contributions (to)/from provisions	(391)	(1,336)
Carrying amount of non-current assets sold or de-recognised	(2,288)	(1,061)
Sale and leaseback	(667)	-
Gain on donated assets	116	-
Reversal of capital financing of abortive project	(4,144)	-
Increase/(decrease) in inventories	648	392
Increase/(decrease) in debtors	(26,852)	18,963
(Increase)/decrease in creditors	7,875	(5,625)
	(111,706)	(62,962)
Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities:		
Capital grants & contributions	14,214	1,557
Proceeds from sale of non-current assets	1,503	836
Returns on investments and servicing of financing	3,724	2,582
Net cash flows from operating activities	(45,373)	(24,025)

NOTE 31: Cash Flow Statement – Investing Activities

	2024-25 £000	2023-24 £000
Purchase of property, plant and equipment, investment property and intangible assets	37,902	23,158
Recognition of right of use assets	4,126	-
Purchase of short term and long term investments	134,513	110,500
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,503)	(836)
Capital grants & contributions	(14,214)	(1,557)
Proceeds from short term and long term investments	(122,034)	(98,746)
Net cash flows from investing activities	38,790	32,519

NOTE 32: Cash Flow Statement – Financing Activities

	2024-25 £000	2023-24 £000
Cash receipts of short term and long term borrowing	(2,840)	-
Repayments of short term and long term borrowing	893	997
Net cash flows from financing activities	(1,947)	997

NOTES ON COLLABORATION

NOTE 33: Collaboration

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

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

The collaborative services and their funding continue under revised Commissioner and Force Governance arrangements. These are in effect considered as pooled budgets with agreements for funding contributions, made and varied from time to time, and certain Specific Government Grants. The pooled budgets are effectively hosted by the Commissioner and Force for South Wales Police on behalf of the four Police Forces in Wales.

The total costs of the collaborative team in 2024-25 were £0.506 million (2023-24 £0.470 million) and South Wales Police's contribution to these costs was £0.130 million in 2024-25 (2023-24 £0.110 million).

The first table below details a summary of the Income and Expenditure Statement for the main activities of the collaborative units based on the funding contributions that each Force made to the collaborative arrangement.

Included in accounting policies under joint arrangements are definitions and an explanation of the accounting requirements for joint operations, the latter involving shares of income, expenditure, assets and liabilities. As a result of the requirement of IFRS 11, the second table provides revised information relating to South Wales Police and for other forces to show the totals for each joint operation.

As a result of the requirements of IFRS 11, gross expenditure in the CIES has been reduced by £17.679 million and income/grants have been reduced by £17.730 million, an increase in net expenditure of £0.051 million (2023-24 £0.030 million decrease). This net increase has been reversed in the Movement in Reserves Statement with no impact on the Police Fund balance.

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

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

2024-25											
COLLABORATIVE SERVICE AREA	Counter Terrorism Intelligence Unit / Special Branch (CTIU / SB) £000	Counter Terrorism Specialist Advisors (CTSA) £000	Counter Terrorism Port / Dedicated Security (DSP) £000	Regional Organised Crime Unit (ROCU) £000	Regional Task Force (RTF) £000	Digital Services Division (DSD) £000	Joint Legal Services (JLS) £000	Scientific Investigation Unit (JSIU) £000	Joint Firearms Unit (JFU / CTSFO) £000	Joint Procurement £000	Total £000
Pay Expenditure	9,656	651	3,773	13,950	1,792	5,415	2,178	7,260	15,897	775	61,347
Non Pay Expenditure	1,934	76	1,086	2,254	584	60	-	857	2,594	7	9,452
Gross Expenditure	11,590	727	4,859	16,204	2,376	5,475	2,178	8,117	18,491	782	70,799
Specific Grant Income	(11,532)	(727)	(4,858)	(7,571)	-	-	-	-	(1,415)	-	(26,104)
Income	(58)	-	(1)	(67)	(72)	-	-	(82)	(738)	-	(1,018)
Total Income & Grants	(11,590)	(727)	(4,859)	(7,638)	(72)	-	-	(82)	(2,153)	-	(27,122)
South Wales Police	-	-	-	(4,599)	(1,237)	(3,447)	(1,395)	(5,416)	(8,169)	(391)	(24,653)
Dyfed Powys Police	-	-	-	(1,742)	(468)	-	-	-	(4,901)	-	(7,112)
Gwent Police	-	-	-	(2,225)	(599)	(2,028)	(783)	(2,619)	(3,268)	(391)	(11,913)
North Wales Police	-	-	-	-	-	-	-	-	-	-	-
Force Contributions	-	-	-	(8,566)	(2,304)	(5,475)	(2,178)	(8,035)	(16,338)	(782)	(43,678)
(Surplus) or Deficit	-	(0)	-	-	-	-	-	-	-	-	-

2023-24											
COLLABORATIVE SERVICE AREA	Counter Terrorism Intelligence Unit / Special Branch (CTIU / SB) £000	Counter Terrorism Specialist Advisors (CTSA) £000	Counter Terrorism Port / Dedicated Security (DSP) £000	Regional Organised Crime Unit (ROCU) £000	Regional Task Force (RTF) £000	Digital Services Division (DSD) £000	Joint Legal Services (JLS) £000	Scientific Investigation Unit (JSIU) £000	Joint Firearms Unit (JFU / CTSFO) £000	Joint Procurement £000	Total £000
Pay Expenditure	9,240	627	3,698	11,642	1,662	4,518	1,736	6,776	14,666	693	55,258
Non Pay Expenditure	2,315	64	528	2,338	560	66	-	835	2,374	11	9,091
Gross Expenditure	11,555	691	4,226	13,980	2,222	4,584	1,736	7,611	17,040	704	64,349
Specific Grant Income	(11,492)	(691)	(4,226)	(7,315)	-	-	-	-	(1,336)	-	(25,060)
Income	(63)	-	-	(116)	(29)	-	-	-	(844)	-	(1,052)
Total Income & Grants	(11,555)	(691)	(4,226)	(7,431)	(29)	-	-	-	(2,180)	-	(26,112)
South Wales Police	-	-	-	(3,516)	(1,177)	(2,900)	(1,105)	(5,101)	(7,430)	(352)	(21,581)
Dyfed Powys Police	-	-	-	(1,332)	(446)	-	-	-	(4,458)	-	(6,236)
Gwent Police	-	-	-	(1,701)	(570)	(1,684)	(631)	(2,510)	(2,972)	(352)	(10,420)
North Wales Police	-	-	-	-	-	-	-	-	-	-	-
Force Contributions	-	-	-	(6,549)	(2,193)	(4,584)	(1,736)	(7,611)	(14,860)	(704)	(38,237)
(Surplus) or Deficit	-	-	-	-	-	-	-	-	-	-	-

Note: in 2024-25 the increase in employers' pension contributions for officers from 1 April 2024 was not funded from Counter Terrorism grant but a force wide grant specific to the pension contribution rise.

2024-25												
SHARE OF SERVICE COLLABORATION	Counter Terrorism Intelligence Unit / Special Branch (CTIU / SB) £000	Counter Terrorism Specialist Advisors (CTSA) £000	Counter Terrorism Port / Dedicated Security (DSP) £000	Regional Organised Crime Unit (ROCU) £000	Regional Task Force (RTF) £000	Digital Services Division £000	Joint Legal Services (JLS) £000	Scientific Investigation Unit (JSIU) £000	Joint Firearms Unit (JFU / CTSFO) £000	Joint Procurement £000	Total £000	
	Population (national benefit basis)	Population (national benefit basis)	Population (national benefit basis)	Population (national benefit basis)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)		Population
Share of service benefit												
Gross Expenditure												
South Wales Police	4,961	311	1,079	8,877	1,276	3,447	1,395	5,471	9,246	391	36,454	42.80%
Dyfed Powys Police	1,914	120	416	3,425	483	-	-	-	5,547	-	11,905	16.51%
Gwent Police	2,181	137	475	3,902	617	2,028	783	2,646	3,698	391	16,858	18.82%
North Wales Police	2,534	159	2,889	-	-	-	-	-	-	-	5,582	21.87%
Total	11,590	727	4,859	16,204	2,376	5,475	2,178	8,117	18,491	782	70,799	
Total Income & Grants												
South Wales Police	(4,961)	(311)	(1,079)	(4,185)	(38)	-	-	(55)	(1,076)	-	(11,705)	42.80%
Dyfed Powys Police	(1,914)	(120)	(416)	(1,614)	(15)	-	-	-	(646)	-	(4,726)	16.51%
Gwent Police	(2,181)	(137)	(475)	(1,839)	(19)	-	-	(27)	(431)	-	(5,109)	18.82%
North Wales Police	(2,534)	(159)	(2,889)	-	-	-	-	-	-	-	(5,582)	21.87%
Total Income & Grants	(11,590)	(727)	(4,859)	(7,638)	(72)	-	-	(82)	(2,153)	-	(27,122)	

2023-24												
SHARE OF SERVICE COLLABORATION	Counter Terrorism Intelligence Unit / Special Branch (CTIU / SB) £000	Counter Terrorism Specialist Advisors (CTSA) £000	Counter Terrorism Port / Dedicated Security (DSP) £000	Regional Organised Crime Unit (ROCU) £000	Regional Task Force (RTF) £000	Digital Services Division £000	Joint Legal Services (JLS) £000	Scientific Investigation Unit (JSIU) £000	Joint Firearms Unit (JFU / CTSFO) £000	Joint Procurement £000	Total £000	
	Population (national benefit basis)	Population (national benefit basis)	Population (national benefit basis)	Population (national benefit basis)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)	Agreed financial contribution (local delivery)		Population
Share of service benefit												
Gross Expenditure												
South Wales Police	4,919	293	1,104	7,627	1,194	2,900	1,105	5,101	8,520	352	33,115	42.31%
Dyfed Powys Police	1,915	115	430	2,969	452	-	-	-	5,112	-	10,993	16.62%
Gwent Police	2,182	131	490	3,384	577	1,684	631	2,510	3,408	352	15,349	18.94%
North Wales Police	2,539	152	2,202	-	-	-	-	-	-	-	4,893	22.13%
Total	11,555	691	4,226	13,980	2,223	4,584	1,736	7,611	17,040	704	64,350	
Total Income & Grants												
South Wales Police	(4,919)	(293)	(1,104)	(4,054)	(16)	-	-	-	(1,090)	-	(11,476)	42.31%
Dyfed Powys Police	(1,915)	(115)	(430)	(1,579)	(6)	-	-	-	(654)	-	(4,699)	16.62%
Gwent Police	(2,182)	(131)	(490)	(1,798)	(8)	-	-	-	(436)	-	(5,045)	18.94%
North Wales Police	(2,539)	(152)	(2,202)	-	-	-	-	-	-	-	(4,893)	22.13%
Total Income & Grants	(11,555)	(691)	(4,226)	(7,431)	(30)	-	-	-	(2,180)	-	(26,113)	

Note: in 2024-25 the increase in employers' pension contributions for officers from 1 April 2024 was not funded from Counter Terrorism grant but a force wide grant specific to the pension contribution rise.



Tri-Force Firing Range – Collaborative Capital Project

The Tri-Force Firing Range Project is a joint capital project between South Wales Police (SWP), Gwent Police (GWP) and Dyfed-Powys Police (DPP) to construct and operate a joint asset which will deliver a new Operational Training Facility for the Joint Firearms Unit.

The Asset is being constructed within the South Wales Police Force area but will be jointly funded, owned and operated by the three forces. The funding/ownership split for the Asset will be:

- SWP – 44.35%
- GWP – 28.93%
- DPP – 26.72%

Total Expenditure on the Asset Under Construction at 31st March 2025 is £26.329m, with expenditure of £21.619m during the financial year (£2.64m 2023-24). The breakdown of this expenditure and the funding for it from the 3 partner forces is shown in the accompanying table.

	South Wales Police £000	Gwent Police £000	Dyfed Powys Police £000	Total £000
	44.35%	28.93%	26.72%	100%
AUC at 31 March 2024	2,088	1,363	1,258	4,710
Expenditure 24-25	9,588	6,254	5,777	21,619
AUC at 31 March 2025	11,676	7,617	7,035	26,329

GLOSSARY OF TERMS

AMORTISATION

Intangible assets should be amortised on a systematic basis over their economic lives. This is similar to depreciation.

ACCRUAL

A sum included in the final accounts to cover income and expenditure attributable to the account period but for which payment has not been made/received at the Balance Sheet date.

AGENCY SERVICES

The provision of services by one body (the agent) on behalf of, and generally reimbursed by, the responsible body.

ACTUARIAL GAINS AND LOSSES

Changes in actuarial deficits or surpluses can arise due to experience gains and losses (events have not coincided with the actuarial assumptions made for the last valuation) or changes in actuarial assumptions.

ASSET

Tangible and intangible assets that yield benefits to South Wales Police/the Commissioner for a period of more than one year. Benefits of less than one year are regarded as current assets.

AUDIT

An independent examination of an organisation's activities.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the date specified.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, plant or equipment or expenditure which adds to, and not merely maintains, the value of an existing fixed asset.

CAPITAL ADJUSTMENT ACCOUNT

The capital adjustment account contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from grants, revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

CAPITAL RECEIPT

Proceeds from the sale of fixed assets (e.g. land or buildings, or other money received towards capital expenditure).

CAPITAL RECEIPTS RESERVE

The capital receipts reserve is available to fund future expenditure of a capital nature, as budgeted by the Capital Programme.

CASH FLOW STATEMENT

A statement that summarises the movements in cash, both revenue and capital, during the year.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

The Comprehensive Income and Expenditure statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

CREDITOR

An amount owed by South Wales Police/the Commissioner for work done, goods received or services rendered within the accounting period but for which payment has not yet been made.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of pension scheme's liabilities expected to arise from employee service in the current period.

CURRENT VALUE

The current value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

DEBTOR

An amount due to South Wales Police/the Commissioner within the accounting period but not received at the Balance Sheet date.

DEPRECIATION

The measure of the cost, or revalued amount, of the benefits of the fixed asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

EARMARKED CAPITAL RESERVES

These reserves, generated by additional voluntary revenue contributions, are available for financing future expenditure of a capital nature, as budgeted by the Capital Programme.

EARMARKED REVENUE RESERVES

These are used to fund future revenue expenditure on specific projects that had not been fully finished in the current financial year.

IMPAIRMENT

A reduction in the value of a property, plant or equipment or financial instrument, below its carrying amount on the Balance Sheet.

GLOSSARY OF TERMS

INVENTORIES (STOCKS)

Uniforms, communication equipment parts, diesel, petrol and vehicle spares are procured by South Wales Police/the Commissioner to use on a continuing basis. The value of those items not used at the specified date are shown in the Balance Sheet as assets.

LEASING

A method of financing the use of assets where a rental charge is paid over a specified period of time.

LIABILITY

An amount due to an individual or organisation which will be paid at some time in the future.

MOVEMENT IN RESERVES STATEMENT (MIRS)

This shows the movement from the start of the year to the end of the year on different reserves identified as usable and unusable reserves.

NATIONAL NON DOMESTIC RATE (NNDR)

The NNDR, or business rate, is the charge levied on occupiers of business premises to finance a proportion of Local Government and Police revenue expenditure. The amount of NNDR is set by Central Government by virtue of a multiplier applied to the rateable values. The multiplier is consistent throughout Wales with the total collected being distributed by Central Government but administered by the Welsh Government.

PAST SERVICE COST (PENSIONS)

The increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

POLICE FUND

This reserve is maintained to meet exceptional and unforeseen expenditure.

POLICE GRANT

The amount of Home Office grant towards the revenue requirements of South Wales Police/the Commissioner.

PRECEPT

The amount of income collected by the constituent County Borough Councils from council taxpayers to pay for police services of South Wales Police/the Commissioner.

PROVISION

An amount set aside in the accounts for liabilities that have been incurred, which are uncertain in terms of timing or amount.

PUBLIC WORKS LOAN BOARD (PWLBB)

A Government Agency which provides longer term loans to Local Authorities at interest rates only slightly higher than those at which the government itself can borrow.

RESERVE

Amounts set aside for purposes falling outside the definition of provisions and generally available for funding expenditure after the Balance Sheet date. Earmarked reserves are set aside for specific purposes.

REVENUE ACCOUNT/INCOME AND EXPENDITURE ACCOUNT

An account which records day to day expenditure and income on such items as salaries and wages, running costs of services and the financing of capital expenditure.

REVENUE SUPPORT GRANT

A Welsh Government administered grant paid in support of Local Government and Police revenue expenditure.

RIGHT OF USE ASSET

A leased asset recognised on the Balance Sheet that represents SWP's right as a lessee to use an underlying asset for the lease term.

SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES (SDPS)

The total operating costs of providing the services of South Wales Police/the Commissioner. It can be found in the Comprehensive Income & Expenditure Statement before the application of gains and losses based on changes in market valuations, interest rates and actuarial measurement assumptions.

TEMPORARY BORROWING/INVESTMENT

Money borrowed/invested for an initial period of less than one year.



Comisiynydd
yr Heddlu a
Throseddau
De Cymru

South Wales
Police
and Crime
Commissioner

