



**THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK**

**GROUP AND PCC  
STATEMENT OF ACCOUNTS**

**for the year ended  
31 March 2026  
DRAFT**

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**INDEPENDENT AUDITOR'S REPORT TO THE POLICE AND CRIME COMMISSIONER FOR SUFFOLK**

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# Statement of Responsibilities for the Statement of Accounts

## The Police and Crime Commissioner for Suffolk (PCC for Suffolk) Responsibilities

The PCC for Suffolk must:

- Arrange for the proper administration of the PCC for Suffolk's financial affairs and ensure that one of its officers has the responsibility for the administration of those affairs. That officer is the Chief Finance Officer (CFO PCC).
- Manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.
- Ensure that there is an adequate Annual Governance Statement.

## Approval of Statement of Accounts

I approve the following Statement of Accounts

**Tim Passmore**

**Police and Crime Commissioner for Suffolk**

## The Chief Finance Officer of the PCC for Suffolk Responsibilities

The CFO PCC is responsible for preparing the Statement of Accounts for the PCC for Suffolk in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards ("the Code").

In preparing this statement of accounts, the CFO PCC has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code and its application to local authority accounting.

The CFO PCC has also:

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

## Certified by Chief Finance Officer of the PCC for Suffolk

I certify that this statement of accounts has been prepared in accordance with proper accounting practice and presents a true and fair view of the financial position of the PCC at 31 March 2026, and its income and expenditure for the year to that date.

**Colette Batson**

**Chief Finance Officer**

## NARRATIVE REPORT

This narrative report provides the following information about the Office of the Police and Crime Commissioner for Suffolk (OPCC) and the Suffolk PCC Group.

1. Policing Context
2. Governance
3. Risks
4. Non-financial performance 2025/26
5. Financial performance 2025/26
6. Outlook
7. Basis of preparation

### 1. Policing Context

#### The Office of the Police and Crime Commissioner for Suffolk

Under the *Police Reform and Social Responsibility Act 2011* (the Act) the Police and Crime Commissioner for Suffolk (PCC) and the Chief Constable of Suffolk Constabulary were established as separate legal entities. Corporate governance arrangements for the PCC and the Chief Constable have been reviewed and a commentary on their effectiveness is provided in their Annual Governance Statements which are published alongside these Statements of Accounts.

The responsibilities of the PCC, determined by the Act, include:

- **Publishing** a Police and Crime Plan;
- **Holding** the Chief Constable to account for the running of the Constabulary;
- **Agreeing** the Constabulary budget for the year and the level of the precept;

- **Working** with partner organisations and building on collaboration arrangements with other organisations; and
- **Publishing** an annual report setting out progress against the strategic priorities published in the Police and Crime Plan.

For accounting purposes, the PCC for Suffolk is the parent entity of the Chief Constable of Suffolk (the Constabulary) and together they form the Suffolk PCC Group (the Group).

Tim Passmore was initially elected as the first PCC for Suffolk in 2012 and was re-elected at subsequent elections in May 2016; May 2021; and May 2024. The current four-year term is due to end in 2028.

The PCC is supported and challenged by the Police and Crime Panel, which scrutinises the actions and decisions of the PCC. Formal public meetings between the PCC and the Chief Constable are held every two months. An independent Audit Committee has also been established in accordance with recommendations from the Home Office and the Chartered Institute of Public Finance and Accountancy (CIPFA).

#### The County of Suffolk

Suffolk is a rural county in eastern England with a land area of 1,466 square miles. Located 60 miles north east of London, it is bordered by Norfolk to the north, Cambridgeshire to the west and Essex to the south. With 50 miles of coastline the North Sea marks the eastern border of the county (see [Figure 1](#)).

**Figure 1 – Map of the County of Suffolk**



Note: Principal police stations are marked in blue

Ipswich is the largest town and is the major economic, social, and cultural hub of the county. Lowestoft, Bury St Edmunds, Newmarket, and Felixstowe also present specific policing needs related to the nature of their industries; such as tourism in Lowestoft, horse racing in Newmarket and Britain’s biggest and busiest seaport in Felixstowe.

Per the 2021 census, Suffolk’s estimated population was 760,668 residents and it is forecast to grow to over 790,000 by 2028, with an increasing ageing population. In 2024 persons aged 65 years and older were estimated to account for 24.2% of the population, compared to a projection of 30% for

2043. The proportion of minority ethnic communities in Suffolk has also risen, from 3% in 2001 to nearly 7% in 2021, with the greatest proportion in Ipswich (sources: Office for National Statistics and Suffolk Observatory population estimates). The Constabulary continues to respond to the changing nature of Suffolk’s population by ensuring policies take account of equality and diversity.

Suffolk contains several sites of policing significance including: the Port of Felixstowe, British Telecom Research and Development facility, two US Air Force bases and Sizewell B nuclear power station.

There are currently sixteen Nationally Significant Infrastructure Projects planned across the county over the next decade. Six are in active development, including the construction of Sizewell C, with the remaining ten progressing through various planning stages. These projects create sustained and complex policing demands for the Constabulary. This impact has been proactively mitigated through detailed modelling, enabling forward planning of resource requirements and operational risk. In parallel, the approval of Freeport East in 2021 is generating further economic growth and investment opportunities for Suffolk, with associated long-term implications for policing demand, infrastructure, and partnership working.

Tourism plays a key role in Suffolk’s economy and is estimated to be worth over £2 billion and provides over 40,000 jobs.

**Collaboration and partnership working**

The *Police Reform and Social Responsibility Act 2011* places duties on chief officers and policing bodies to keep collaboration activities under review and to collaborate where it is in the interests of the efficiency and effectiveness of their own and other police force areas.

Suffolk Constabulary’s primary partner for collaboration is Norfolk Constabulary. A joint strategy exists which outlines the collaborative vision

for Suffolk and Norfolk and provides a strategic framework within which collaborative opportunities are progressed.

The two police forces have an extensive collaboration, with the programme of collaborative work delivering a number of joint units and departments in areas such as major investigation, protective services, custody, and back-office support functions.

Areas of collaboration outside of Suffolk/Norfolk include the Eastern Region Special Operations Unit (ERSOU), a specialist unit with a remit for tackling serious and organised crime in the Eastern Region. ERSOU comprises resources from Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk, and Suffolk forces.

The same seven forces and their Police and Crime Commissioner's Offices (OPCCs) form the Eastern Region Innovation Network (ERIN), which shares and replicates best practice and innovation across the eastern region.

Suffolk is also part of a seven-force commercial services function established in January 2020 and a ten-force consortium for insurance known as the South East and Eastern Regional Police Insurance Consortium (SEERPIC).

### Partnerships

The PCC and Constabulary engage in many partnership arrangements at a number of levels from strategic boards, such as the Health and Wellbeing Board, to operational working groups. These are aimed at ensuring the PCC and Constabulary fulfil their statutory responsibilities for partnership working, as well as ensuring they continue to be effective and efficient by working together with partners and key stakeholders in providing continued high-quality service delivery.

### Commissioning

The PCC can commission services that:

- Secure, or contribute to securing, crime and disorder reduction in Suffolk;
- Help victims, witnesses or other persons affected by offences and anti-social behaviour.

This is in accordance with the provisions in the Anti-Social Behaviour, Crime and Policing Act 2014. The PCC ensures that the services commissioned are also consistent with the Police and Crime Plan 2025-2029.

Two primary grant funding streams have been utilised in Suffolk. The first is in relation to local commissioning of victims' support services awarded by the Ministry of Justice. A core grant of £878k per annum was agreed for three years, commencing in 2022/23, and is used for commissioning victims' services. This grant was extended into 2025/26, however funding was reduced by 4.2% to £841k. A separate grant agreement is held with the Ministry of Justice which is used to commission victims' support services in relation to domestic abuse and sexual violence. A single year grant agreement was provided for 2025/26 to the value of £792k. This included funding for the provision of additional Independent Domestic Violence Advisors (IDVAs), Independent Sexual Violence Advisors (ISVAs), and community based Domestic Abuse / Sexual Violence victims services.

The second key grant funding stream, the Crime and Disorder Reduction Grant Fund, was established by the PCC in 2013 for the purpose of commissioning services in accordance with the statutory power outlined above. The PCC allocates part of this fund to the 'PCC Fund' administered by the Suffolk Community Foundation.

The Home Office has been a further source of funding in 2025/26. Year 3 of the Home Office grant for local delivery of Domestic Abuse (DA) perpetrator programmes in 2025/26 was for £332k. This funding contributed to activity undertaken by the Constabulary's DA Perpetrator Unit including the development of the conditional caution programme, supported delivery of the Venta programme delivered by local charity Icenl and provided additional victim support. The grant was underspent by £8k which was not claimed from the Home Office.

The Home Office have also provided funding for specified authorities for delivery of the Serious Violence Duty. The PCC is responsible for allocating this grant funding, following agreement by the Serious Violence Duty Partnership, and £396k was eligible to claim in 2025/26.

All grants awarded include success criteria, for example intended outcomes and milestones, together with risks. The delivery of clear and measurable outcomes against Police and Crime Plan objectives is described for all initiatives where funding is sought. Grant decisions are published on the PCC website. All grant recipients report on the outcomes and progress of projects. Conditions of award specify that recipients may also be required to report to public accountability meetings, for example the bi-monthly Accountability and Performance Panel.

The performance of service providers has been regularly reviewed and monitored against proposed outputs and outcomes. Where appropriate, services are assessed using the perceptions of victims of crime in terms of their satisfaction with the services and the extent to which they have been supported to cope and build resilience. Value for money and efficiency also features in the commissioning and evaluation of services.

## 2. Governance

The International Accounting Standards Board Framework states that assets, liabilities and reserves should be recognised when it is probable that any future economic benefits associated with the item will flow to or from the entity. When the OPCC was established, the PCC took responsibility for the finances of the Group and controls the assets, liabilities and reserves that were transferred from the former Police Authority. With the exception of the liabilities for employment and post-employment benefits, this position has not changed and these balances are shown on the PCC's balance sheet.

The Scheme of Governance and Consent sets out the roles and responsibilities of the PCC and Chief Constable and includes the Financial Regulations and Contract Standing Orders. All contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets, and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the PCC accounts and consolidated in the Group financial statements.

The PCC receives all income and makes all payments from the Police Fund for the Group and has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's police officers and police staff operate. The PCC does not permit the carry forward of balances or for the Chief Constable to hold cash-backed reserves.

The Chief Constable has a statutory responsibility for delivering an efficient and effective police force within an annual budget, which is determined by the PCC. The Chief Constable has a statutory responsibility for maintaining the King's peace and to do this has direction and control over the Constabulary's police officers, police community support officers and police staff. In exercising day-to-day direction and control the Chief Constable will undertake activities, incur expenditure, and generate income to allow the Constabulary to operate effectively. A distinction is made between the financial impact of this day-to-day direction and control of the Constabulary and the overarching strategic control exercised by the PCC.

The expenditure and income associated with day-to-day direction and control and the PCC's funding to support the Chief Constable is shown in the Chief Constable's accounts, with the main sources of funding from central government grants and the council tax and the majority of balances being shown in the PCC's accounts.

The Chief Constable's Comprehensive Income and Expenditure Statement recognises transactions in respect of police officer and police staff costs and associated operational incomes. The Chief Constable's balance sheet shows employment and post-employment benefits in accordance with International Accounting Standard (IAS) 19 *Employee Benefits*.

### 3. Risks

The PCC and the Chief Constable maintain strategic risk registers which are regularly reviewed. Risk management policies and procedures are in place to ensure that the risks facing the PCC and Chief Constable in achieving objectives are identified, evaluated, and reported.

A joint Suffolk and Norfolk Constabularies risk management policy includes details of the risk management framework for Suffolk Constabulary. The

policy supports a risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with by mitigation and / or escalation to the appropriate level within the Constabulary.

All legal requirements for insurance were met and insurance policies were reviewed as necessary as part of the SEERPIC insurance consortium arrangements.

#### 4. Non-Financial Performance 2025/26

The Constabulary prioritises services to vulnerable and at-risk victims, and perpetrators who cause the highest harm. It continues robust operational responses to the threat of ‘county lines’ organised crime groups, modern slavery, and sexual crimes against adults and children. 2025/26 saw particular success in the use of a partnership approach to serious organised crime known as Clear Hold Build. Collaborations with Norfolk Constabulary, ERSOU, ERIN and other Suffolk agencies and voluntary organisations, and investments in modern technologies such as domestic abuse video response, automated number plate recognition, mobile computing devices and body worn video cameras are critical parts of these responses.

The Constabulary continues to prioritise community issues through investment in its safer neighbourhood teams and continued innovation within the Contact and Control Room. The Futures Hub project continues to develop evidence-based initiatives to reduce demand and improve efficiency, enabling officers to spend more time engaging with communities and responding to local needs.

The current Police and Crime Plan lists the following as priorities for tackling crime in Suffolk:

<b>Theme 1</b>	An efficient and effective police force for Suffolk.
<b>Theme 2</b>	Commissioning services which support victims of crime and investing in initiatives which reduce crime, disorder, offending and prevent victimisation.
<b>Theme 3</b>	Effective engagement with communities, and working with partner agencies, to enhance community safety and criminal justice

In the 12 months to the end of March 2026 there were 43,819 recorded crimes, 7.7% lower than the long-term average of 47,480. **Table 1** shows the year-end position for selected Police and Crime Plan indicators and compares them with previous years’ performance.

**Table 1: Performance against Police and Crime Plan indicators**

Area	Indicator	2022/23	2023/24	2024/25	2025/26
<b>Domestic Abuse</b>	Number of crimes	9,156	7,591	7,461	7,411
	Solved rate	12%	13%	12%	13%
<b>Serious Sexual Offences</b>	Number of crimes	2,285	1,995	1,939	2,010
	Solved rate	6%	5%	8%	8%
<b>Child Sexual Abuse</b>	Number of crimes	1,308	939	813	1,009
	Solved rate	11%	11%	15%	13%
<b>Business Crime</b>	Number of crimes	6,274	6,447	5,707	5,182
	Solved rate	24%	25%	26%	30%
<b>Hate Crime</b>	Number of crimes	995	846	819	700
	Solved rate	14%	19%	18%	20%
<b>Online Crime</b>	Number of crimes	2,444	1,911	1,604	1,656
	Solved rate	10%	12%	12%	13%
<b>Neighbourhood Crime</b>	Number of crimes	8,137	7,488	7,290	7,007
	Solved rate	10%	9%	10%	10%
<b>Violence with Injury</b>	Number of crimes	6,431	6,175	5,882	5,800
	Solved rate	15%	16%	16%	18%
<b>Call Handling</b>	999 calls answered in 10 seconds	77%	85%	91%	90%
<b>Emergency Response</b>	Emergencies responded to in target time	88%	87%	87%	86%
<b>Road Safety</b>	Number killed or seriously injured	254	267	310	350

**Table 1** shows that there were decreasing volumes of crime in 2025/26 for the majority of key crime categories.

Call handling performance has remained aligned with the national target in 2025/26 with 90% of 999 calls answered within 10 seconds. The increase in 999 call volumes is being seen nationally and is being addressed locally in Suffolk through targeted multi-year precept investment that has seen growth in the switchboard function and continued growth in the number of call handlers being recruited. Investment has also been made in digital desk capabilities, to ensure service standards are maintained however the public contact the Constabulary.

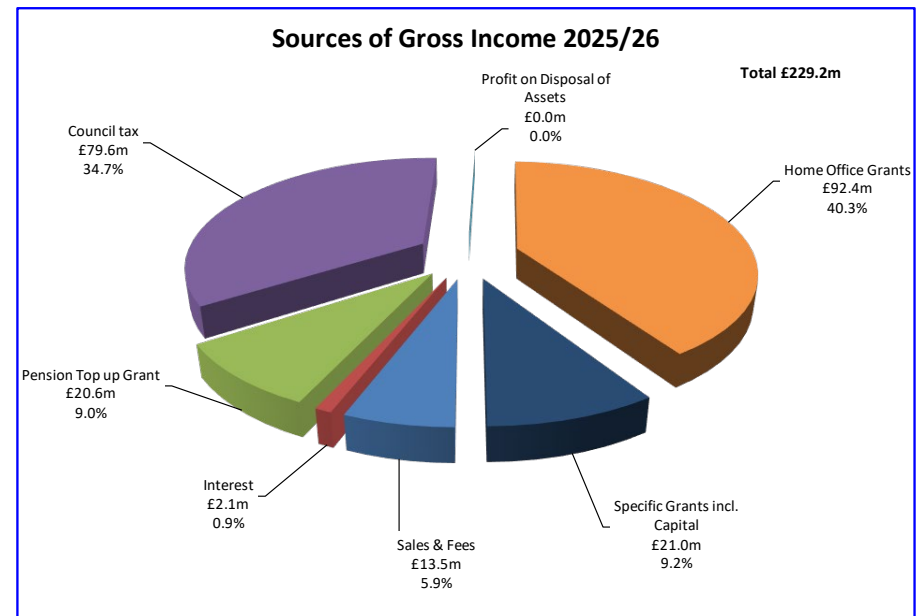
The Constabulary continues to robustly enforce against road users that speed, fail to wear seatbelts, use mobile phones whilst driving, and drive under the influence of drink and drugs. Often referred to as the ‘fatal four’, these offences impact upon the number of people killed and seriously injured in road traffic collisions.

## 5. Financial Performance 2025/26

### Sources of Funding

The majority of police funding comes from the government in the form of general and specific grants. The remainder comes from council tax and fees and charges. **Chart 1** shows the sources of revenue funding in 2025/26.

**Chart 1: Sources of gross income 2025/26**



### Revenue Budget 2025/26

In January 2025, the PCC approved a net revenue budget for 2025/26 of £172.395m and took the decision to increase the policing element of Council Tax by 5.1%. The council tax for a Band D property for 2025/26 was increased by £13.95 to £289.53 following this decision.

### Outturn Revenue Expenditure Compared to Budget

For budgeting purposes, the revenue budget is compiled and controlled as set out in the following table:

	Budget £000	Outturn £000	Final Variance £000
Constabulary (net after transfer to reserves)	186,100	183,735	2,365
Office of the PCC	1,174	1,171	3
PCC commissioning	860	860	-
OPCC - Grants	(16,019)	(16,019)	-
Net total contributions to/(from) earmarked reserves	-	2,368	(2,368)
Total Net Expenditure	172,115	172,115	-
Grants income	92,287	92,287	-
Precept income (before collection fund balance adjustment)	80,108	80,108	-
<b>Transfer from/(to) General reserves</b>	<b>(280)</b>	<b>(280)</b>	<b>-</b>

Explanations for significant variances are provided below:

- **Chief Constable operational budget:** this is due to underspends in pay and surplus in income, allowing the transfer to reserves in order to mitigate future funding risks.

Savings targets of £3.594m were identified for 2025/26 and these savings were achieved.

### Capital Budget 2025/26

The Capital programme for 2025/26, including slippage from 2024/25 and in-year approvals, was £15.367m. Actual expenditure against this total was £5.910m. The under-spend of £9.457m is primarily due to the re-profiling of Estates schemes, ICT schemes, vehicle replacements and joint projects in the MTFP. Actual expenditure includes an amount of £0.321m relating to incidental and de-minimis expenditure, which is not capitalised in the financial statements but charged directly to the CIES. The capital programme was financed by government grants and contributions of

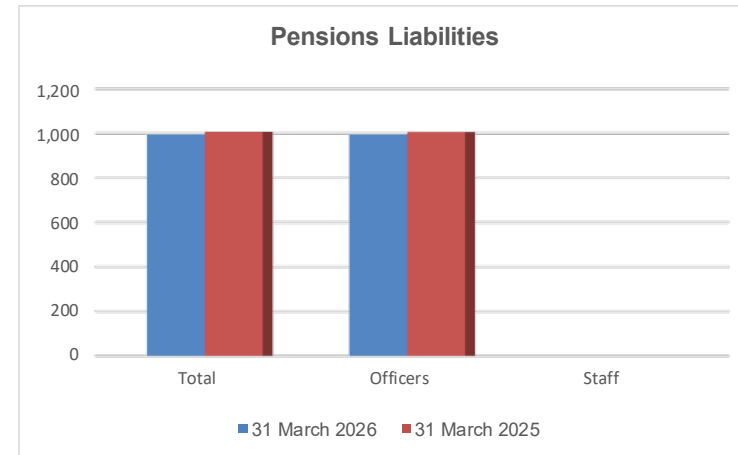
£0.158m, capital receipts of £0.057m and revenue contributions of £5.374m.

### Long Term Liabilities

#### Pension Liabilities

The Suffolk PCC Group operates three separate pension schemes for police officers and one scheme for police staff. Although benefits from these schemes will not be payable until an officer or staff member retires, the PCC has a future commitment to make these payments and under financial reporting standards the PCC is required to account for this future commitment based on the full cost at the time of retirement. The PCC's future net pension liabilities, which have been calculated by an independent actuary, are set out in **chart 2**:

**Chart 2:** Suffolk PCC Group pension liabilities



These liabilities result in the balance sheet showing net overall liabilities of £912m at 31 March 2026. The financial position of the PCC remains sound as these liabilities are spread over many years.

### Private Finance Initiative (PFI) Liabilities

At the year end the Suffolk PCC share of the PFI liability associated with police investigation centres amounted to £18.6m. The full cost of the annual unitary charge is included within the PCC's balanced budget. The Suffolk PCC share of an annual grant received from the Home Office supporting the annual unitary charge amounts to £2.7m per annum.

### Reserves

The PCC has usable reserves of £42.085m at 31 March 2026, which are available to support revenue and capital spending. These include a general fund balance made up of earmarked reserves of £33.778m, against which there are significant commitments, a general balance of £5.165m and unapplied capital grants and usable capital receipts of £3.142m. These reserves are not fully supported by cash balances, primarily due to unfunded capital expenditure being financed from cash.

### Treasury Management

The PCC has agreed a treasury management strategy which complies with CIPFA guidance. During 2025/26, the PCC continued to borrow or invest available cash balances in accordance with cash flow forecasts, ensuring that prescribed policies with regard to security and liquidity were observed. The average level of investments (including instant access balances) for 2025/26 was £50.405m and the interest received was £2.065m. The overall return of 4.1% was 0.09% higher than the sterling overnight index average (SONIA) of 4.01%.

### Annual Governance Statement

The PCC is responsible for conducting a review of the effectiveness of the governance framework, including the system of internal control and management of risk.

This is presented in the Annual Governance Statement 2025/26 that accompanies the Group and PCC Statement of Accounts. A copy is available on the PCC's website at [www.suffolk-pcc.gov.uk](http://www.suffolk-pcc.gov.uk).

## 6. Outlook

### Police and Crime Plan 2025/29

The PCC has published his fourth police and crime plan following public consultation. The Police and Crime Plan 2025-2029 applied from 1 April 2025 and presents the PCC's three key themes and associated objectives all aimed at making Suffolk a safer place in which to live, work, travel and invest. They are as follows:

- **Theme 1 – An efficient and effective police force for Suffolk.**
  - **Objective 1** - Improving public confidence through an effective response to the public and proactive approach to crime prevention.
  - **Objective 2** - Effective crime investigation, effective support for victims and appropriate management of offenders.
  - **Objective 3** - Working in partnership.
  - **Objective 4** - Ensure the Constabulary's people are developed and supported, and its assets and resources are used to enable an effective and efficient police service.

- **Theme 2 – Commissioning services which support victims of crime and investing in initiatives which reduce crime, disorder, offending and prevent victimisation.**
  - **Objective 1** - Commissioning services which support victims of crime.
  - **Objective 2** - Investing in initiatives which reduce crime, disorder, offending and prevent victimisation.
  
- **Theme 3 – Effective engagement with communities, and working with partner agencies, to enhance community safety and criminal justice.**
  - **Objective 1** - Engage with communities to understand their views about policing and crime.
  - **Objective 2** - Inform and update the public about the work of the PCC.
  - **Objective 3** - Work in partnership to support criminal justice and enhance community safety.

Progress against this plan is monitored under the PCC’s performance management framework. The Police and Crime Plan 2025-2029 and accompanying performance framework are available on the PCC’s website.

**Chief Constable’s Delivery Plan 2023/28**

The Chief Constable’s Delivery Plan 2023/28 was launched in May 2023 and sets out the Constabulary’s vision, mission, values and priorities for 2023/24 to 2027/28 as follows:

**Vision:** making Suffolk a safe place to live, work, travel and invest

**Mission:** keeping Suffolk safe

**Values:** courageous, professional, community and compassionate

The Chief Constable’s priorities are provided below.

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<b>People</b>	<ul style="list-style-type: none"> <li>› Attract and develop well</li> <li>› Healthy, fit and supported</li> <li>› Innovate and improve</li> </ul>
<b>Fairness</b>	<ul style="list-style-type: none"> <li>› Promote inclusion and diversity</li> <li>› Communicate and engage well</li> <li>› Build trust and confidence</li> </ul>
<b>Safety</b>	<ul style="list-style-type: none"> <li>› Keep people safe</li> <li>› Protect people from serious harm</li> <li>› Prevent crime in partnership</li> </ul>
<b>Justice</b>	<ul style="list-style-type: none"> <li>› Victims first</li> <li>› High quality investigations</li> <li>› Effective offender management</li> </ul>

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The plan is consistent with the PCC’s Police and Crime Plan 2025/29 and the force management statement, which shows forecast changes in demand over the next four years and any gaps that exist regarding capacity or capability.

**Medium Term Financial Plan 2026/27 to 2029/30**

**Revenue Funding**

The PCC has published a medium-term financial plan for 2026/27 to 2029/30. A copy is available from the PCC’s website.

Funding for policing services has increased from £172.395m in 2025/26 to £183.774m in 2026/27

PCCs have been given the flexibility to increase the precept by £15 in 2026/27 without holding a referendum. The PCC has raised the precept by 5.16% (£14.94 for a Band D property) to deliver a balanced budget in 2026/27.

Monitoring delivery of improvements in performance from the additional policing resources provided through the increased budget will be through meetings of the Accountability and Performance Panel chaired by the PCC.

### Capital Programme

The capital programme over the medium-term is driven by the continuing pace of modernisation and ensuring the Constabulary is fit-for-purpose, properly equipped and has an appropriate estate footprint. This includes significant investment in the estate and in refreshing the growing ICT and digital capabilities to drive more efficient and more effective ways of working

The Group's capital expenditure programme for 2026/27 is shown in **Table 3**:

**Table 3: Capital programme 2026/27**

	<b>2026/27</b>
	<b>£000</b>
Estates	3,779
ICT schemes and projects	9,205
Vehicles and equipment	1,533
<b>Total</b>	<b>14,517</b>

Funding will be from the following sources (see **Table 4**).

**Table 4: Funding sources for capital programme 2026/27**

	<b>2026/27</b>
	<b>£000</b>
Capital receipts	2,965
Revenue contribution	3,100
Capital financing reserve	5,426
Internal / external borrowing	3,026
<b>Total</b>	<b>14,517</b>

### Future Efficiency and Savings Plans

As a result of service pressures, the Constabulary is required to achieve savings of £2.843m in 2026/27 and a further £7.251m across the remaining 3 years of the MTFP period. The PCC and Chief Constable are jointly committed to providing the best possible policing service across Suffolk whilst at the same time increasing efficiency and reducing costs.

### Inflationary Pressures

Whilst inflation has moderated from recent peaks, it remains above the Bank of England's 2% target. The outlook remains exposed to risks from global energy prices and geopolitical uncertainty.

Estimates for non-pay inflation for 2026/27 are higher than the Constabulary's forecast in the 2025/26 medium term financial plan and the associated cost increase is unfunded by government. There is continued pressure for high pay settlements in 2026/27. The budgeted pay award is set at 3.5% for 2026/27 given the 4.2% increase for officers and staff in 2025/26 and continued cost of living increases.

Full-year expenditure forecasts are prepared monthly and will monitor the impact of inflation during the financial year. The impact of inflation will be mitigated through a combination of measures. These include the reallocation of underspends during the financial year, reprioritisation of planned activities during 2026/27 and the reallocation of budgets where appropriate or the use of reserves. Inflation assumptions will be reconsidered when setting the budget for 2027/28.

### Devolution and Police Reform

On 29 April 2026 the [English Devolution and Community Empowerment Bill](#) became law after receiving Royal Assent. This Act sets the legislation to widen mayoral Devolution across England by introducing three tiers of Strategic Authorities. This is known as the Devolution Framework.

The Act legislates to transfer the functions of a police and crime commissioner to the mayor for the area of a combined authority if both an eligibility condition and the transfer condition in relation to that area are met. A combined authority meets the eligibility condition if the geographical boundaries of the mayoral authority align with the geographical boundaries of either a single police force, or two or more English police areas (when those areas are taken together). The combined authority meets the transfer condition if the Secretary of State has, by order, specified the time at which the mayor for the area of the authority is to begin exercising functions of a police and crime commissioner and the transfer time has passed.

Suffolk and Norfolk have been announced as being included on the government's Devolution priority programme, with the intention to create a Mayoral Strategic Authority across Norfolk and Suffolk, with a single directly elected Mayor from May 2028. It is expected that the Police and Crime Commissioner functions for Suffolk will transfer to the Mayor of Norfolk and Suffolk following confirmation of a transfer time by the Secretary of State. The Act clarified that the formation of a Mayoral Strategic Authority required

the support of Norfolk County Council and Suffolk County Council as two top tier authorities. Whilst the functions and financial responsibilities of the PCC for Suffolk could potentially be transferred, the statutory functions and responsibilities of the PCC would continue under a Mayoral Strategic Authority.

A Police Reform White Paper was also published in January 2026 which set out government intentions for structural police reform and associated governance changes to be delivered by the end of the next parliament. This could have significant implications for the structure of Suffolk Constabulary and how policing governance in Suffolk would operate. At present the paper only signifies the government's intent. A Bill is expected in Autumn 2026 which will provide more detail. Management of the PCC's office will continue to monitor developments in consultation with local authority colleagues and other advisors. Updates will be reflected in future accounts as more information becomes available.

## 7. Basis of Preparation

### Going Concern

These accounts are prepared on a going concern basis, which assumes that the PCC for Suffolk and the Suffolk PCC Group will continue in operation for the foreseeable future in accordance with the Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting 2025/26. Further information is provided in Note 30 of the financial statements.

### Explanation of financial statements

This document contains two sets of accounts:

- **PCC for Suffolk:** PCC single entity accounts; and

- **Suffolk PCC Group:** consolidated accounts which incorporate the PCC single entity accounts and the accounts prepared by the Chief Constable.

The 2025/26 Statement of Accounts for the PCC for Suffolk and the Suffolk PCC Group are set out on the following pages. The purpose of individual primary statements is explained below:

- **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. The PCC raises taxation to cover expenditure in accordance with regulations and this will be different from the accounting cost. Adjustments made between the accounting and funding bases are shown in the Movement in Reserves Statement and the associated notes to the financial statements.
- **The Balance Sheet** shows the value as at the balance sheet date of the assets and liabilities recognised by the Suffolk PCC Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves. These are reserves that the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, for example, the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt. The second category of reserves are unusable reserves, which the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses, for example the Revaluation Reserve, where amounts would only become available to provide services if the assets are sold and the revaluation gains are realised; and reserves that hold accounting timing differences.

- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the Group, analysed into usable and unusable reserves. The surplus or deficit on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These differ from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.
- **The Cash Flow Statement** shows the changes in cash and cash equivalents of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Group.

The PCC is required by statute to make funding decisions on a different basis from the way in which it reports the statement of accounts. A number of adjustments are made to the accounts that are used for budget setting and budget management to incorporate proper accounting adjustments in the area of pensions, employee benefits and depreciation.

The accounting policies are disclosed in Note 1 of the financial statements.

**Colette Batson**  
Chief Finance Officer

## Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

Gross Expenditure 2024/25 £000	Income 2024/25 £000	Net Expenditure 2024/25 £000	PCC Group	Note	Gross Expenditure 2025/26 £000	Income 2025/26 £000	Net Expenditure 2025/26 £000
<b>Division of Service:</b>							
162,676	(18,091)	144,584	Constabulary		168,444	(19,426)	149,018
7,526	(9,214)	(1,688)	Office of the PCC		9,218	(12,530)	(3,312)
3,550	(2,710)	840	PCC commissioning		3,517	(2,479)	1,038
<b>173,752</b>	<b>(30,016)</b>	<b>143,736</b>	<b>Net Cost of Police Services</b>		<b>181,179</b>	<b>(34,435)</b>	<b>146,745</b>
<b>Other Operating Expenditure:</b>							
-	(19,510)	(19,510)	Home Office contribution to police pensions	(i)	-	(20,606)	(20,606)
-	(144)	(144)	Loss/(profit) on disposal of fixed assets		70	-	70
-	<b>(19,654)</b>	<b>(19,654)</b>	<b>Total Other Operating Expenditure</b>		<b>70</b>	<b>(20,606)</b>	<b>(20,536)</b>
<b>Financing and Investment Income and Expenditure:</b>							
2,158	-	2,158	Interest payable and similar charges		2,072	-	2,072
52,248	-	52,248	Net pensions interest cost	16	55,739	-	55,739
-	(2,205)	(2,205)	Interest and investment income		-	(2,068)	(2,068)
<b>54,406</b>	<b>(2,205)</b>	<b>52,201</b>	<b>Total Financing and Investment Income and Expenditure</b>		<b>57,811</b>	<b>(2,068)</b>	<b>55,744</b>
<b>Taxation and Non-specific Grant Income:</b>							
-	(61,173)	(61,173)	General grants	7	-	(63,186)	(63,186)
-	(422)	(422)	Capital grants and contributions		-	(158)	(158)
-	(28,061)	(28,061)	MHCLG funding	7	-	(29,101)	(29,101)
-	(73,837)	(73,837)	Precepts	11	-	(79,605)	(79,605)
-	<b>(163,494)</b>	<b>(163,494)</b>	<b>Total Taxation and Non-specific Grant Income</b>		-	<b>(172,050)</b>	<b>(172,050)</b>
		<b>12,789</b>	<b>Deficit on the Provision of Services</b>				<b>9,902</b>
<b>Other Comprehensive Income and Expenditure:</b>							
		(5,161)	(Surplus)/deficit on the revaluation of assets	13			(2,103)
		(128,922)	Remeasurements of the net defined benefit liability	16			(26,685)
		<b>(134,083)</b>	<b>Total Other Comprehensive Income and Expenditure</b>				<b>(28,788)</b>
		<b>(121,294)</b>	<b>Total Comprehensive (Income) and Expenditure</b>				<b>(18,885)</b>

(i) Details within the Police Pension Fund Account Statement

## Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

Gross Expenditure 2024/25 £000	Income 2024/25 £000	Net Expenditure 2024/25 £000	PCC	Note	Gross Expenditure 2025/26 £000	Income 2025/26 £000	Net Expenditure 2025/26 £000
<b>Division of Service:</b>							
7,526	(9,214)	(1,688)	Office of the PCC		9,218	(12,530)	(3,312)
3,550	(2,710)	840	PCC commissioning		3,517	(2,479)	1,038
<b>11,077</b>	<b>(11,925)</b>	<b>(848)</b>	<b>Net Cost of Police Services before group funding</b>		<b>12,735</b>	<b>(15,009)</b>	<b>(2,274)</b>
177,196	-	177,196	Intra-group funding	5	188,847	-	188,847
<b>188,273</b>	<b>(11,925)</b>	<b>176,348</b>	<b>Net Cost of Police Services</b>		<b>201,582</b>	<b>(15,009)</b>	<b>186,573</b>
<b>Other Operating Expenditure:</b>							
-	(19,510)	(19,510)	Home Office contribution to police pensions	(i)	-	(20,606)	(20,606)
-	(144)	(144)	Loss/(profit) on disposal of fixed assets		70	-	70
-	<b>(19,654)</b>	<b>(19,654)</b>	<b>Total Other Operating Expenditure</b>		<b>70</b>	<b>(20,606)</b>	<b>(20,536)</b>
<b>Financing and Investment Income and Expenditure:</b>							
2,158	-	2,158	Interest payable and similar charges		2,072	-	2,072
(71)	-	(71)	Net pensions interest cost	16	(1)	-	(1)
-	(2,205)	(2,205)	Interest and investment income		-	(2,068)	(2,068)
<b>2,087</b>	<b>(2,205)</b>	<b>(118)</b>	<b>Total Financing and Investment Income and Expenditure</b>		<b>2,071</b>	<b>(2,068)</b>	<b>4</b>
<b>Taxation and Non-specific Grant Income:</b>							
-	(61,173)	(61,173)	General grants	7	-	(63,186)	(63,186)
-	(422)	(422)	Capital grants and contributions		-	(158)	(158)
-	(28,061)	(28,061)	MHCLG funding	7	-	(29,101)	(29,101)
-	(73,837)	(73,837)	Precepts	11	-	(79,605)	(79,605)
-	<b>(163,494)</b>	<b>(163,494)</b>	<b>Total Financing and Investment Income and Expenditure</b>		<b>-</b>	<b>(172,050)</b>	<b>(172,050)</b>
		<b>(6,918)</b>	<b>Total (Surplus)/Deficit on the Provision of Services</b>				<b>(6,009)</b>
<b>Other Comprehensive Income and Expenditure:</b>							
		(5,161)	(Surplus)/deficit on the revaluation of assets	13			(2,103)
		1,566	Remeasurements of the net defined benefit liability	16			18
		<b>(3,595)</b>	<b>Total Other Comprehensive Income and Expenditure</b>				<b>(2,085)</b>
		<b>(10,513)</b>	<b>Total Comprehensive (Income) and Expenditure</b>				<b>(8,094)</b>

(ii) Details within the Police Pension Fund Account Statement

**Balance Sheet as at 31 March 2026**

Group 31 March 2025 £000	PCC 31 March 2025 £000		Notes	Group 31 March 2026 £000	PCC 31 March 2026 £000
69,858	69,858	Property, plant and equipment	13	71,758	71,758
1,363	1,363	Intangible assets	13	1,905	1,905
2,243	2,243	Right of use assets	26	2,105	2,105
<b>73,464</b>	<b>73,464</b>	<b>Total long-term assets</b>		<b>75,768</b>	<b>75,768</b>
164	164	Inventories		166	166
15,721	15,721	Short-term debtors, prepayments and deferred costs	18	13,110	13,110
7,619	7,619	Cash and cash equivalents	19	15,351	15,351
25,210	25,210	Short-term investments	17	28,223	28,223
375	375	Assets held for sale	20	375	375
<b>49,089</b>	<b>49,089</b>	<b>Current assets</b>		<b>57,225</b>	<b>57,225</b>
<b>122,553</b>	<b>122,553</b>	<b>Total assets</b>		<b>132,993</b>	<b>132,993</b>
(18,467)	(17,344)	Short-term creditors and accruals	21	(21,373)	(20,110)
(526)	(526)	Short-term borrowing	23	(538)	(538)
(2,329)	(2,329)	Provisions	25	(2,723)	(2,723)
(99)	(99)	ROU lease liabilities	23	(53)	(53)
(357)	(357)	PFI liabilities	15	(299)	(299)
<b>(21,778)</b>	<b>(20,655)</b>	<b>Current liabilities</b>		<b>(24,985)</b>	<b>(23,723)</b>
(1,006,942)	-	Pensions liability	16	(996,011)	-
(349)	(349)	Provisions	25	(403)	(403)
(5,139)	(5,139)	Long-term borrowing	23	(4,695)	(4,695)
(18,597)	(18,597)	PFI liabilities	15	(18,298)	(18,298)
(1,088)	(1,088)	ROU lease liabilities	23	(1,055)	(1,055)
(11)	(11)	Grants receipts in advance		(10)	(10)
<b>(1,032,125)</b>	<b>(25,183)</b>	<b>Long-term liabilities</b>		<b>(1,020,471)</b>	<b>(24,460)</b>
<b>(1,053,903)</b>	<b>(45,838)</b>	<b>Total liabilities</b>		<b>(1,045,457)</b>	<b>(48,183)</b>
<b>(931,350)</b>	<b>76,714</b>	<b>Net assets/(liabilities)</b>		<b>(912,463)</b>	<b>84,809</b>
36,631	36,631	Usable reserves	(ii)	42,085	42,085
(967,982)	40,083	Unusable reserves	27	(954,549)	42,724
<b>(931,350)</b>	<b>76,714</b>	<b>Total reserves</b>		<b>(912,463)</b>	<b>84,809</b>

(iii) Details within the Movement in Reserves Statement

These unaudited financial statements are issued on 26 June 2026.

*Colette Batson*

**Colette Batson**

**Chief Finance Officer of the PCC for Suffolk**

**26 June 2026**

## Movement in Reserves Statement

PCC Group Year Ended 31 March 2026		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
	Note						
<b>Balance at 1 April 2025</b>		<b>33,490</b>	<b>2,890</b>	<b>252</b>	<b>36,631</b>	<b>(967,982)</b>	<b>(931,350)</b>
<b>Movement in Reserves during 2025/26</b>							
Deficit on the provision of services	(iii)	(9,902)	-	-	(9,902)	-	(9,902)
Other comprehensive income and (expenditure)	(iii)	-	-	-	-	28,788	28,788
<b>Total comprehensive income and expenditure</b>		<b>(9,902)</b>	<b>-</b>	<b>-</b>	<b>(9,902)</b>	<b>28,788</b>	<b>18,885</b>
Amortisation of intangible assets	13	(16)	-	-	(16)	16	-
Depreciation on property, plant and equipment and ROU assets	13 & 26	5,357	-	-	5,357	(5,357)	-
Revaluation (gains)/losses on property, plant and equipment	13	49	-	-	49	(49)	-
Capital grants and contributions credited to the CIES	(iii)	(158)	-	158	-	-	-
Application of capital grants from unapplied account		-	-	(158)	(158)	158	-
Net gain or loss on the sale of non-current assets	(iii)	70	57	-	127	(127)	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	-	-	-	-	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		36,362	-	-	36,362	(36,362)	-
Movement on the Collection Fund Adjustment Account		503	-	-	503	(503)	-
Capital expenditure charged to the General Fund Balance	14	(5,374)	-	-	(5,374)	5,374	-
Statutory provision for the repayment of debt	14	(970)	-	-	(970)	970	-
Contribution to the Police Pension Fund	(iii)	(20,606)	-	-	(20,606)	20,606	-
Increase/(decrease) on the Compensated Absences Account		139	-	-	139	(139)	-
Use of capital receipts to fund asset purchases		-	(57)	-	(57)	57	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>15,356</b>	<b>-</b>	<b>(0)</b>	<b>15,356</b>	<b>(15,356)</b>	<b>-</b>
<b>Increase/(decrease) in year</b>		<b>5,454</b>	<b>-</b>	<b>(0)</b>	<b>5,454</b>	<b>13,431</b>	<b>18,885</b>
<b>Balance at 31 March 2026</b>		<b>38,944</b>	<b>2,890</b>	<b>252</b>	<b>42,085</b>	<b>(954,549)</b>	<b>(912,463)</b>

(iv) Details in Comprehensive Income and Expenditure Statement

PCC Group Year Ended 31 March 2025		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
<b>Balance at 1 April 2024</b>		<b>27,756</b>	<b>2,890</b>	<b>324</b>	<b>30,970</b>	<b>(1,083,614)</b>	<b>(1,052,644)</b>
<b>Movement in Reserves during 2024/25</b>							
Deficit on the provision of services	(iii)	(12,789)	-	-	(12,789)	-	(12,789)
Other comprehensive income and (expenditure)	(iii)	-	-	-	-	134,083	134,083
<b>Total comprehensive income and expenditure</b>		<b>(12,789)</b>	<b>-</b>	<b>-</b>	<b>(12,789)</b>	<b>134,083</b>	<b>121,294</b>
Amortisation of intangible assets	13	558	-	-	558	(558)	-
Depreciation on property, plant and equipment and ROU assets	13 & 26	4,909	-	-	4,909	(4,909)	-
Revaluation (gains)/losses on property, plant and equipment	13	(749)	-	-	(749)	749	-
Capital grants and contributions credited to the CIES	(iii)	(422)	-	422	-	-	-
Application of capital grants from unapplied account		-	-	(494)	(494)	494	-
Net gain or loss on the sale of non-current assets	(iii)	(144)	789	-	645	(645)	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	40	-	40	(40)	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		39,178	-	-	39,178	(39,178)	-
Movement on the Collection Fund Adjustment Account		(87)	-	-	(87)	87	-
Capital expenditure charged to the General Fund Balance	14	(3,815)	-	-	(3,815)	3,815	-
Statutory provision for the repayment of debt	14	(1,369)	-	-	(1,369)	1,369	-
Contribution to the Police Pension Fund	(iii)	(19,510)	-	-	(19,510)	19,510	-
Increase/(decrease) on the Compensated Absences Account		(26)	-	-	(26)	26	-
Use of capital receipts to fund asset purchases		-	(829)	-	(829)	829	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>18,523</b>	<b>(0)</b>	<b>(72)</b>	<b>18,451</b>	<b>(18,451)</b>	<b>-</b>
<b>Increase/(decrease) in year</b>		<b>5,734</b>	<b>(0)</b>	<b>(72)</b>	<b>5,662</b>	<b>115,632</b>	<b>121,294</b>
<b>Balance at 31 March 2025</b>		<b>33,490</b>	<b>2,890</b>	<b>252</b>	<b>36,631</b>	<b>(967,982)</b>	<b>(931,350)</b>

<b>PCC Year Ended 31 March 2026</b>		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	<b>Total Usable Reserves £000</b>	<b>Total Unusable Reserves £000</b>	<b>Total Reserves £000</b>
	<b>Note</b>						
<b>Balance at 1 April 2025</b>		<b>33,491</b>	<b>2,890</b>	<b>250</b>	<b>36,631</b>	<b>40,083</b>	<b>76,713</b>
<b>Movement in Reserves during 2025/26</b>							
Surplus on provision of services	(iii)	6,009	-	-	<b>6,009</b>	-	<b>6,009</b>
Other comprehensive income and expenditure	(ii)	-	-	-	-	<b>2,085</b>	<b>2,085</b>
<b>Total comprehensive income and expenditure</b>		<b>6,009</b>	-	-	<b>6,009</b>	<b>2,085</b>	<b>8,094</b>
Amortisation of intangible assets	13	(16)	-	-	<b>(16)</b>	<b>16</b>	-
Depreciation on property, plant and equipment and ROU assets	13 & 26	5,357	-	-	<b>5,357</b>	<b>(5,357)</b>	-
Revaluation (gains)/losses on property, plant and equipment	13	49	-	-	<b>49</b>	<b>(49)</b>	-
Capital grants and contributions credited to the CIES	(iii)	(158)	-	158	-	-	-
Application of capital grants from unapplied account		-	-	(158)	<b>(158)</b>	<b>158</b>	-
Net gain or loss on the sale of non-current assets	(iii)	70	57	-	<b>127</b>	<b>(127)</b>	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	-	-	-	-	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(17)	-	-	<b>(17)</b>	<b>17</b>	-
Movement on the Collection Fund Adjustment Account		503	-	-	<b>503</b>	<b>(503)</b>	-
Capital expenditure charged to the General Fund Balance	14	(5,374)	-	-	<b>(5,374)</b>	<b>5,374</b>	-
Statutory provision for the repayment of debt	14	(970)	-	-	<b>(970)</b>	<b>970</b>	-
Use of capital receipts to fund asset purchases		-	(57)	-	<b>(57)</b>	<b>57</b>	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>(556)</b>	-	<b>(0)</b>	<b>(556)</b>	<b>556</b>	-
<b>Increase/(decrease) in year</b>		<b>5,453</b>	-	<b>(0)</b>	<b>5,453</b>	<b>2,641</b>	<b>8,094</b>
<b>Balance at 31 March 2026</b>		<b>38,945</b>	<b>2,890</b>	<b>250</b>	<b>42,085</b>	<b>42,724</b>	<b>84,807</b>

<b>PCC Year Ended 31 March 2025</b>		General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	<b>Total Usable Reserves £000</b>	<b>Total Unusable Reserves £000</b>	<b>Total Reserves £000</b>
	<b>Note</b>						
<b>Balance at 1 April 2024</b>		<b>27,756</b>	<b>2,890</b>	<b>322</b>	<b>30,969</b>	<b>35,231</b>	<b>66,200</b>
<b>Movement in Reserves during 2024/25</b>							
Deficit on provision of services	(iii)	6,918	-	-	6,918	-	6,918
Other comprehensive income and expenditure	(iii)	-	-	-	-	3,595	3,595
<b>Total comprehensive income and expenditure</b>		<b>6,918</b>	<b>-</b>	<b>-</b>	<b>6,918</b>	<b>3,595</b>	<b>10,513</b>
Amortisation of intangible assets	13	558	-	-	558	(558)	-
Depreciation on property, plant and equipment and ROU assets	13 & 26	4,909	-	-	4,909	(4,909)	-
Revaluation (gains)/losses on property, plant and equipment	13	(749)	-	-	(749)	749	-
Capital grants and contributions credited to the CIES	(iii)	(422)	-	422	-	-	-
Application of capital grants from unapplied account		-	-	(494)	(494)	494	-
Net gain or loss on the sale of non-current assets	(iii)	(144)	789	-	645	(645)	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		-	40	-	40	(40)	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements		(66)	-	-	(66)	66	-
Movement on the Collection Fund Adjustment Account		(87)	-	-	(87)	87	-
Capital expenditure charged to the General Fund Balance	14	(3,815)	-	-	(3,815)	3,815	-
Statutory provision for the repayment of debt	14	(1,369)	-	-	(1,369)	1,369	-
Use of capital receipts to fund asset purchases		-	(829)	-	(829)	829	-
<b>Adjustments between accounting basis and funding basis under regulations</b>		<b>(1,184)</b>	<b>(0)</b>	<b>(72)</b>	<b>(1,256)</b>	<b>1,256</b>	<b>-</b>
<b>Increase/(decrease) in year</b>		<b>5,733</b>	<b>(0)</b>	<b>(72)</b>	<b>5,661</b>	<b>4,852</b>	<b>10,513</b>
<b>Balance at 31 March 2025</b>		<b>33,491</b>	<b>2,890</b>	<b>250</b>	<b>36,631</b>	<b>40,083</b>	<b>76,713</b>

**Cash flow Statement for the year ended 31 March 2026**

<b>Group</b>	<b>PCC</b>		<b>Group</b>	<b>PCC</b>
<b>2024/25</b>	<b>2024/25</b>		<b>2025/26</b>	<b>2025/26</b>
<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>
		<b>Note</b>		
<b>(12,789)</b>	<b>6,918</b>	<b>Net surplus/(deficit) on the provision of services</b>	<b>(iv) (9,902)</b>	<b>6,009</b>
23,390	3,683	Adjustment for non-cash or cash equivalent movements	22	27,913
(422)	(422)	Capital grants and contributions		(158)
<b>10,178</b>	<b>10,178</b>	<b>Net cash flows from operating activities</b>	<b>17,852</b>	<b>17,852</b>
		<b>Investing activities</b>		
(6,395)	(6,395)	Purchase of non current assets	(6,402)	(6,402)
(75,000)	(75,000)	Purchase of short-term or long-term investments	(83,000)	(83,000)
789	789	Proceeds from the sale of non current assets	57	57
71,000	71,000	Proceeds from short-term or long-term investments	80,000	80,000
422	422	Other receipts from investing activities	158	158
<b>(9,184)</b>	<b>(9,184)</b>	<b>Net cash flows from investing activities</b>	<b>(9,187)</b>	<b>(9,187)</b>
		<b>Financing activities</b>		
		Cash payments for the reduction of outstanding liabilities relating		
(851)	(851)	to finance leases and on balance sheet PFI contracts	(509)	(509)
(406)	(406)	Repayments of short-term and long-term borrowing	(425)	(425)
<b>(1,258)</b>	<b>(1,258)</b>	<b>Net cash flows from financing activities</b>	<b>(934)</b>	<b>(934)</b>
<b>(263)</b>	<b>(263)</b>	<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>7,732</b>	<b>7,732</b>
7,882	7,882	Cash and cash equivalents at the beginning of the period	19	7,619
<b>7,619</b>	<b>7,619</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>19</b>	<b>15,351</b>

(v) Details in Comprehensive Income and Expenditure Statement

## Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the financial statements; however, it is positioned here as it provides a link from the figures reported in the Narrative Report to the CIES.

Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES	Group	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES	
2024/25	2024/25	2024/25		2025/26	2025/26	2025/26	
£000	£000	£000		£000	£000	£000	
<b>Year Ended 31 March</b>							
157,686	(13,102)	144,584	Constabulary	168,240	(19,222)	149,018	
(6,411)	4,724	(1,688)	Office of the PCC	(8,686)	5,374	(3,312)	
840	-	840	PCC commissioning	1,038	-	1,038	
<b>152,114</b>	<b>(8,378)</b>	<b>143,736</b>	<b>Net Cost of Police Services</b>	<b>160,592</b>	<b>(13,848)</b>	<b>146,745</b>	
(157,848)	26,901	(130,947)	Other income and expenditure	(166,046)	29,204	(136,842)	
<b>(5,734)</b>	<b>18,523</b>	<b>12,789</b>	<b>Deficit/(Surplus) on the Provision of Services</b>	<b>(5,454)</b>	<b>15,356</b>	<b>9,902</b>	
27,757			Opening General Fund balance at 1 April	33,490			
<b>33,490</b>			<b>Closing General Fund Balance at 31 March</b>	<b>38,944</b>			

Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure PCC in the CIES		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure PCC in the CIES
2024/25	2024/25	2024/25		2025/26	2025/26	2025/26
£000	£000	£000		£000	£000	£000
<b>Year Ended 31 March</b>						
(6,411)	4,724	(1,688)	Office of the PCC	(8,686)	5,374	(3,312)
840	-	840	PCC commissioning	1,038	-	1,038
177,196	-	177,196	Intra-group funding	188,847	-	188,847
<b>171,625</b>	<b>4,724</b>	<b>176,348</b>	<b>Net Cost of Police Services</b>	<b>181,199</b>	<b>5,374</b>	<b>186,573</b>
(177,358)	(5,908)	(183,266)	Other income and expenditure	(186,652)	(5,930)	(192,582)
<b>(5,733)</b>	<b>(1,184)</b>	<b>(6,918)</b>	<b>Deficit/(Surplus) on the Provision of Services</b>	<b>(5,453)</b>	<b>(556)</b>	<b>(6,009)</b>
27,758			Opening General Fund balance at 1 April	33,490		
<b>33,490</b>			<b>Closing General Fund Balance at 31 March</b>	<b>38,944</b>		

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## Notes to the Financial Statements for the PCC for Suffolk and the PCC for Suffolk Group

### 1. Accounting Policies

#### General principles

The Statement of Accounts summarises the Group's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Group is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code supported by International Financial Reporting Standards (IFRS).

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

#### Cost recognition and intra-group adjustment

Refer to Note 5 for further details.

#### Recognition of working capital

The Scheme of Governance and Consent sets out the roles and responsibilities of the Police and Crime Commissioner and the Chief Constable, and also includes the Financial Regulations and Contract Standing Orders. As per these governance documents all contracts and bank accounts are in the name of the PCC. No consent has been granted to the Chief Constable to open bank accounts or hold cash or associated working capital assets or liabilities. This means that all cash, assets and liabilities in relation to working capital are the responsibility of the PCC, with all the control and risk also residing with the PCC. To this end, all working capital is shown in the accounts of the PCC and the Group.

#### Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not in the financial period in which cash payments are paid or received.

#### Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Debtors and creditors

Revenue and capital transactions are included in the accounts on an accruals basis. Where goods and services are ordered and delivered by the year-end, the actual or estimated value of the order is accrued. With the exception of purchasing system generated accruals a de-minimis level of £1,000 is set for year-end accruals of purchase invoices, except where they relate to grant funded items, where no de-minimis is used. Other classes of accrual are reviewed to identify their magnitude. Where the inclusion or omission of an accrual would not have a material impact on the Statement of Accounts, either individually or cumulatively, it is omitted.

#### Charges to the Comprehensive Income and Expenditure Statement (CIES) for Non-Current Assets

Net cost of policing of the PCC is debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets.
- Revaluation and impairment losses on assets where there are no accumulated gains in the Revaluation Reserve against which they can be written off.
- Amortisation of intangible assets.

The PCC is not required to raise council tax to fund depreciation, revaluation, impairment losses or amortisation. However, it is required to make an annual

contribution from revenue, the Minimum Revenue Provision (MRP), towards the reduction in the overall borrowing requirement (represented by the Capital Financing Requirement) equal to an amount calculated on a prudent basis determined by the PCC in accordance with statutory guidance.

Depreciation, amortisation, and revaluation and impairment losses are reversed from the General Fund and charged to the Capital Adjustment Account via the Movement in Reserves Statement (MiRS). MRP is charged to the General Fund along with any Revenue Funding of Capital and credited to the Capital Adjustment Account via the MiRS.

Guidance issued under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, enables authorities to calculate an amount of MRP, which they consider to be prudent. For capital expenditure incurred from 2008/09, the PCC has approved calculating the MRP using the Option 3 method, which results in MRP being charged over the related assets' useful life.

### **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 to the Group 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.

All expenditure on the acquisition, creation or enhancement and disposal of non-current assets is capitalised subject to a de-minimis threshold of £10,000.

Expenditure below this amount on an individual asset is treated as revenue, with the following exceptions:

- Desktop and laptop computers and tablets
- Monitors
- Widespread replacement of communication devices
- Servers
- Software licences
- Radios
- Firearms including TASERS
- Vehicles with a life exceeding 12 months
- Annual Assets (projects incurring expenditure throughout the year which are not classified as assets under construction)
- Where government grant funding has been sought and received for specific expenditure on the assumption that both the grant and expenditure are treated as capital

#### Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Group does not capitalise borrowing costs incurred on the acquisition or construction of non-current assets.

The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is

acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund balance to the Capital Adjustment Account in the MiRS.

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

- Assets under construction – historic cost until the asset is live (assets under construction are not depreciated).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.
- Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

From 1 April 2025, the code requirements changed in respect of revaluations of property, plant and equipment. Where the Group does not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, the Group must revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where the Group cannot obtain indices without undue cost or effort, the Group must revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

In determining whether to apply indexation in a given financial year, the Group assesses whether the impact of indexation for an asset class is material. Where the

impact is assessed as *not material*, indexation need not be applied for that year. To support a proportionate and risk-based approach, the Group has set a quantitative materiality threshold of £2,500 per asset. Where the calculated indexation adjustment for the year is less than £2,500, the Group will not adjust the carrying amount of the relevant assets. This threshold is reviewed annually to ensure it remains appropriate. Where indexation is not applied because the annual movement is below £2,500, the Group reviews the cumulative impact of unadjusted indexation movements in subsequent years. If the cumulative movement becomes material, an adjustment will be applied in the year it becomes material.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for in the following way:

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

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.

#### 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 in the following way:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### 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 is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant and equipment – straight-line allocation over the useful life of the asset.

The Code requires that where a property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, where the remaining asset life is significantly different for identifiable components, unless it can be proved that the impact on the Group's Statement of Accounts is not material. The Group has assessed the cumulative impact of component accounting. As a result, the Group applies component accounting prospectively to assets that have a valuation in excess of £2m unless there is clear evidence that this would lead to a material misstatement in the Group's Financial Statements.

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.

Depreciation or amortisation is charged in both the year of acquisition and disposal of an asset on a pro rata basis. Depreciation or amortisation is charged once an asset is in service and consuming economic benefit.

### Disposals and 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, on the basis relevant to the asset class prior to reclassification, and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against

the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts and are to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the PCC's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund balance in the MiRS.

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

### Fair Value Measurement

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value on each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

### Intangible assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Group will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase. Research expenditure is not capitalised.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the PCC or Group's services.

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

The depreciable amount of a finite intangible asset is amortised over its useful life and charged to the net cost of policing of the PCC in the CIES. An asset is tested

for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the net cost of policing of the PCC in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

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

### **Council Tax**

Billing authorities act as agents, collecting council tax on behalf of the major preceptors, which includes the PCC. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax. Under the legislative framework for the Collection Fund, billing authorities and major preceptors share proportionately the risks and rewards that the amount of council tax collected could be less or more than predicted.

The council tax income included in the CIES is the PCC's share of accrued income for the year. However, regulations determine the amount of council tax that must be included in the PCC's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS. The Balance Sheet includes the PCC's share of the end of year balances in respect of council tax relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment

loss is measured as the difference between the carrying amount and the revised future cash flows.

### **Employee benefits**

#### Benefits payable during employment

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end. The accrual is made at the most recent wage and salary rates applicable.

#### Termination benefits

Termination benefits are amounts payable as a result of a decision by the entity to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the entity to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, 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

Officers have the option of joining the Police Pension Scheme 2015. Civilian employees have the option of joining the Local Government Pension Scheme (LGPS), administered by Suffolk County Council. All of the schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Constabulary and the Office of the Police and Crime Commissioner, and

all of the schemes are accounted for as defined benefit schemes. There are also two legacy Police Pension Schemes (PPS 1987 and NPPS 2006) which are closed to new entrants but still pay benefits to existing retired and deferred members.

The liabilities attributable to the Group of all four schemes are included in the Balance Sheet on an actuarial basis using the projected unit credit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits (including injury benefits on the Police Schemes) earned to date by officers and employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current officers and employees.

Liabilities are discounted to their value at current prices, using a discount rate specified each year by the actuaries.

The assets of the LGPS attributable to the Group are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price.
- Unquoted securities – professional estimate.
- Unithised securities – current bid price.
- Property – market value.

All three of the police schemes are unfunded and therefore do not have any assets. Benefits are funded from the contributions made by currently serving officers and a notional employer's contribution paid from the general fund; any shortfall is partially topped up by a grant from the Home Office.

The change in the net pensions liability is analysed into six components:

- Current service cost – the increase in liabilities as a result of years of service earned this year, it is debited to the net cost of policing in the CIES. The current service cost is based on the latest available actuarial valuation.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. Past service costs are debited to the net cost of policing in the CIES.
- Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid. It is charged to the

Financing and Investment Income and Expenditure line in the CIES. The interest cost is based on the discount rate and the present value of the scheme liabilities at the beginning of the period.

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. They are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the four pension funds – cash paid as employer's contributions to the pension fund in settlement of liabilities. These are not accounted for as an expense.

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

#### Discretionary Benefits

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

The Group makes payments to police officers in relation to injury awards, and the expected injury awards for active members are valued on an actuarial basis.

### Events after the reporting period

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

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

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

### Financial Instruments

#### Financial Liabilities

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

For the borrowings that the PCC has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and

interest charged to the CIES is the amount payable for the year according to the loan agreement.

#### Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI)

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

#### Financial Assets Measured at Amortised Cost

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

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### Expected Credit Loss Model

The PCC recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the PCC.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **Government grants and contributions**

All government grants are received in the name of the PCC. However, where grants and contributions are specific to expenditure incurred by the Chief Constable, they are recorded as income within the Chief Constable's accounts. Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Group when there is reasonable assurance that:

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

Amounts recognised as due to the Group are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet within creditors as government grants received in advance. When conditions are satisfied, the grant or contribution is

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

Where capital grants are credited to the CIES, they are reversed out of the General Fund balance in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

### **Investment policy**

The PCC works closely with its external treasury advisors MUFU Corporate Markets to determine the criteria for high quality institutions. The criteria for providing a pool of high-quality investment counterparties for inclusion on the PCC's 'Approved Authorised Counterparty List' is provided below:

- UK Banks which have the following minimum ratings from at least one of the three credit rating agencies:

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- Non-UK Banks domiciled in a country which has a minimum sovereign rating of AA+ and have the following minimum ratings from at least one of the three credit rating agencies:

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- Part Nationalised UK Banks;
- The PCC's Corporate Banker (Lloyds Bank) – if the credit ratings of the PCC's Corporate Banker fall below the minimum criteria for UK Banks above, then cash balances held with that bank will be for account operation

purposes only and balances will be minimised in terms of monetary size and time;

- Building Societies (which meet the minimum ratings criteria for UK Banks);
- Money Market Funds (which are rated AAA by at least one of the three major rating agencies);
- UK Government;
- Local Authorities, PCCs etc.

All cash invested by the PCC in 2025/26 was in Sterling deposits invested with banks and other institutions in accordance with the Approved Authorised Counterparty List.

### Joint operations and joint assets

Joint operations are activities undertaken by the PCC or the Chief Constable in conjunction with other bodies, which involve the use of the assets and resources of the Group or the other body, rather than the establishment of a separate entity. The Group recognises on the PCC Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the relevant CIES with its share of the expenditure incurred and income earned from the activity of the operation.

Joint assets are items of property, plant and equipment that are jointly controlled by the Group and other bodies, with the assets being used to obtain benefits for these bodies. The joint operation does not involve the establishment of a separate entity. The Group accounts for only its share of the joint assets, and the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the arrangement.

### Leases

#### The PCC as lessee

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

#### Initial measurement

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

The PCC initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the PCC's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

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

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the

underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

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

#### Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The PCC considers the cost model to be a reasonable proxy in the majority of cases, except for leases which do not reflect market conditions. For those leases, the asset is carried at a revalued amount.

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

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

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

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

#### Low value and short lease exemption

As permitted by the Code, the PCC excludes leases:

- For low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and

- With a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the PCC is reasonably certain to exercise and any termination options that the PCC is reasonably certain not to exercise).

#### Lease expenditure

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

Depreciation and impairments are not charged against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MiRS.

#### The PCC as lessor

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

#### *Finance Leases*

Where the PCC grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the PCC's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the MiRS. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the MiRS. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the MiRS.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### *Operating Leases*

Where the PCC grants an operating lease over a property or an item of plant and equipment, the asset is retained in the Balance Sheet. Rental income is credited to the net cost of policing line in the CIES. Initial direct costs incurred in negotiating and

arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **Private Finance Initiative (PFI) and similar contracts**

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Group is deemed to control the services that are provided under its PFI scheme, and for the Police Investigation Centres (PICs) ownership of the property, plant and equipment will pass to the Group at the end of the contracts for no additional charge, the Group carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. The liability was written down by the initial contribution.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Group.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the Chief Constable's net cost of policing in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Variable lease payments – Any payments that are based on performance, volume or usage are charged to the cost of services in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).

- Lifecycle replacement costs – these are included as part of the unitary payment such that the supplier absorbs any peaks and troughs throughout the life of the contract.

PFI arrangements are now accounted under *IFRS 16*. Under this standard there is a requirement to remeasure the associated PFI liability where unitary charge increases are linked to a specific index. However, indexed increases to the PCC's unitary charge are only linked to the service element of the arrangements and not to the property element. As such there is no requirement to remeasure the value of the PFI liability on the balance sheet for current arrangements. The PFI assets are however revalued in accordance with the property revaluation policy.

### Provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Group may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

The insurance claims provision is maintained to meet the liabilities for claims received but for which the timing and/or the amount of the liability is uncertain. The Group self-insures part of the third party, motor and employer's liability risks. External insurers provide cover for large individual claims and to cap the total claims which have to be met from the provision in any insurance year. Charges are made to revenue to cover the external premiums and the estimated liabilities which will not be met by external insurers. Liability claims may be received several years after the event and can take many years to settle.

### Contingent Liabilities

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

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

### Reserves

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund balance in the MiRS. 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 CIES. The reserve is then appropriated back into the General Fund balance in the MiRS so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the PCC – these reserves are explained in the following paragraphs:

### Revaluation Reserve

This reserve records the accumulated gains on non-current assets arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value). The reserve is also debited with amounts equal to the part of depreciation charges on assets that has been incurred, only because the asset has been revalued. The balance on this reserve for assets disposed is written out to the Capital Adjustment Account. The overall balance on this reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historic cost.

### Capital Adjustment Account

This account accumulates (on the debit side) the write-down of the historical costs of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The balance on this account represents timing differences between the amount of the historical cost of the non-current assets that have been consumed and the amount that has been financed in accordance with statutory requirements.

### Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The PCC accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the PCC and Chief Constable make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources the PCC and Chief Constable have 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.

### **Value Added Tax**

VAT payable is included as an expense or capitalised only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. Where the VAT is irrecoverable it is included in the relevant service line of the Group's CIES, or if the expenditure relates to an asset, is capitalised as part of the value of that asset. Irrecoverable VAT is VAT charged which under legislation is not reclaimable.

### **Going Concern**

The Code stipulates that the financial statements of local authorities that can only be discontinued under statutory prescription shall be prepared on a going concern basis. This assumption is made because local authorities carry out functions essential to the local community, and cannot be created or dissolved without statutory prescription. Transfers of services under combinations of public sector bodies do not negate the presumption that the financial statements shall be prepared on a going concern basis of accounting. However, a review of going concern is carried out by management, please refer to section 7 of the narrative report and Note 30 for detail of this review.

## 2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Financial Statements have been prepared in accordance with the Code, which is based on International Financial Reporting Standards (IFRSs).

The amendments required to be adopted under the 2026/27 Code are:

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

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change.

Application of the Standards referred to above, as adopted by the Code, is required by 1 April 2026, and these standards will be initially adopted as at 1 April 2026, where applicable. The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code.

It is not expected that the adoption of any of the standards listed above will have a material effect on the 2026/27 financial statements.

## 3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the PCC 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 are:

- The budget is set by the PCC and provides the Chief Constable with the authority to incur expenditure. There are still uncertainties about the future funding beyond 2026/27 in regard of what the PCC will receive from the government and limitations around the precept. The PCC and the Chief Constable are working together to mitigate the impact of the funding gap emerging over the period of the Medium-Term Financial Plan, the impact of which will be realised in the budget set by the PCC.
- The allocation of transactions and balances between the PCC and the Chief Constable has been set out in the Narrative Report to these accounts.
- The PCC has taken over the obligations arising from a PFI contract entered into by the former Police Authority. The 30 year PFI contract was for the provision of newly built Police Investigation Centres, title to the assets will be retained by the PCCs of both Norfolk and Suffolk on completion of the contract. Associated assets have been capitalised and treated “on Balance Sheet” as required by IFRS.
- The PCC has a significant number of assets including those under PFI arrangements. The PCC has the responsibility, control and risk in terms of the provision of those assets. Consequently, a critical judgement has been made to show any connected grant funding (e.g. for PFI), and the capital and financing costs of the provision of those assets in the PCC accounts. As the Chief Constable utilises the assets on a day-to-day basis, the officers and staff of the Chief Constable have responsibility for the use of the consumables, heating and lighting and so forth. Consequently, these costs

are shown in the Chief Constable accounts including the service charges element of the PFI.

- Costs of pension arrangements require estimates assessed by independent qualified actuaries regarding future cash flows that will arise under the scheme liabilities. The assumptions underlying the valuation used for IAS19 reporting are the responsibility of the Group as advised by the actuaries. The financial assumptions are largely prescribed at any point and reflect market expectations at the reporting date. Assumptions are also made around the life expectancy of the UK population.
- In respect of the LGPS police staff pension costs, separate actuarial valuations have been carried out to provide the accounting entries for the PCC and the Chief Constable in 2025/26 and are reflected in the financial statements.
- Under accounting standards, an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised in the accounts to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions to the plan. However, as the Employer has no unconditional right to a refund from the Fund, there is therefore no economic benefit available as a refund, so a judgment has been made to limit the surplus recognised in the accounts to the present value of reductions in future contributions.
- Establishing the valuation of operational properties by monitoring the useful life of assets to identify where any changes to the depreciation charge are required during the year. Depreciation is a calculation based on asset value and expected useful life of the assets. If the useful life of an asset is reduced then the depreciation charge to the CIES will increase.
- To improve the efficient use of publicly owned buildings, the PCC and other local government bodies engage in the shared use of key sites. This

includes fire stations, where sites have been redeveloped to accommodate police stations and offices. The PCC has made significant financial contributions to these development projects. Rights to access the land and shared areas are granted through leasehold arrangements. Many of the leases contain options to break by both parties at regular dates throughout the lease terms and as such were historically classified as operating leases for accounting purposes, although are now on Balance Sheet following the implementation of IFRS 16. The capital contributions made by the PCC are however protected by clauses that require the lessor to repay to the lessee the capital contributions made, less depreciation, in the event of the lessor issuing a break notice. The PCC therefore receives the full benefit of the contributions made, either by use of the asset throughout the full term of the lease or by way of a repayment of the contribution made. As such the contributions to the redevelopments made are de facto assets and have been capitalised and depreciated over the full lease term as there is no current intention by the PCC to issue an early option to break notice. As the value and associated cash flow of these assets are linked to the depreciated historic cost, the valuers consider depreciated historic cost as an appropriate proxy for current value.

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

##### Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the PCC with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £88.2m.

The value of the LGPS pension fund assets is calculated by the actuary as part of the formal triennial valuation process, and rolled forward to the balance sheet date, allowing for any movements in the year. These movements include investment returns, which may be estimated where necessary. However, the figure for 2025/26 incorporates actual returns for the period 1 April 2025 to 31 March 2026.

##### Property, Plant and Equipment

The value of land and property together with the asset lives are obtained from the PCC's appointed external valuers. The PCC relies upon the experience and knowledge of the valuer using the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual to provide a fair value under IAS16. The carrying value of land and buildings (excluding assets under construction, ROU assets, surplus assets and assets held for sale) at the Balance Sheet date was as follows:

Land            £15.0m

Buildings       £44.6m

Properties are valued on a five-year rolling programme of revaluations. From 1 April 2025, assets not subject to a full valuation in-year are reviewed using annual

indexation in intervening years to ensure carrying values do not materially differ from current value.

Properties are not held for profit or sale, nor are they held as security against financial borrowing, therefore valuation uncertainty around estimates does not result in significant risk to the Constabulary.

Although the valuation estimate is based on the valuer's professional judgement, the following table shows the impact of an overall percentage fall in asset valuations on the balance sheet and CIES.

	Impact of a percentage drop in asset valuations		
	1%	10%	20%
	£000	£000	£000
Change in the carrying value of assets	(596)	(5,963)	(11,926)
Change in the revaluation reserve	(508)	(5,059)	(10,091)
Additional charge to Other Comprehensive Income and Expenditure in the CIES	88	904	1,835

##### Insurance Provisions

Insurance provisions are made where there is an expected financial settlement or an incurrence of cost. Estimations are prudently assessed based on information to hand at 31 March 2026. In many cases, actual costs turn out less than the carrying provision, however in some cases settlement and costs turn out to be higher than the carrying provision as more information regarding an event becomes available.

## **5. Intra-group Funding Arrangement Between the PCC and Chief Constable**

The background and principles that underpin the accounting arrangements and create the need for an intra-group adjustment have been set out in the Narrative Report.

The PCC received all funding on behalf of the Group; at no time, under the current arrangements, does the Chief Constable hold any cash or reserves. However, it is felt that to accurately represent the substance of the financial impact of the day-to-day control exercised by the Chief Constable over policing it is necessary to capture the costs associated with this activity in the Chief Constable's CIES. A consequence of this is that the employment liabilities associated with police officers and police staff are also contained in the Chief Constable's CIES and the accumulative balances are held on the Chief Constable's Balance Sheet. All other assets and liabilities are held on the PCC's Balance Sheet.

Whilst no actual cash changes hands the PCC has undertaken to fund the resources consumed by the Chief Constable. The PCC effectively makes all payments from the Police Fund. To reflect this position in the Accounts, funding from the PCC offsets cost of service expenditure contained in the Chief Constable's CIES. This intra-group adjustment is mirrored in the PCC's CIES. The financial impact associated with the costs of the employment liabilities are carried on the balance sheet in accordance with the Code and added to the carrying value of the pensions liability and accumulated absences liability.

## 6. Notes to the Expenditure and Funding Analysis

### Adjustments between the CIES and the General Fund – Group

Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments		Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
£000	£000	£000	2024/25 £000		£000	£000	£000	2025/26 £000
<b>Year Ended 31 March</b>								
-	(13,076)	(26)	(13,102)	Constabulary	-	(19,361)	139	(19,222)
4,718	5	-	4,724	Office of the PCC	5,390	(16)	-	5,374
-	-	-	-	- PCC commissioning	-	-	-	-
<b>4,718</b>	<b>(13,070)</b>	<b>(26)</b>	<b>(8,378)</b>	<b>Net Cost of Police Services</b>	<b>5,390</b>	<b>(19,377)</b>	<b>139</b>	<b>(13,848)</b>
(5,750)	32,738	(87)	26,901	Other income and expenditure	(6,432)	35,133	503	29,204
<b>(1,032)</b>	<b>19,668</b>	<b>(113)</b>	<b>18,523</b>	<b>Difference between General Fund Deficit/(Surplus) &amp; CIES Deficit/(Surplus)</b>	<b>(1,042)</b>	<b>15,756</b>	<b>643</b>	<b>15,356</b>

### Adjustments between the CIES and the General Fund – PCC

Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments		Adjustment for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
£000	£000	£000	2024/25 £000		£000	£000	£000	2025/26 £000
<b>Year Ended 31 March</b>								
4,718	5	-	4,724	Office of the PCC	5,390	(16)	-	5,374
-	-	-	-	- PCC commissioning	-	-	-	-
<b>4,718</b>	<b>5</b>	<b>-</b>	<b>4,724</b>	<b>Net Cost of Police Services</b>	<b>5,390</b>	<b>(16)</b>	<b>-</b>	<b>5,374</b>
(5,750)	(71)	(87)	(5,908)	Other income and expenditure	(6,432)	(1)	503	(5,930)
<b>(1,032)</b>	<b>(66)</b>	<b>(87)</b>	<b>(1,184)</b>	<b>Difference between General Fund Deficit/(Surplus) &amp; CIES Deficit/(Surplus)</b>	<b>(1,042)</b>	<b>(17)</b>	<b>503</b>	<b>(556)</b>

## Expenditure and Income Analysed by Nature

Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2024/25 £000	Total PCC 2024/25 £000	Total Constab' £000	Total Office of the PCC £000	Total PCC's Comm' £000	Total Group 2025/26 £000	Total PCC 2025/26 £000
<b>Expenditure</b>									
133,528	691	23	<b>134,243</b>	<b>714</b>	138,386	852	-	<b>139,238</b>	<b>852</b>
29,147	2,117	3,527	<b>34,791</b>	<b>5,644</b>	30,058	2,976	3,517	<b>36,551</b>	<b>6,493</b>
-	4,718	-	<b>4,718</b>	<b>4,718</b>	-	5,390	-	<b>5,390</b>	<b>5,390</b>
52,319	(71)	-	<b>52,248</b>	<b>(71)</b>	55,740	(1)	-	<b>55,739</b>	<b>(1)</b>
-	2,158	-	<b>2,158</b>	<b>2,158</b>	-	2,072	-	<b>2,072</b>	<b>2,072</b>
-	-	-	-	-	-	-	70	<b>70</b>	<b>70</b>
<b>214,995</b>	<b>9,613</b>	<b>3,550</b>	<b>228,158</b>	<b>13,164</b>	<b>224,184</b>	<b>11,289</b>	<b>3,587</b>	<b>239,060</b>	<b>14,876</b>
<b>Income</b>									
(11,773)	(107)	(12)	<b>(11,892)</b>	<b>(119)</b>	(13,199)	(185)	(86)	<b>(13,470)</b>	<b>(271)</b>
-	(2,205)	-	<b>(2,205)</b>	<b>(2,205)</b>	-	(2,068)	-	<b>(2,068)</b>	<b>(2,068)</b>
-	(144)	-	<b>(144)</b>	<b>(144)</b>	-	-	-	-	-
-	(73,837)	-	<b>(73,837)</b>	<b>(73,837)</b>	-	(79,605)	-	<b>(79,605)</b>	<b>(79,605)</b>
(6,318)	(118,274)	(2,698)	<b>(127,290)</b>	<b>(120,972)</b>	(6,227)	(125,396)	(2,392)	<b>(134,015)</b>	<b>(127,788)</b>
<b>(18,091)</b>	<b>(194,567)</b>	<b>(2,710)</b>	<b>(215,369)</b>	<b>(197,278)</b>	<b>(19,426)</b>	<b>(207,254)</b>	<b>(2,479)</b>	<b>(229,158)</b>	<b>(209,732)</b>
<b>196,903</b>	<b>(184,954)</b>	<b>840</b>	<b>12,789</b>	<b>(184,114)</b>	<b>204,758</b>	<b>(195,964)</b>	<b>1,108</b>	<b>9,902</b>	<b>(194,856)</b>
				<b>177,196</b>					<b>188,847</b>
<b>196,903</b>	<b>(184,954)</b>	<b>840</b>	<b>12,789</b>	<b>(6,918)</b>	<b>204,758</b>	<b>(195,964)</b>	<b>1,108</b>	<b>9,902</b>	<b>(6,009)</b>

## 7. Government Grants

The following Government grants and contributions were credited to the CIES during the year:

	Group		PCC	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
<b>Credited to Taxation and Non Specific Grant Income</b>				
General police grant	56,400	54,387	56,400	54,387
Council tax support grant	4,891	4,891	4,891	4,891
Council tax freeze grant	1,895	1,895	1,895	1,895
Council tax income compensation grant	-	-	-	-
Capital grants and contributions	158	422	158	422
MHCLG funding	29,101	28,061	29,101	28,061
Precepts	79,605	73,837	79,605	73,837
	<b>172,050</b>	<b>163,494</b>	<b>172,050</b>	<b>163,494</b>
<b>Credited to Other Operating Expenditure</b>				
Home Office contribution to police pensions	20,606	19,510	20,606	19,510
	<b>20,606</b>	<b>19,510</b>	<b>20,606</b>	<b>19,510</b>
<b>Credited to Services</b>				
Police incentivisation	290	386	-	-
Specific grant for police pension	3,723	3,972	-	-
PFI grant	2,733	2,733	2,733	2,733
Other specific grants	14,218	11,033	12,004	9,073
	<b>20,964</b>	<b>18,124</b>	<b>14,737</b>	<b>11,806</b>

Other specific grants credited to services for the Group include: £4.31m Operation Uplift, Police special grant – pay award £1.08m, £1.67m Ministry of Justice Grants for victim support services and Hotspot Action fund £1.0m, the latter was credited to services for the Chief Constable in relation to funding to allow for increased high visibility patrols in identified hotspot areas.

Capital Grants and contributions includes both central and local government contributions.

## 8. Employees' Remuneration

The numbers of employees and senior police officers (at rank of Chief Superintendent and above at any point during the year) whose remuneration exceeded £50k in 2025/26 were as follows:

	Group		Remuneration	PCC	
	2025/26	2024/25		2025/26	2024/25
	51	34	£50,000 - £54,999	-	-
	20	15	£55,000 - £59,999	2	2
	8	7	£60,000 - £64,999	1	-
	8	9	£65,000 - £69,999	-	-
	7	3	£70,000 - £74,999	1	1
	3	1	£75,000 - £79,999	1	-
	1	3	£85,000 - £89,999	-	1
	1	1	£90,000 - £94,999	-	-
	1	3	£95,000 - £99,999	-	-
	3	1	£100,000 - £104,999	1	-
	3	-	£105,000 - £109,999	-	-
	-	2	£110,000 - £114,999	-	-
	1	-	£115,000 - £119,999	-	-
	1	1	£125,000 - £129,999	-	-
	1	-	£130,000 - £134,999	-	-
	-	1	£140,000 - £144,999	-	-
	1	1	£145,000 - £149,999	-	-
	-	1	£175,000 - £179,999	-	-

“Remuneration” is defined, by regulation, as “all amounts paid to or receivable by an employee and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax) and the estimated money value of any other benefits received by an employee otherwise than in cash.”

In addition to the above the Accounts and Audit Regulations 2015 require a detailed disclosure of employees' remuneration for relevant police officers, those holding statutory office and other persons with a responsibility for management of the OPCC.

The officers listed in the following table are also included in the above banding disclosure note.

	Salaries Fees and Allowances £000	Employers Pension Contributions £000	Benefits in kind £000	Total £000
<b>2025/26</b>				
<b>Position held</b>				
Chief Constable - Rachel Kearton	185	65	1	251
Deputy Chief Constable (to 12.12.25)	107	37	1	145
Assistant Chief Constable	149	49	-	198
Assistant Chief Constable (from 12.9.25) Temp ACC from 12.7.25 to 11.9.25)	128	43	-	171
Assistant Chief Officer	131	23	-	154
Police and Crime Commissioner	76	15	-	91
Chief Executive PCC	100	19	-	119
Chief Finance Officer (PCC) - 0.6 FTE	58	11	-	69
<b>2024/25</b>				
<b>Position held</b>				
Chief Constable - Rachel Kearton	175	60	1	236
Deputy Chief Constable	145	50	1	196
Assistant Chief Constable (from 24.6.24) Temporary ACC (to 23.6.24)	143	47	-	190
Temporary Assistant Chief Constable (to 11.7.24)	37	13	-	50
Temporary Assistant Chief Constable (from 12.12.24 to 13.1.25)	112	38	-	150
Assistant Chief Officer	126	22	-	148
Police and Crime Commissioner	73	14	-	87
Chief Executive PCC (from 3.3.25)	7	1	-	8
Acting Chief Executive (PCC) (to 2.3.25)	89	17	-	106
Chief Finance Officer (PCC) - 0.6 FTE	56	11	-	67

During 2025/26 a chief officer from Norfolk Constabulary acted as an Assistant Chief Constable (ACC) in a joint role, Suffolk Constabulary contributed 43.6% towards the cost of this post.

During 2025/26 an officer from Bedfordshire acted as a Deputy Chief Constable in Suffolk.

During 2025/26 a Norfolk chief officer acted as an Assistant Chief Constable in a three force cost sharing role, Suffolk contributed 25.53% towards the cost of this post.

The Regulations also require disclosure of compensation for loss of employment and other payments to relevant police officers. No amounts were paid to the above officers in respect of these categories.

### Exit Packages

The number of exit packages with total cost per band and total cost of compulsory and other redundancies are set out in the table below.

Exit Package Cost Band including Special Payments £000	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages		Total Value of Exit Packages	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£000	£000
0 - 20	9	1	-	-	9	1	123	7
20 - 40	3	3	-	-	3	3	85	106
40 - 60	2	2	1	-	3	2	152	115
60 - 80	2	1	-	-	2	1	146	63
100 - 120	1	-	-	-	1	-	114	-
140 - 160	1	-	-	-	1	-	158	-
	18	7	1	-	19	7	779	291

Actual in year expenditure recognised in the CIES includes adjustments relating to estimates made in the prior period, where actual settlement amounts differ from those previously accrued or where employees were projected to be made redundant but were subsequently found employment within the Constabulary.

## 9. Related Party Transactions

The PCC is required to disclose material transactions with bodies or individuals that have the potential to control or influence the PCC or to be controlled or influenced by the PCC.

During 2025/26 there were no material related party transactions involving officers of the PCC or senior officers of the Constabulary, other than those included under employees remuneration set out in Note 8 of these financial statements. The PCC and other senior officers have been written to requesting details of any related party transactions and there are no disclosures.

Central Government has effective control over the general operations of the PCC, it is responsible for providing the statutory framework within which the PCC operates, provides the majority of its funding and prescribes the terms of many of the transactions that the PCC has with other parties. Income from central government is set out in Note 7 of these financial statements.

Norfolk and Suffolk Constabularies have implemented significant collaborative arrangements, these are fully disclosed in Note 10.

No other material transactions with related parties have been entered into except where disclosed elsewhere in the accounts.

## 10. Collaborative Arrangements

### Local Collaboration

Both Norfolk and Suffolk Constabularies collaborate extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs. The agreed shared costs of fully collaborated units that arose during the year was as follows:

	Business Support £000	Specialist Operations £000	Spec' Crime & Capability £000	County Policing £000	Total £000
<b>2025/26</b>					
Suffolk PCC	28,522	21,331	12,242	-	62,095
Norfolk PCC	36,896	27,593	15,836	-	80,325
<b>Total shared running costs</b>	<b>65,418</b>	<b>48,924</b>	<b>28,077</b>	<b>-</b>	<b>142,420</b>

	Business Support £000	Justice Services £000	Protective Services £000	County Policing £000	Total £000
<b>2024/25</b>					
Suffolk PCC	25,300	13,883	19,981	140	59,304
Norfolk PCC	32,861	18,032	25,952	182	77,026
<b>Total shared running costs</b>	<b>58,161</b>	<b>31,915</b>	<b>45,933</b>	<b>321</b>	<b>136,330</b>

Following an organisational restructuring within certain collaborative directorates, Joint Protective Services and Joint Justice Services ceased to operate in their previous forms with effect from 1 April 2025. These functions were reconstituted as Joint Specialist Operations and Joint Specialist Crime and Capability. In addition,

certain elements transitioned to single-force arrangements during the course of the financial year.

This note is presented as a voluntary supplementary disclosure. In accordance with the CIPFA Code of Practice, prior year comparative figures have not been restated. Consequently, the amounts disclosed are not directly comparable and are provided for explanatory purposes only.

### Regional Collaboration

Collaboration within the region has been pursued for a number of years. Since April 2023, the six PCCs from the region have met annually as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specifies the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the Region have been joined by Kent in the 7Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas. The agreement is for an indefinite duration.

The net expenditure incurred by each force in relation to ERSOU (Eastern Region Specialist Operation Unit) is as follows:

	<b>Total 2025/26 £000</b>	<b>Total 2024/25 £000</b>
Operating costs	40,020	39,214
Specific Home Office grant	(13,449)	(9,743)
<b>Total deficit for the year</b>	<b>26,571</b>	<b>29,471</b>
Contributions from forces:		
Bedfordshire	(2,794)	(3,114)
Cambridgeshire	(3,518)	(3,902)
Essex	(3,506)	(4,347)
Hertfordshire	(5,012)	(5,565)
Kent	(4,670)	(4,754)
Norfolk	(3,986)	(4,396)
Suffolk	(3,085)	(3,394)
<b>Deficit for the year</b>	<b>-</b>	<b>-</b>

### 7F Commercial Services

The business case to collaborate 7F Commercial Services was agreed at the Eastern Region Summit on 10 July 2018.

Since 2019/20, procurement services across the seven forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk have been collaborated to a single 7Force Procurement function. This is the first full seven force function to go live across the Eastern Region.

As a partnership of seven forces, this will create the second largest contracting body in police procurement nationally. This provides greater economies of scale and better presence and 'buying power' for value for money contracts in the market place.

The 7F Commercial Services vision is to enable the delivery of an effective Police service and provide support for victims of crime in the eastern region by procuring and managing a high quality, value for money supply chain.

The net expenditure incurred by each force is as follows:

	<b>Total</b>	<b>Total</b>
	<b>2025/26</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
Operating costs	4,236	3,881
Contributions from forces:		
Bedfordshire	668	329
Cambridgeshire	290	415
Hertfordshire	641	589
Essex	585	838
Kent	562	887
Norfolk	1,028	466
Suffolk	461	359
	<b>4,236</b>	<b>3,881</b>

## National Collaboration

### National Police Air Service

West Yorkshire Police are currently the lead force for the National Police Air Service (NPAS). During 2012/13 all owned airframes (including the one owned by the former Suffolk Police Authority) transferred to the ownership of the PCC for West Yorkshire while leased airframes remained in the ownership of the lessor but the lease costs transferred.

The PCCs retained ownership of all freehold airbases, but some leases for airbases were novated to the Commissioner for West Yorkshire.

Police staff engaged in provision of the service were employed by the PCC and police officers were seconded to West Yorkshire Police. Expenditure relating to NPAS incurred by forces will be charged to West Yorkshire and they will charge forces for the service. The Home Office provides a capital grant to cover the capital investment required.

The service is governed by a section 22A collaboration agreement and is under the control of a strategic board made up of Commissioners and Chief Constables from

each region. The Board determines the budget and the charging policy and monitors performance.

During the year £0.229m (2024/25 £0.227m) was payable to West Yorkshire PCC in respect of the NPAS service provided.

## 11. Council Tax

The Suffolk district and borough councils are required to collect the amount of council tax determined by the PCC for policing the county. In 2025/26 the precept, including the estimated 2024/25 collection fund surplus, was paid to the PCC during the year and amounted to £80.1m distributed as shown below. The Code requires that Council Tax income included in the CIES for the year should be prepared on an accruals basis. The cash received from the billing authorities is therefore adjusted for the PCC's share of the outturn opening and closing balances on the Collection Fund. These adjustments are however then taken to the Collection Fund Adjustment Account and included as a reconciling item in the MiRS to ensure that only the statutory amount is credited to the General Fund.

The figures credited to the CIES are broken down as follows:

2024/25 £000	Received		Total 2025/26 £000
	from Billing Authority £000	Outturn surplus/(deficit) on Collection Fund at 31.3.25 31.3.26 £000 £000	
9,900	10,684	(9)	10,661
25,283	28,078	123	27,533
10,874	11,636	(30)	11,611
11,414	12,416	18	12,416
16,365	17,294	236	17,385
<b>73,837</b>	<b>80,108</b>	<b>338</b>	<b>(165)</b>
			<b>79,605</b>

The Code also requires the PCC to account for its share of net council tax arrears and prepayments within the Balance Sheet. This is offset within the Balance Sheet by an associated balance that reflects the difference between the net attributable share of cash received by the billing authorities from council tax debtors / creditors and the amounts paid to the PCC. The amounts owed to / from billing authorities in respect of council tax at the year-end were as follows:

Balance at 31.3.25 £000	Collection Fund Asset/ (Liability) Net Arrears Prepayments			Balance at 31.3.26 £000	
	£000	£000	£000		
168	Babergh District Council	31	313	(209)	135
(361)	East Suffolk Council	423	516	(705)	233
666	Ipswich Borough Council	56	964	(183)	838
97	Mid Suffolk District Council	(18)	299	(245)	36
(7)	West Suffolk Council	(327)	674	(422)	(75)
<b>562</b>		<b>165</b>	<b>2,766</b>	<b>(1,763)</b>	<b>1,167</b>

## 12. External Audit Fees

The Group fees payable in respect of external audit services were as follows:

2024/25 £000	2025/26 £000
The Group has incurred the following costs in relation to the audit of the Statement of Accounts:	
100 The PCC for Suffolk	103
11 The PCC for Suffolk scale fee variation 2022/23	-
- The PCC for Suffolk scale fee variation 2023/24	15
- The PCC for Suffolk scale fee variation 2024/25	42
51 The Chief Constable of Suffolk	53
6 The Chief Constable of Suffolk scale fee variation 2022/23	-
- The Chief Constable of Suffolk scale fee variation 2023/24	14
- The Chief Constable of Suffolk scale fee variation 2024/25	13
<b>167</b>	<b>239</b>

In the 2022/23 Statement of Accounts, the PCC disclosed an estimated external audit fee of £32,684 based on information available at that time; however, as no full audit was undertaken in that year, no liability arose. In 2024/25, £10,892 was disclosed as a scale fee variation in respect of Value for Money work relating to the 2022/23 audit. The Public Sector Audit Appointments (PSAA) has now confirmed that the total fee payable for all audit work relating to 2022/23 is £29,014, which includes the Value for Money work previously disclosed. The remaining balance of £18,122 was settled in 2025/26; however, as this relates to the 2022/23 audit, it is not included in the table above.

In the 2022/23 Statement of Accounts, the Chief Constable disclosed an estimated external audit fee of £17,300 based on information available at that time; however, as no full audit was undertaken in that year, no liability arose. In 2024/25, £5,611 was disclosed as a scale fee variation in respect of Value for Money work relating to the 2022/23 audit. The Public Sector Audit Appointments (PSAA) has now confirmed

that the total fee payable for all audit work relating to 2022/23 is £14,946, which includes the Value for Money work previously disclosed. The remaining balance of £9,335 was settled in 2025/26; however, as this relates to the 2022/23 audit, it is not included within the table above.

The PCC fees payable in respect of external audit services are identified separately in the above table.

No fees have been payable to the external auditors for non-audit work.

### 13. Non-Current Assets

#### Property, Plant and Equipment

Land and buildings	Vehicles plant and equipment	Surplus assets	Total		Land and buildings	Vehicles plant and equipment	Surplus assets	Total
£000	£000	£000	£000		£000	£000	£000	£000
Movements in 2024/25					Movements in 2025/26			
<b>Historic cost or revaluation</b>								
56,227	27,402	600	84,229	Balance at 1 April	60,896	25,214	-	86,110
(724)	-	(375)	(1,099)	Reclassifications	-	(6)	-	(6)
521	3,943	-	4,464	Additions	1,154	3,914	-	5,068
(286)	(6,131)	-	(6,417)	Derecognition - disposals	(42)	(4,014)	-	(4,056)
5,157	-	(225)	4,932	Revaluation gains/(losses)	(1,398)	-	-	(1,398)
<b>60,896</b>	<b>25,214</b>	<b>-</b>	<b>86,110</b>	<b>Balance at 31 March</b>	<b>60,610</b>	<b>25,108</b>	<b>-</b>	<b>85,718</b>
<b>Depreciation and impairments</b>								
2,346	16,632	-	18,978	Balance at 1 April	2,568	13,684	-	16,252
(36)	-	-	(36)	Reclassifications	-	(1)	-	(1)
(977)	-	-	(977)	Depreciation written out on revaluation	(3,452)	-	-	(3,452)
(286)	(5,981)	-	(6,266)	Derecognition - disposals	(42)	(3,886)	-	(3,928)
1,522	3,032	-	4,554	Depreciation for the year	1,907	3,182	-	5,089
<b>2,568</b>	<b>13,684</b>	<b>-</b>	<b>16,252</b>	<b>Balance at 31 March</b>	<b>982</b>	<b>12,978</b>	<b>-</b>	<b>13,960</b>
53,882	10,770	600	65,252	Opening net book value	58,328	11,530	-	69,858
<b>58,328</b>	<b>11,530</b>	<b>-</b>	<b>69,858</b>	<b>Closing net book value</b>	<b>59,628</b>	<b>12,130</b>	<b>-</b>	<b>71,758</b>

**Revaluation movements (including indexation) above are reflected in the CIES as follows:**

(749)	Charged/(credited) to the Net Cost of Services	49
(5,161)	Charged/(credited) to Other Comprehensive Income and Expenditure	(2,103)
<b>(5,910)</b>		<b>(2,054)</b>

Included in land and buildings is land at Bury St Edmunds on which a Police Investigation Centre (PIC) has been built. Although the PCC has legal title to the land, it only owns 70% of the beneficial interest in the land, the remaining 30% is owned by Norfolk PCC, who is co-occupier of the centre. Therefore only 70% of the current value of the land is

included in the table above, amounting to £944k. The PCC also paid 50% of the cost of land purchased by Norfolk PCC at Great Yarmouth, the current value of this land in the balance sheet amounts to £306k. In addition, the PCC owns 68.9% of the freehold interest in the Stowmarket Hub, Suffolk County Council owns the remaining share. The PCC's share of the value of the site at the year-end was £1.024m.

The depreciation and amortisation policy is set out in Note 1. Assets have been depreciated on a straight-line basis over their economic useful lives.

### Intangible Assets

<b>Software licences and IT systems £000 31 March 2025</b>	<b>Software licences and IT systems £000 31 March 2026</b>
<b>Historic cost or revaluation</b>	
9,490	7,347
-	6
428	521
(2,571)	(2,058)
<b>7,347</b>	<b>5,816</b>
<b>Amortisation</b>	
7,997	5,983
-	1
558	(16)
(2,571)	(2,058)
<b>5,983</b>	<b>3,911</b>
1,493	1,363
<b>1,363</b>	<b>1,905</b>

### Valuations

#### Land and buildings

The freehold and leasehold properties of the PCC's property portfolio are individually valued as part of a rolling 5 year programme. The valuations are carried out by the PCC's professional advisors Newmark. Newmark are property consultants, and the valuations are in accordance with their appraisal and valuation manual. Their valuer is a qualified member of the Royal Institute of Chartered Surveyors (RICS).

In order to calculate buildings depreciation the valuers have provided separate valuations for the land and building elements of each property valuation. The valuers also provide an estimate of the remaining economic useful life of the assets.

Plant and machinery which are part of the building or property (for example, central heating systems) have been included in valuations. This is in accordance with appendices to Practice Statements of the RICS appraisal and valuation manual. Moveable plant, machinery, fixtures and fittings, which do not form part of the building, have been excluded from the valuations of land and buildings.

Non specialised operational properties were valued on the basis of existing use value (EUV). Specialised operational properties should also be valued on an EUV basis, or where this could not be assessed because there was no market for the subject asset, they were valued on a depreciated replacement cost basis.

## Vehicles, Plant and Equipment and Software Licences

Vehicles, plant and equipment and software licences are valued at depreciated historic cost as a proxy for current value.

The amounts below show the valuation basis and represent the carrying value of assets at 31 March 2026. These include the effects of indexation applied since the last full revaluation date, in 2025/26, indexation movements amounted to £1,684k (2024/25 - £nil)

	Other land and buildings £000	Vehicles plant and equipment £000	Total £000
<b>Carried at historical cost</b>	2,703	12,130	14,832
<b>Full fair value valuations during:</b>			
31 March 2026	2,411	-	2,411
31 March 2025	23,061	-	23,061
31 March 2024	29,658	-	29,658
31 March 2023	1,603	-	1,603
31 March 2022	192	-	192
<b>Balance at 31 March 2026</b>	<b>59,628</b>	<b>12,130</b>	<b>71,758</b>

The indexation indices used in year were as follows:

Specialised Properties (Buildings) – BCIS All-in Tender Price Index adjusted for local factors.

Specialised Properties (Land) – Savills Urban Development Land (Eastern) Index.

Non-Residential Properties – MSCI Capital Growth Index, Norwich – All Sectors.

## 14. Financing of Capital Expenditure

Capital financing is accounted for on an accruals basis. The sources of capital finance in 2025/26 are set out below.

2024/25 £000	2025/26 £000
33,762	34,056
<b>Capital investment</b>	
428	521
4,464	5,068
-	-
1,910	130
<b>Sources of finance</b>	
(829)	(57)
(494)	(158)
(3,815)	(5,374)
(1,369)	(970)
<b>34,056</b>	<b>33,216</b>
<b>Explanation of movements in year</b>	
294	(840)
<b>294</b>	<b>(840)</b>

The Minimum Revenue Provision (MRP) is a mechanism to set aside revenue funds for the redemption of debt. The Local Authorities (Capital Finance and Accounting) Regulations 2015 are issued under Section 21 of the Local Government Act 2003 and now allow authorities a variety of options in calculating their MRP. The options chosen were that MRP calculated using Option 2 be used for capital expenditure up to and including 31 March 2008 and Option 3 for all capital expenditure thereafter using the equal instalment method until 2018/19 and the annuity method from 2019/20. Option 3 results in MRP charged over the assets remaining useful life. Accounting for PFIs and Right of Use Leases require that on balance sheet assets are also funded through MRP, the amount charged is equivalent to the capital element of the liability repaid during the year. The total amount charged to MRP in 2025/26 was £970k (2024/25 - £1,369k).

## 15. Private Finance Initiative

On 23 February 2010 Norfolk and Suffolk Police Authorities signed a 30 year PFI contract to construct and operate six Police Investigation Centres (PICs) within the two counties. Three of the PICs are shared, two between Norfolk and Suffolk and one between Norfolk and Cambridgeshire. In addition Norfolk operates a further two sites and Suffolk a further one. The land percentage splits on the Norfolk and Suffolk shared sites and the associated land values are disclosed in Note 13.

Norfolk and Suffolk PCCs are committed to making payments under the contract for the financial years 2010/11 to 2040/41. The actual payment split between the two counties will depend on site allocation and associated service delivery. The first PIC became operational on 28 February 2011 at Aylsham, Norfolk. The remaining PICs became operational in 2011/12.

Under the contract the PCC shares in the benefits and obligations arising from the contractual assets on a pre-determined percentage based on the number of cells assigned to each force. A summary of the sites, their initial contract capital values and the respective PCC interest in each site is shown in the adjacent table:

Sites and opening dates	Norfolk Cells	Suffolk Cells	Capital Contract	Historic Cost in Suffolk	
			Value £000	31.3.26 £000	31.3.25 £000
Aylsham - 28.2.11	8	-	6,967	-	-
Wymondham - 4.4.11	30	-	11,398	-	-
Kings Lynn - 25.4.11	24	-	10,749	-	-
Ipswich - 6.6.11	-	30	12,012	12,012	12,012
Bury St Edmunds - 4.7.11	8	16	10,621	7,081	7,081
Gt Yarmouth - 7.11.11	15	15	12,680	6,340	6,340
	<b>85</b>	<b>61</b>	<b>64,427</b>	<b>25,433</b>	<b>25,433</b>

The PCC makes an agreed payment each year, which can be reduced if the contractor fails to meet availability and performance standards in any one year but which is otherwise fixed, however 31.5% of the charge relating to revenue services is increased annually by inflation (RPIX). Suffolk's share of the estimated payments remaining to be made under the PFI contract at 31 March 2026 (excluding availability / performance deductions) are shown in the adjacent table:

	2025/26	2024/25
	£000	£000
Balance outstanding at the beginning of the year	18,954	19,632
Capital repayments during the year	(357)	(678)
<b>Balance outstanding at year end</b>	<b>18,597</b>	<b>18,954</b>

The net book value of the assets capitalised as part of the PFI contract is per the adjacent table:

	Revenue Services £000	Capital Payments £000	Interest £000	Total £000
Payable in 2026/27	2,083	299	1,737	4,120
Payable within two to five years	7,172	3,359	6,394	16,926
Payable within six to ten years	10,649	5,534	6,068	22,251
Payable within eleven to fifteen years	11,211	9,405	2,587	23,203
	<b>31,116</b>	<b>18,597</b>	<b>16,787</b>	<b>66,500</b>

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and the interest payable whilst the capital remains to be reimbursed. The movement in the capital liability on the Suffolk PCC Balance Sheet during the year is per the table opposite.

	2025/26	2024/25
	£000	£000
Net book value at the beginning of the year	24,345	25,218
Depreciation during the year	(881)	(873)
Revaluations during the year	1,416	-
<b>Net book value at the end of the year</b>	<b>24,880</b>	<b>24,345</b>

## 16. Retirement Benefits

### Participation in pension schemes

Pension and other benefits are available to all PCC and Constabulary personnel under the requirements of statutory regulations. Four defined benefit pension schemes are operated:

- a) The Local Government Pension Scheme (LGPS) for PCC and Constabulary police staff, administered by Suffolk County Council, this is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pension liabilities with investment assets.  
  
From April 2014 the LGPS changed to a career average defined benefit scheme, meaning benefits accrued are worked out using the employee's pay each scheme year rather than the final salary. This applies to all membership which builds up from 1 April 2014, but all pensions in payment or built up before April 2014 are protected. Employee contributions are determined by reference to actual pensionable pay and are tiered between 5.5% and 12.5%.
- b) The Police Pension Scheme (PPS) for police officers who joined before April 2006 is now closed and all active members have been transferred to the CARE scheme.
- c) The New Police Pension Scheme (NPPS) for police officers who either joined from April 2006 or transferred from the PPS. is now closed and all active members have been transferred to the CARE scheme.
- d) The Police Pension 2015 Scheme for police officers, is a Career Average Revalued Earnings (CARE) scheme, for those who either joined from April 2015 or transferred from the PPS or the NPPS. The employee contributions are 12.44%-13.78% of salary and the Normal Pension Age is 60 although

there are protections for eligible officers to retire earlier. Contribution rates are dependent on salary.

All police pension schemes are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet pension liabilities. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department.

The actuarial valuation has set a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure, which is met from the Police General Fund.

The Home Office has provided additional specific grant funding to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation. In 2025/26 a specific grant of £3.7m was received to part fund the cost of the change in contribution rates. The CIES meets the costs of injury awards and the capital value of ill-health benefits.

The PCC is also required to maintain a Police Pension Fund Account. Employer and employee contributions are credited to the account together with the capital value of ill-health retirements and transfer values received. Pensions and other benefits (except injury awards) and transfer values paid are charged to this account. If the account is in deficit at 31 March in any year, the Home Office pays a top-up

grant to partially cover it. If there is a surplus on the account, then that has to be paid to the Home Office.

### Transactions relating to post-employment benefits

The cost of retirement benefits are recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required against council tax is based on the cash payable in the year, so the actuarial cost of retirement is reversed out of the General Fund in the MiRS.

The note below contains details of the Group's operation of the Local Government Pension Scheme (administered by Suffolk County Council) and the Police Pension Schemes in providing police staff and police officers with retirement benefits. In addition, the Group has arrangements for the payment of discretionary benefits to certain retired employees outside of the provisions of the schemes.

The following transactions have been made in the CIES and the General Fund via the MiRS during the year:

	Group				PCC	
	LGPS		Police Pension Schemes		LGPS	
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
<b>Comprehensive Income and Expenditure Statement</b>						
<b>Cost of services</b>						
Current service costs	4,764	6,496	6,320	9,530	110	110
Past service costs	512	37	-	-	-	-
<b>Financing and investment income and expenditure</b>						
Net interest expense (including asset ceiling interest)	(61)	(62)	55,800	52,310	(1)	(71)
<b>Total post employment benefit charges to the Deficit on the Provision of Service</b>	<b>5,215</b>	<b>6,471</b>	<b>62,120</b>	<b>61,840</b>	<b>109</b>	<b>39</b>
<b>Other post employment benefit charged to the CIES</b>						
Return on plan assets (excluding the amount included in the net interest expense)	(6,474)	(1,237)	-	-	(152)	(33)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(3,248)	(380)	-	(1,790)	(97)	(9)
- Actuarial (gains)/losses arising from changes in financial assumptions	(8,993)	(39,621)	(32,850)	(128,810)	(133)	(758)
- Other (including asset ceiling adjustment)	21,415	43,461	3,465	(545)	400	2,366
	2,700	2,223	(29,385)	(131,145)	18	1,566
<b>Total post employment benefit charged to the CIES</b>	<b>7,915</b>	<b>8,694</b>	<b>32,735</b>	<b>(69,305)</b>	<b>127</b>	<b>1,605</b>
<b>Movement in Reserves Statement (MiRS):</b>						
Reversal of net charges made to the CIES for post employment benefits in accordance with the Code	<b>(7,915)</b>	<b>(8,694)</b>	<b>(32,735)</b>	<b>69,305</b>	<b>(127)</b>	<b>(1,605)</b>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>						
Employers' contributions charged to the general fund	7,935	7,269	43,645	41,375	126	105
Retirement benefits payable to pensioners	(6,369)	(6,021)	(51,565)	(48,965)	(198)	(189)

**Assets and liabilities in relation to retirement benefits**

	Group						PCC	
	Local Government Pension Scheme		Police Pension Schemes		Total Pension Schemes		Local Government Pension Scheme	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000
Present value of liabilities	(206,544)	(189,720)	(995,630)	(1,006,540)	(1,202,174)	(1,196,260)	(4,582)	(4,605)
Fair value of plan assets	324,504	300,438	-	-	324,504	300,438	7,695	7,024
<b>Sub total</b>	117,960	110,718	(995,630)	(1,006,540)	(877,670)	(895,822)	3,113	2,419
Interest on the effect of the asset ceiling	(6,440)	(3,041)	-	-	(6,440)	(3,041)	(140)	(1)
Changes in the effect of the asset ceiling	(111,902)	(108,080)	-	-	(111,902)	(108,080)	(2,973)	(2,418)
Other movements on the asset	(118,342)	(111,121)	-	-	(118,342)	(111,121)	(3,113)	(2,419)
<b>Total net assets/(liabilities)</b>	<b>(382)</b>	<b>(403)</b>	<b>(995,630)</b>	<b>(1,006,540)</b>	<b>(996,012)</b>	<b>(1,006,943)</b>	<b>(0)</b>	<b>(0)</b>

**Reconciliation of present value of the scheme liabilities**

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	189,720	218,215	1,006,540	1,117,220	4,605	5,208
Current service cost	4,764	6,496	6,320	9,530	110	110
Interest cost	11,042	10,642	55,800	52,310	266	249
Contributions by scheme participants	2,443	2,338	7,920	7,590	50	37
Remeasurement (gains) and losses:						
- Actuarial (gains)/losses arising from changes in financial assumptions	(8,993)	(39,621)	(32,850)	(128,810)	(133)	(758)
- Actuarial (gains)/losses arising from changes in demographic assumptions	(3,248)	(380)	-	(1,790)	(97)	(9)
- Other	16,673	(1,986)	3,465	(545)	(21)	(43)
Past service costs	512	37	-	-	-	-
Benefits paid	(6,369)	(6,021)	(51,565)	(48,965)	(198)	(189)
<b>Closing Balance at 31 March</b>	<b>206,544</b>	<b>189,720</b>	<b>995,630</b>	<b>1,006,540</b>	<b>4,582</b>	<b>4,605</b>

**Reconciliation of fair value of scheme assets**

	Group				PCC	
	Funded Assets Local Government Pension Scheme		Unfunded Assets Police Pension Schemes		Funded Assets Local Government Pension Scheme	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
	£000	£000	£000	£000	£000	£000
Opening fair value of scheme assets at 1 April	300,438	281,932	-	-	7,024	6,725
Interest income	17,543	13,745	-	-	407	321
Remeasurement gain/(loss):						
- the return on plan assets, excluding the amount included in the net interest expense	6,474	1,237	-	-	152	33
Other	(3,960)	(62)	-	-	134	(8)
Contributions from employer	7,935	7,269	43,645	41,375	126	105
Contributions from employees into the scheme	2,443	2,338	7,920	7,590	50	37
Benefits paid	(6,369)	(6,021)	(51,565)	(48,965)	(198)	(189)
<b>Closing fair value of scheme assets at 31 March</b>	<b>324,504</b>	<b>300,438</b>	<b>-</b>	<b>-</b>	<b>7,695</b>	<b>7,024</b>

The total net pensions liabilities of £0.996m represent the long run commitments in respect of retirement benefits and results in the balance sheet showing net overall liabilities of £0.912m. However, the financial position of the PCC remains sound as the liabilities will be spread over many years as follows:

- The net asset on the local government scheme will be covered by contributions over the remaining working life of employees, as assessed by the scheme actuary.
- The net costs of police pensions which are the responsibility of the PCC will be covered by provision in the revenue budget and any costs above that level will be funded by the Home Office, under the change which came into effect from April 2006.

Actuarial losses on scheme assets represent the difference between the actual and expected return on assets, actuarial gains on scheme liabilities arise from more favourable financial assumptions. Due to the March 2022 triennial revaluation of the LGPS, there was a swing from the pension fund being in a net liability position to being in a net asset position which has resulted in an asset ceiling adjustment being made. IFRIC 14 states where there is a pension net asset an asset ceiling may be applied to the surplus on the pension fund. This limits the surplus recognised to the present value of any economic benefits available in the form of either refunds from the plan or reductions in future contributions. As the employer has no unconditional right to a refund from the Fund, there is no economic benefit available as a refund therefore the PCC has made a judgement to limit the surplus recognised in the accounts to the present value of reductions in future contributions. This adjustment is shown in the asset and liabilities table above as other movements on the asset.

Suffolk County Council is required to have a funding strategy for elimination of deficits, under regulations effective from 1 April 2005. The strategy allows deficits to be cleared over periods up to 20 years. The Police Pension Schemes have no assets to cover their liabilities, the Group's share of the assets in the Suffolk LGPS are valued at fair value, principally market value for investments and consist of the categories in the following table.

	Group				PCC			
	Fair Value of Scheme Assets				Fair Value of Scheme Assets			
	31 March 2026		31 March 2025		31 March 2026		31 March 2025	
	£000	%	£000	%	£000	%	£000	%
Cash and cash equivalents	9,209	2.84	2,312	0.77	218	2.84	54	0.77
Bonds - by sector								
- Corporate	81,153		83,565		1,924		1,954	
Sub total Bonds	<b>81,153</b>	<b>25.01</b>	<b>83,565</b>	<b>27.81</b>	<b>1,924</b>	<b>25.01</b>	<b>1,954</b>	<b>27.81</b>
Property - by type								
- UK property	20,609		20,422		489		478	
- Overseas property	11,463		5,729		272		134	
Sub total property	<b>32,072</b>	<b>9.88</b>	<b>26,151</b>	<b>8.70</b>	<b>761</b>	<b>9.88</b>	<b>611</b>	<b>8.70</b>
Private equity - all:	<b>8,597</b>	<b>2.65</b>	<b>9,706</b>	<b>3.23</b>	<b>204</b>	<b>2.65</b>	<b>227</b>	<b>3.23</b>
Other investment funds:								
- Equities	153,769		139,942		3,646		3,272	
- Bonds	-		-		-		-	
- Hedge funds	-		-		-		-	
- Infrastructure	25,813		29,200		612		683	
- Other	13,891		9,563		329		224	
Sub total other investment funds	<b>193,473</b>	<b>59.62</b>	<b>178,705</b>	<b>59.48</b>	<b>4,588</b>	<b>59.62</b>	<b>4,178</b>	<b>59.48</b>
<b>Total Assets</b>	<b>324,504</b>	<b>100</b>	<b>300,438</b>	<b>100</b>	<b>7,695</b>	<b>100</b>	<b>7,024</b>	<b>100</b>

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Within the Police Schemes, the age profile of the active membership is not rising significantly, which means that the current service cost in future years will not rise significantly as a result of using the projected unit credit method.

The police schemes have been assessed by the Government Actuaries Department and the Suffolk LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The actuary has confirmed that for police staff, there

is no reason to believe that the age profile is rising significantly. The main assumptions used in their calculations are shown below.

	Local Government Pension Scheme		Police Pension Schemes	
	2025/26	2024/25	2025/26	2024/25
Mortality assumptions:				
Longevity at 65 for current pensioners				
Men	22.1	21.5	22.0	21.9
Women	24.7	24.0	24.0	23.9
Longevity at 65 for future pensioners				
Men	22.9	22.2	23.4	23.3
Women	26.2	25.8	25.3	25.2
Rate of inflation (CPI)	3.00%	2.75%	2.95%	2.70%
Rate of increase in salaries	4.00%	3.75%	3.70%	3.45%
Rate of increase in pensions	3.00%	2.75%	2.95%	2.70%
Rate for discounting scheme liabilities	6.30%	5.80%	6.10%	5.65%
CARE revaluation rate	n/a	n/a	4.20%	3.95%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all others remain constant. The assumptions of longevity, for example, assume that the life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the following sensitivity analyses did not change from those used in the previous period.

	Group				PCC	
	Local Government Pension Scheme		Police Pension Schemes		Local Government Pension Scheme	
	Approximate Increase to Employers Liability %	Approximate Monetary Amount £000	Approximate Increase to Employers Liability %	Approximate Monetary Amount £000	Approximate Increase to Employers Liability %	Approximate Monetary Amount £000
0.5% (PPS), 0.1% (LGPS) decrease in real discount rate	1.5%	3,632	7.0%	70,000	1.0%	63
1 year increase in member life expectancy	4.0%	8,261	2.5%	24,000	4.0%	183
0.5% (PPS), 0.1% (LGPS) increase in the salary increase rate	0.0%	172	1.0%	7,000	0.0%	2
0.5% (PPS), 0.1% (LGPS) increase in the pension increase rate	1.5%	3,459	7.0%	70,000	1.0%	61

## Unlawful discrimination

### Police Pension Scheme

The protection provided to some members when PPS 2015 was introduced (resulting in members closest to their normal pension age remaining in their legacy scheme) was found to be age discriminatory, further to the case of McCloud / Sargeant.

The practical effects of McCloud / Sargeant are set out below.

### Remedy

The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) and The Police Pensions (Remediable Service) Regulations 2023 legislate for how the government will remedy the discrimination identified.

As a result, all members were moved to PPS 2015 from 1 April 2022, which ensures equal treatment from that point onwards. Eligible members have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022. When this choice can be made depends on whether or not the member has already retired and if not, when they intend to retire.

In addition, The Public Service Pensions Valuations and Employer Cost Cap Amendment Directions 2021 ensure there are no reductions to member benefits as a result of the 2016 cost control valuations.

### Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period has led to an increase in the Police Pension Scheme liabilities.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgement is measured through the pension valuation process, which determines employer and employee contribution rates.

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

### Employment Tribunal claims

Claimants have lodged claims for compensation for the discrimination within three groups; Aarons & Ors, Roderick & Ors and Slade & Ors. The compensation can be broken down into two elements; injury to feelings and financial loss.

### Aarons & Ors, Roderick & Ors and Slade & Ors

Claimants have lodged claims for compensation under two active sets of litigation, Aarons, and Penningtons. Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. The settlement of the injury to feelings claims sets a helpful precedent, therefore no liability in respect of compensation claims is recognised in these accounts. Pecuniary loss claims remain stayed under Counsel advice, but it is

expected that most of these claims will be settled under the current compensation mechanism provided for under the Public Service Pensions & Judicial Offices Act (PSPJOA) 2022. As at 31 March 2026, it is not possible to reliably estimate the extent or likelihood of Penningtons claims being successful and therefore no contingent liabilities in respect of compensation claims is recognised in these accounts.

### Valuations

Scheme liabilities will be measured through the pension valuation process, which determines employer and employee contribution rates. The last LGPS valuation took place in 2025 and the police pension valuation took place in 2020 and was implemented in 2024/25.

### Impact on the Group's Cashflow

The objectives of the LGPS scheme, as set out in the funding strategy statement, are to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. The minimum employer contributions payable between 1 April 2026 to 31 March 2029 for the PCC for Suffolk Group is 16.4% (19.4% in 2025/26). The last triennial valuation was dated 31 March 2025.

Estimated employer's contributions for 2026/27 amount to £6.165m on the LGPS and £42.620m on the Police schemes.

The weighted average duration of the defined benefit obligation for the LGPS is Group 14.0 years and PCC 14.0 years (Group 21.0 years, PCC 16.0 years, 2024/25) and for the Police schemes is 15.0 years (17.0 years, 2024/25).

## 17. Short Term Investments

Surplus cash is invested for periods of up to one year in accordance with the approved treasury management policy. At 31 March 2026 temporary lending comprised:

	31 March 2026 £000	31 March 2025 £000
<b>Temporary cash deposits</b>		
Banks	28,223	15,106
Local authorities	-	10,104
<b>Total temporary lending</b>	<b>28,223</b>	<b>25,210</b>
<b>Represented by:</b>		
Short-term investments	28,223	25,210

**18. Debtors, Prepayments and Deferred Costs**

	31 March 2026 £000	31 March 2025 £000
<b>Short term debtors:</b>		
Trade receivables	983	451
Prepayments & deferred costs	1,752	4,759
Accrued income	5,877	5,668
Debtors relating to local taxation	2,841	2,692
Other receivable amounts	1,657	2,151
<b>Balance at 31 March</b>	<b>13,110</b>	<b>15,721</b>

**19. Cash and Cash Equivalents**

	31 March 2026 £000	31 March 2025 £000
Imprest accounts	50	50
Bank current accounts	480	386
Instant access deposits with banks	9,807	1,789
Deposits with a maturity date of less than 3 months from acquisition	5,014	5,394
<b>Balance at 31 March</b>	<b>15,351</b>	<b>7,619</b>

The PCC holds £5.165m in trust under the Proceeds of Crime Act 2002 (2024/25 £4.12m). This money was seized and banked under powers granted by the act and will be paid over to the Government on the conclusion of each successful prosecution. If defendants are found not guilty or no charges are made, the money is returned to the person(s) it was seized from.

As the account is not a resource controlled by the PCC and from which no future economic benefits will flow, it is excluded from the PCC's Balance Sheet.

**20. Assets Held for Sale**

	Current		Non-current	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
<b>Balance at 1 April</b>	375	495	-	-
<b>Assets classified as held for sale:</b>				
Property, plant and equipment	-	375	-	-
<b>Assets sold</b>	-	(495)	-	-
<b>Balance at 31 March</b>	<b>375</b>	<b>375</b>	-	-

**21. Creditors**

	Group		PCC	
	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000
<b>Short term creditors:</b>				
Trade payables	4,015	2,817	4,015	2,817
Accruals & receipts in advance	10,182	9,049	8,920	7,926
Creditors relating to local taxation	3,006	2,353	3,006	2,353
Other payables	4,170	4,248	4,170	4,248
<b>Balance at 31 March</b>	<b>21,373</b>	<b>18,467</b>	<b>20,110</b>	<b>17,344</b>

## 22. Reconciliation of Revenue Cashflow

Group 2024/25 £000	PCC 2024/25 £000		Group 2025/26 £000	PCC 2025/26 £000
<b>Adjustment for non-cash or cash equivalent items within deficit on provision of services:</b>				
4,718	4,718	Depreciation and impairments	5,390	5,390
(144)	(144)	Profit and loss on disposal of fixed assets	70	70
19,668	(66)	Movements on pension liability	15,756	(17)
<b>24,242</b>	<b>4,509</b>		<b>21,216</b>	<b>5,443</b>
(778)	(752)	Increase/(decrease) in revenue creditors	3,714	3,575
(301)	(301)	Decrease/(increase) in revenue debtors	2,594	2,594
(9)	(9)	Decrease/(increase) in stocks	(2)	(2)
235	235	Increase/(decrease) in revenue provisions	390	390
(852)	(826)		6,697	6,557
<b>23,390</b>	<b>3,683</b>		<b>27,913</b>	<b>12,001</b>
<b>The cash flows for operating activities include:</b>				
2,165	2,165	Interest paid and similar charges	2,079	2,079
(2,035)	(2,035)	Interest received	(2,416)	(2,416)

## 23. Reconciliation of Liabilities Arising from Financing Activities

	1 April 2025 £000	Financing cash flows £000	Other Non-cash changes £000	31 March 2026 £000
Long-term borrowings	5,139	(425)	(19)	4,695
Short-term borrowings	526	-	12	538
ROU lease liabilities	1,188	(152)	73	1,108
On balance sheet PFI liabilities	18,954	(357)	-	18,597
<b>Total liabilities from financing activities</b>	<b>25,805</b>	<b>(934)</b>	<b>65</b>	<b>24,937</b>

## 24. Contingent Liabilities

### MMI Ltd

The insurance company Municipal Mutual Insurance Limited (MMI) ceased trading in 1992 and ceased to write new or renew policies. Potentially claims can still be received as the company continues to settle outstanding liabilities. A scheme of arrangement is in place; however, this arrangement will not meet the full liability of all claims and a current levy of 25% will be chargeable in respect of successful claims on MMI's customers. There are currently no open claims against Suffolk Constabulary. As this point in time, it is not possible to calculate the full amount payable on future MMI claims.

### Forensic Service Uncertainty

The validity of evidence provided by forensic testing companies to the police service is currently under investigation. It is reasonable to anticipate that some people may have been convicted of offences based on flawed data and that conviction will have had a significant impact on their personal circumstances. As a result, some kind of litigation is anticipated. At this point in time, it is not possible to assess the number of claims or the financial exposure arising from them.

### Civil Claims

When civil claims are made against the Constabulary, where possible an assessment of potential liability is made, and an associated insurance provision is raised in the financial ledgers. Provisions are regularly reviewed and where necessary the provision updated. No provision is made until a claim has been received or if it is probable that a claim will be received and is measurable. There is therefore a general underlying contingent liability where incidents have taken place but where claims have yet to be received. In these circumstances it isn't possible to assess an estimate of economic outflow associated with claims yet to be received or any liability arising from statutory fines associated with these incidents.

### Validity of Historic Amendments to Defined Benefit Pension Schemes

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments to contracted-out defined benefit pension schemes were invalid where the required actuarial confirmation had not been obtained at the time the amendment was made. The Court of Appeal upheld this judgment in July 2024.

In response to the uncertainty arising from this ruling, the UK Government has enacted the Pension Schemes Act 2026. This legislation establishes a statutory mechanism enabling pension schemes to retrospectively validate affected amendments through actuarial confirmation, where certain conditions are met.

The Local Government Pension Scheme (LGPS) is a contracted-out defined benefit scheme, and amendments made between 1997 and 2016 may fall within the scope of the Virgin Media judgment. National guidance indicates that the legislative remedy is expected to mitigate the risk that such amendments would result in material additional liabilities.

Work is ongoing at a national level, and within the LGPS, to assess the extent to which historical amendments are affected and to determine the appropriate application of the legislative remedy. The administering authority for the Pension Fund, supported by its actuary, is considering the implications for the Fund and any potential impact on employer liabilities. At the date of these financial statements, this assessment has not been completed.

Accordingly, it is not currently possible to determine whether there will be any impact on the liabilities of the Scheme, or to reliably estimate any such impact. On this basis, no provision has been recognised in these financial statements. The Chief Constable/PCC will continue to monitor developments and consider the outcome of the ongoing review in future reporting periods.

## 25. Provisions

### Insurance

The PCC self-insures a number of risks up to a predetermined limit with insurance only being bought externally to cover losses beyond this. This provision is in place to finance any liabilities or losses that are likely to be incurred but uncertain as to the amounts or the dates on which they will arise.

	<b>Balance</b>			<b>Balance</b>
	<b>1 April</b>	<b>Charge</b>	<b>Paid</b>	<b>31 March</b>
	<b>2025</b>	<b>in year</b>	<b>in year</b>	<b>2026</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Insurance claims	1,778	1,401	(801)	2,378
Exit packages	193	847	(986)	54
Other revenue provisions	158	111	(35)	233
ROU asset dismantling costs	549	12	(100)	461
<b>Total</b>	<b>2,678</b>	<b>2,371</b>	<b>(1,923)</b>	<b>3,126</b>

## 26. Leases

Leases are accounted for in accordance with IFRS 16, as required by the Code.

At the commencement date of a lease, the PCC recognises a right-of-use asset and a corresponding lease liability. The lease liability is measured at the present value of lease payments, discounted using the PCC's incremental borrowing rate.

The right-of-use asset is measured at cost and is depreciated on a straight-line over the shorter period of remaining lease term and useful life of the underlying asset. Lease liabilities are measured at amortised cost. Lease liabilities are remeasured where there are changes in future lease payments or lease term assumptions.

The PCC applies the recognition exemptions for short-term leases and leases of low-value assets. Rentals for these leases are expensed to the Comprehensive Income and Expenditure Statement.

Assets held under service concession arrangements (PFI) also fall within IFRS16 and these have been disclosed separately at Note 15.

**PCC as Lessee**

This table shows the change in the value of right-of-use assets (including dilapidations) held under leases by the PCC, all leases relate to land and buildings:

<b>Total Movements in 2024/25 £000</b>	<b>Total Movements in 2025/26 £000</b>
<b>Historic cost or revaluation</b>	
- Balance at 1st April	2,634
1,906 Opening balance adjustment	-
724 Reclassifications	-
3 Additions	130
<b>2,634 Balance at 31st March</b>	<b>2,764</b>
<b>Depreciation and amortisation</b>	
- Balance at 1st April	391
36 Reclassifications	-
354 Charge for the year	268
<b>391 Balance at 31st March</b>	<b>659</b>
1,906 Opening net book value	2,243
<b>2,243 Closing net book value</b>	<b>2,105</b>

This table shows the change in the value of lease liabilities during the year:

	<b>2025/26 £000</b>	<b>2024/25 £000</b>
Balance outstanding at the beginning of the year	1,188	-
Opening balance adjustment	-	1,358
Remeasurements of lease liabilities	73	3
Capital repayments during the year	(152)	(173)
<b>Balance outstanding at year end</b>	<b>1,108</b>	<b>1,188</b>

The PCC incurred the following expenses and cash flows in relation to leases (excluding dilapidations):

<b>2024/25 £000</b>	<b>2025/26 £000</b>
<b>Comprehensive income and expenditure statement</b>	
66 Interest expense on lease liabilities	62
58 Expense relating to short-term leases	59
110 Expense relating to exempt leases of low-value items	91
1 Variable lease payments not included in the measurement of lease liabilities	(2)
<b>Movement in reserves statement</b>	
173 Minimum Revenue Provision	152
<b>408 Total charge to the General Fund</b>	<b>361</b>
<b>Cash flow statement</b>	
408 Total cash outflow for leases	361

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

<b>2024/25 £000</b>	<b>2025/26 £000</b>
157 Less than one year	109
299 One to five years	277
3,297 More than five years	3,236
<b>3,753 Total undiscounted liabilities</b>	<b>3,622</b>

The PCC has a number of properties and some equipment on short term lease arrangements.

## 27. Unusable Reserves

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

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

The Revaluation Reserve shows the net accumulated unrealised gains on non-current assets arising from increases in value, as a result of inflation or other factors. The reserve is debited to reflect: the revaluation element of the depreciation charge, revaluation losses or impairments against previous revaluation gains and when assets with accumulated revaluation gains are disposed of. Any balance remaining in the reserve, relating to an asset that has been disposed of, is removed from the reserve by way of a transfer to the Capital Adjustment Account.

The Capital Adjustment Account accumulates the resources that have been set aside to finance capital expenditure. The consumption of the historical cost by way of depreciation, impairment and disposal is removed from the account throughout the asset's useful life. The balance on this account therefore represents timing differences between financing and consumption of non-current assets.

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 provision. The Group accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect benefits earned to be financed as the Group makes employer's contributions to pension funds or eventually pays for any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangement

will ensure that the funding will have been set aside by the time the benefits come to be paid.

Movements in unusable reserves are summarised in the Movement in Reserves Statement and are shown in detail below:

**Group:**

	Pension Reserves	Revaluation Reserve	Capital Adj' Account	Collection Fund Adj' Account	Deferred Capital Receipts	Comp' Absences Account	Total Unusable Reserves
	£000	£000	£000	£000	£000	£000	£000
<b>Year Ended 31 March 2026</b>							
<b>Balance at 1 April 2025</b>	<b>(1,006,942)</b>	<b>29,133</b>	<b>10,612</b>	<b>339</b>	-	<b>(1,123)</b>	<b>(967,981)</b>
Other comprehensive income and expenditure	26,685	2,103	-	-	-	-	<b>28,788</b>
<b>Total comprehensive income and expenditure</b>	<b>26,685</b>	<b>2,103</b>	-	-	-	-	<b>28,788</b>
Amortisation of intangible assets	-	-	16	-	-	-	<b>16</b>
Depreciation on property, plant and equipment and ROU assets	-	(958)	(4,399)	-	-	-	<b>(5,357)</b>
Revaluation (gains)/losses on property, plant and equipment	-	-	(49)	-	-	-	<b>(49)</b>
Application of capital grants from unapplied account	-	-	158	-	-	-	<b>158</b>
Net gain or loss on the sale of non-current assets	-	-	(127)	-	-	-	<b>(127)</b>
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	-	-	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(36,362)	-	-	-	-	-	<b>(36,362)</b>
Movement on the Collection Fund Adjustment Account	-	-	-	(503)	-	-	<b>(503)</b>
Capital expenditure charged to the General Fund Balance	-	-	5,374	-	-	-	<b>5,374</b>
Statutory provision for the repayment of debt	-	-	970	-	-	-	<b>970</b>
Contribution to the Police Pension Fund	20,606	-	-	-	-	-	<b>20,606</b>
Movement on the Compensated Absences Account	-	-	-	-	-	(139)	<b>(139)</b>
Use of capital receipts to fund asset purchases	-	-	57	-	-	-	<b>57</b>
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(15,756)</b>	<b>(958)</b>	<b>2,000</b>	<b>(503)</b>	-	<b>(139)</b>	<b>(15,356)</b>
<b>Increase/(decrease) in year</b>	<b>10,929</b>	<b>1,144</b>	<b>2,000</b>	<b>(503)</b>	-	<b>(139)</b>	<b>13,431</b>
<b>Balance at 31 March 2026</b>	<b>(996,011)</b>	<b>30,278</b>	<b>12,612</b>	<b>(164)</b>	-	<b>(1,263)</b>	<b>(954,549)</b>

	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	Comp' Absences Account £000	Total Unusable Reserves £000
<b>Year Ended 31 March 2025</b>							
<b>Balance at 1 April 2024</b>	<b>(1,116,196)</b>	<b>24,652</b>	<b>8,789</b>	<b>252</b>	<b>40</b>	<b>(1,149)</b>	<b>(1,083,613)</b>
Other comprehensive income and expenditure	128,922	5,161	-	-	-	-	134,083
<b>Total comprehensive income and expenditure</b>	<b>128,922</b>	<b>5,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,083</b>
Amortisation of intangible assets	-	-	(558)	-	-	-	(558)
Depreciation on property, plant and equipment and ROU assets	-	(680)	(4,229)	-	-	-	(4,909)
Revaluation (gains)/losses on property, plant and equipment	-	-	749	-	-	-	749
Application of capital grants from unapplied account	-	-	494	-	-	-	494
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	-	(645)
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	-	(40)
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	(39,178)	-	-	-	-	-	(39,178)
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	-	87
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	-	3,815
Statutory provision for the repayment of debt	-	-	1,369	-	-	-	1,369
Contribution to the Police Pension Fund	19,510	-	-	-	-	-	19,510
Movement on the Compensated Absences Account	-	-	-	-	-	26	26
Use of capital receipts to fund asset purchases	-	-	829	-	-	-	829
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(19,668)</b>	<b>(680)</b>	<b>1,823</b>	<b>87</b>	<b>(40)</b>	<b>26</b>	<b>(18,451)</b>
<b>Increase/(decrease) in year</b>	<b>109,254</b>	<b>4,482</b>	<b>1,823</b>	<b>87</b>	<b>(40)</b>	<b>26</b>	<b>115,632</b>
<b>Balance at 31 March 2025</b>	<b>(1,006,942)</b>	<b>29,133</b>	<b>10,612</b>	<b>339</b>	<b>-</b>	<b>(1,123)</b>	<b>(967,981)</b>

**PCC:**

	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	<b>Total Unusable Reserves £000</b>
<b>Year Ended 31 March 2026</b>						
<b>Balance at 1 April 2025</b>	-	<b>29,133</b>	<b>10,612</b>	<b>339</b>	-	<b>40,083</b>
Other comprehensive income and expenditure	(18)	2,103	-	-	-	<b>2,085</b>
<b>Total comprehensive income and expenditure</b>	<b>(18)</b>	<b>2,103</b>	-	-	-	<b>2,085</b>
Amortisation of intangible assets	-	-	16	-	-	<b>16</b>
Depreciation on property, plant and equipment and ROU assets	-	(958)	(4,399)	-	-	<b>(5,357)</b>
Revaluation (gains)/losses on property, plant and equipment	-	-	(49)	-	-	<b>(49)</b>
Application of capital grants from unapplied account	-	-	158	-	-	<b>158</b>
Net gain or loss on the sale of non-current assets	-	-	(127)	-	-	<b>(127)</b>
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	-	-
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	17	-	-	-	-	<b>17</b>
Movement on the Collection Fund Adjustment Account	-	-	-	(503)	-	<b>(503)</b>
Capital expenditure charged to the General Fund Balance	-	-	5,374	-	-	<b>5,374</b>
Statutory provision for the repayment of debt	-	-	970	-	-	<b>970</b>
Use of capital receipts to fund asset purchases	-	-	57	-	-	<b>57</b>
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>17</b>	<b>(958)</b>	<b>2,000</b>	<b>(503)</b>	-	<b>556</b>
<b>Increase/(decrease) in year</b>	-	<b>1,144</b>	<b>2,000</b>	<b>(503)</b>	-	<b>2,641</b>
<b>Balance at 31 March 2026</b>	-	<b>30,278</b>	<b>12,612</b>	<b>(164)</b>	-	<b>42,724</b>

	Pension Reserves £000	Reval- -uation Reserve £000	Capital Adj' Account £000	Collection Fund Adj' Account £000	Deferred Capital Receipts £000	<b>Total Unusable Reserves £000</b>
<b>Year Ended 31 March 2025</b>						
<b>Balance at 1 April 2024</b>	<b>1,500</b>	<b>24,652</b>	<b>8,789</b>	<b>252</b>	<b>40</b>	<b>35,231</b>
Other comprehensive income and expenditure	(1,566)	5,161	-	-	-	<b>3,595</b>
<b>Total comprehensive income and expenditure</b>	<b>(1,566)</b>	<b>5,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,595</b>
Amortisation of intangible assets	-	-	(558)	-	-	<b>(558)</b>
Depreciation on property, plant and equipment and ROU assets	-	(680)	(4,229)	-	-	<b>(4,909)</b>
Revaluation (gains)/losses on property, plant and equipment	-	-	749	-	-	<b>749</b>
Application of capital grants from unapplied account	-	-	494	-	-	<b>494</b>
Net gain or loss on the sale of non-current assets	-	-	(645)	-	-	<b>(645)</b>
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	-	-	(40)	<b>(40)</b>
Difference between IAS 19 pension costs and those calculated in accordance with statutory requirements	66	-	-	-	-	<b>66</b>
Movement on the Collection Fund Adjustment Account	-	-	-	87	-	<b>87</b>
Capital expenditure charged to the General Fund Balance	-	-	3,815	-	-	<b>3,815</b>
Statutory provision for the repayment of debt	-	-	1,369	-	-	<b>1,369</b>
Use of capital receipts to fund asset purchases	-	-	829	-	-	<b>829</b>
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>66</b>	<b>(680)</b>	<b>1,823</b>	<b>87</b>	<b>(40)</b>	<b>1,256</b>
<b>Increase/(decrease) in year</b>	<b>(1,500)</b>	<b>4,482</b>	<b>1,823</b>	<b>87</b>	<b>(40)</b>	<b>4,852</b>
<b>Balance at 31 March 2025</b>	<b>-</b>	<b>29,133</b>	<b>10,612</b>	<b>339</b>	<b>-</b>	<b>40,083</b>

## 28. Earmarked Balances within the General Fund

The movements in earmarked balances in 2025/26 are analysed as follows:

		Balance			Balance
		1 April	Received	Applied	31 March
	Note	2025		Reallocated	2026
		£000	£000	£000	£000
<b>Revenue reserves:</b>					
Budget	(a)	16,520	3,972	-	20,491
Change	(b)	1,397	-	-	1,397
Capital Financing & Efficiency Investment	(c)	7,816	-	-	7,816
Specified Purposes Fund	(d)	290	-	-	290
Crime & Disorder	(e)	574	-	(78)	496
PCC	(f)	944	3	(100)	848
Safety Camera	(g)	947	1,125	(144)	1,928
Regional Partnership	(h)	116	396	-	511
<b>Total</b>		<b>28,605</b>	<b>5,496</b>	<b>(322)</b>	<b>33,778</b>
<b>General Reserve</b>		<b>4,885</b>	<b>280</b>	<b>-</b>	<b>5,165</b>

**(a) Budget Reserve**

This reserve is being held as a contingency against future demand led pressures and would also act as a contingency to increases of assessed insurance liabilities in excess of insurance budgets and provisions.

**(b) Change Reserve**

This reserve is used to fund the cost of change and / or to pump prime invest-to-save activities.

**(c) Capital Financing & Efficiency Investment Reserve**

This reserve is used to fund the short-life asset element of the Capital Programme when the amount required for investing / refreshing in modernising technologies exceeds budget available for this purpose.

**(d) Specified Purposes Fund**

This fund relates to funds allocated for specific purposes including partnership funding.

- (e) Crime and Disorder Reserve**  
This reserve is made up from underspends against the PCC's commissioning budget which have been earmarked to fund future commissioning initiatives.
- (f) PCC Reserve**  
This reserve is made up from previous underspends against the budget for the Office of the Police and Crime Commissioner.
- (g) Safety Camera Reserve**  
This reserve is made up of prior years' underspends against the approved annual budget. The use is reviewed and agreed at the Driver Offender Retraining Governance Board (DORG).
- (h) Regional Partnership Reserve**  
This reserve holds ring-fenced funds in relation to regional activity.

Further detail relating to the use of Earmarked Reserves can be found in the Reserves Strategy (Appendix F in the MTFP)<sup>1</sup>

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<sup>1</sup>Reserves strategy (Appendix F in the MTFP)

## 29. Financial Instruments

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

	Current				Long Term				Total	
	Investments		Other assets		Investments		Other assets		31 March	
	31 March		31 March		31 March		31 March			
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Financial Assets</b>										
Amortised costs	28,223	25,210	22,558	13,975	-	-	-	-	50,781	39,185
<b>Total Financial Assets</b>	<b>28,223</b>	<b>25,210</b>	<b>22,558</b>	<b>13,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,781</b>	<b>39,185</b>
Non financial assets	-	-	6,444	9,904	-	-	-	-	6,444	9,904
<b>Total Assets</b>	<b>28,223</b>	<b>25,210</b>	<b>29,002</b>	<b>23,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,225</b>	<b>49,089</b>

	Current				Long Term				Total	
	Borrowings		Other liabilities		Borrowings		Other liabilities		31 March	
	31 March		31 March		31 March		31 March			
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Financial Liabilities</b>										
Amortised costs	538	526	10,007	8,683	4,695	5,139	10	11	15,249	14,358
<b>Total Financial Liabilities</b>	<b>538</b>	<b>526</b>	<b>10,007</b>	<b>8,683</b>	<b>4,695</b>	<b>5,139</b>	<b>10</b>	<b>11</b>	<b>15,249</b>	<b>14,358</b>
Non financial liabilities	-	-	14,441	12,570	-	-	1,015,767	1,026,976	1,030,208	1,039,545
<b>Total Liabilities</b>	<b>538</b>	<b>526</b>	<b>24,448</b>	<b>21,252</b>	<b>4,695</b>	<b>5,139</b>	<b>1,015,777</b>	<b>1,026,986</b>	<b>1,045,457</b>	<b>1,053,903</b>

The Police and Crime Commissioner for Suffolk does not hold any other category of financial asset or liability and during the year, there were no instances of:

- De-recognition of financial instruments
- Unusual movements to be disclosed
- Allowance for credit losses

The gains and losses recognised in the CIES are shown in the table below:

2024/25 Surplus or Deficit on the Provision of Services £000	2025/26 Surplus or Deficit on the Provision of Services £000
<b>Interest revenue:</b>	
(2,205) Financial assets measured at amortised cost	(2,068)
<b>(2,205) Total interest revenue</b>	<b>(2,068)</b>
<b>2,158 Interest expense</b>	<b>2,072</b>

All financial liabilities and financial assets held by the PCC are classified as loans and receivables and long term debtors and creditors and 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.

- For PWLB loans, the cash flows are discounted using the premature repayment rates applicable at the year-end equivalent loans
- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount. The fair values of financial instruments that differ from the carrying amount are summarised below:

	31 March 2026		31 March 2025	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Financial liabilities</b>				
PWLB loan	5,232	5,264	5,664	5,774
	<b>5,232</b>	<b>5,264</b>	<b>5,664</b>	<b>5,774</b>

Fair values of short term trade payables and receivables, cash and cash equivalents are assumed to equal the book values and are therefore not included in the table above. These are exempt from IFRS13.

Assets and liabilities are measured at fair value using the IFRS13 Fair Value market approach which uses prices and other relevant information (inputs) generated by market transactions involving similar assets or liabilities. The IFRS on Fair Value includes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three input levels as follows:

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

We have therefore categorised the valuations of all financial assets and liabilities as Level 2 input in the IFRS 13 fair value hierarchy, there has been no movement between the levels within this and the prior financial year.

The PCC'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 PCC
- Liquidity risk – the possibility that the PCC might not have funds available to meet its commitments to make payments
- Refinancing and Maturity risk – the possibility that the PCC might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms

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

The PCC'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 the PCC in the Annual Investment and Treasury Management Strategy<sup>2</sup>. The PCC provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and the investment of surplus cash.

### Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers. This risk is minimised through the Annual Investment and Treasury Management Strategy, which requires that counterparties meet the minimum credit ratings from three major credit rating agencies. During 2025/26, the PCC had a policy not to lend any more than £10m to any individual financial institution, authority or banking group except under exceptional circumstances, when a temporary arrangement was approved. This policy is outlined on page 35.

Recent experience has shown that it is rare for its investment counterparties to be unable to meet their commitments therefore, although a risk of non-recoverability applies to all of the PCC's deposits, there was no evidence at the 31 March 2026 that this was likely to crystallise.

Of the £983k outstanding from customers, £52k was past its due date for payment at the year-end. The past due amount can be analysed by age as follows:

	<b>Amount Past Due 31.3.26 £000</b>	<b>Amount Past Due 31.3.25 £000</b>
Less than three months	50	66
Three to six months	1	1
Six months to one year	1	(368)
More than one year	-	1
	<b>52</b>	<b>(300)</b>

### Liquidity risk

The PCC has comprehensive cash flow management processes that seek to ensure that cash is available as needed. If unexpected movements happen the PCC has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). As the PCC is required to provide a balanced budget which ensures sufficient monies are raised to cover annual expenditure, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The PCC has one loan with the PWLB that was taken out for £10m in 2010/11, it is being paid off in half year instalments. The loan is due to mature in 2035/36. All trade and other payables are due to be paid in less than one year.

### Refinancing and Maturity risk

The PCC maintains its debt and investment portfolio in line with the Annual Investment and Treasury Management Strategy. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the PCC relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The PCC approved Annual Investment and Treasury Management Strategy addresses the main risks and the treasury

<sup>2</sup> [Annual Investment and Treasury Management Strategy](#)

management function addresses the operational risks within the approved parameters.

The PCC's financial assets held on the balance sheet all mature within one year.

### **Market risk – Interest risk**

The PCC has no significant exposure to market risk from investments. Investments are normally by way of term deposits placed at a fixed rate for a fixed period, therefore there is a risk that the market rate can change, which would lead to an impact on the fair value of the investment. However, investments are mostly placed for periods not exceeding three months, therefore the exposure to market risk is regarded as negligible.

The PCC mitigates its exposure to market risk in regards to interest expense by fixing the interest rate payable for the duration of its loans. The risk is therefore shifted to the risk on the movement of fair value that would arise when prevailing rates differ from contract rate payable. However, borrowings are not carried at fair value, so nominal gains or losses on fixed rate borrowing do not impact on the CIES.

A 1% increase in interest rates would only have a material effect on the fair value of borrowings. It would reduce the value by £213k.

The PCC does not invest in equity shares nor in financial assets or liabilities denominated in foreign currencies and therefore has no exposure to price risk or exchange risk.

## **30. Going Concern**

The Police Reform and Social Responsibility Act 2011 sets out in statute the creation of the Police and Crime Commissioners and the financial responsibility they have. The concept of a going concern assumes that the functions of the Police and Crime Commissioner and the Constabulary will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which police forces operate. These provisions confirm that, as the Office of the Police and Crime Commissioner and the Constabulary cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

PCCs and Chief Constables carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a police force were in financial difficulty, the prospect is that alternative arrangements would be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not be appropriate for the financial statements to be prepared on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a police force will continue to operate for the foreseeable future.

Through actions taken to control spending in-year in order to mitigate significant inflationary pressure, the Constabulary and OPCC recorded an outturn underspend of £2.368m.

During 2025/26, the PCC has increased the General Reserve by £0.280m to £5.2m, at 31 March 2026 the PCC has a Budget Reserve of £20.5m that in extremis would be used to manage the financial risks of major incidents.

A high-level scenario planning exercise was completed and compared against our current MTFP assumptions. The budget gap for 2026/27 of £1.5m was calculated using assumptions on government funding, precept decisions, tax base reductions

and collection fund deficits. The guidelines to Heads of Department in regard of the Strategic & Financial Planning process (using Outcome Based Budgeting principles) took this into account and through this process the Constabulary delivered the required savings in order to reach a balanced budget for 2026/27.

Based on the approved Medium Term Financial Plan, general fund balances including earmarked reserves at 31 March 2027 are planned to be £30.5m. This remains well above our minimum level of general fund balance as set by the PCC CFO of £5.4m.

Taking a worst-case assumption that no savings are identified through the Constabulary's budget setting process, general fund balances including earmarked reserves as at 31 March 2027 would reduce to approximately £29.0m. This remains significantly above the minimum general fund balance set by the PCC CFO of £5.4m

Taking into account the availability of usable reserves, the capacity to finance the current gap between external borrowing and the capital financing requirement and the ability to borrow on a short-term basis to prudently fund any temporary shortfall of cash; the PCC is able to demonstrate that he has sufficiently liquid resources until 12 months from the authorisation of the financial statements to meet all liabilities as they fall due.

The PCC's reserves remain sufficiently healthy to absorb funding pressures and remain able to meet its financial obligations as and when they fall due. Therefore, following our review of future finances, it has been concluded that there is no material uncertainty relating to going concern.

### 31. Events after the Reporting Period

Events after the reporting period have been considered for the period from the year end to the date the accounts were authorised for issue on ..... 2026. At the time of issue there were no adjusting or non-adjusting subsequent events that required disclosure.

## 32. Capital Commitments

Significant commitments under capital contracts as at 31 March 2026 are analysed as follows:

<b>31 March 2025 £000</b>	<b>31 March 2026 £000</b>
633 SARC improvement scheme	-
174 Vehicles	401
99 Training equipment	-
70 ICT replacements & equipment refresh	-
48 Other	109
- Vehicles - Sizewell B	117
<b>1,024 Total committed</b>	<b>626</b>

## Police Pension Fund Accounting Statements

### Fund Account

2024/25 £000		2025/26 £000
	<b>Contributions receivable</b>	
	Employer	
19,737	Normal	20,871
678	Early retirements	614
184	McCloud Remedy	(17)
20,599		21,468
	Members	
7,539	Normal	7,999
7,539		7,999
	<b>Transfers in</b>	
211	Individual transfers in from other schemes	23
211		23
	<b>Benefits payable</b>	
(40,331)	Pensions	(41,856)
(7,077)	Commutations and lump sum retirement benefits	(7,656)
(149)	Lump sum death benefits	(151)
(144)	Other	(180)
(47,702)		(49,843)
(150)	Refunds on contributions	(70)
(7)	Individual transfers out to other schemes	(183)
(157)		(253)
<b>(19,510)</b>	<b>Net amount payable for the year before contribution from the Police General Fund</b>	<b>(20,606)</b>
<b>19,510</b>	<b>Contribution from the Police General Fund</b>	<b>20,606</b>
	<b>- Net balance receivable for the year</b>	<b>-</b>

No assets are held by the pension fund and no amounts were owed to or from it as at 31 March 2026 (31 March 2025 £nil).

The actuarial valuation has set a notional employer contribution rate for the police pension schemes from 1 April 2024 at 35.3% of pensionable pay. Under the police pensions financing arrangements, a pensions top-up grant is received from the Home Office to meet the net cost of pension payments. The grant is calculated by deducting employee contributions and employer contributions assessed at this notional valuation rate from total pension expenditure. While police bodies fund employer contributions at a lower effective level in practice (historically around 21.3% of pensionable pay through core funding), the higher notional rate is applied in the grant calculation. As a result, the difference between the assumed employer contribution rate and the level effectively funded gives rise to a residual cost pressure, which is met from the Police General Fund. The Home Office has provided additional specific grant funding of £3.723m to support the increase in employer contribution rates following the latest actuarial valuation; however, this does not fully offset the impact of the higher notional rate used in the grant calculation. The Constabulary funds the resulting balance.

## Glossary of terms

For the purposes of the statement of accounts the following definitions have been adopted:

### Accruals basis

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

### Actual return on plan assets

The difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits.

### Actuarial gains and losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- a) Events have not coincided with the actuarial assumptions made for the last valuations (experience gains and losses) or
- b) The actuarial assumptions have changed

### Capital expenditure

Expenditure on the acquisition of a non-current asset; or expenditure which adds to – rather than merely maintains – the value of an existing non-current asset.

### Capital Receipt

Income derived from the sale or disposal of a non-current asset.

### CIPFA

The Chartered Institute of Public Finance and Accountancy.

### Contingent liability

A contingent liability is either:

Group and PCC Statement of Accounts for the year ended 31 March 2026

- a) A possible obligation arising from past events; it may be confirmed only if particular events happen in the future that are not wholly within the Constabulary's control; or
- b) A present obligation arising from past events, where economic transactions are unlikely to be involved or the amount of the obligation cannot be measured with sufficient reliability.

### Current Service Costs

The increase in pension liabilities as a result of years of service earned this year.

### Defined benefit scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

### Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

### Government grants

Part of the cost of service is paid for by central government from its own tax income. Specific grants are paid by the Home Office to the Group towards both revenue and capital expenditure.

### Group

The term Group refers to the Police and Crime Commissioner (PCC) for Suffolk and the Chief Constable (CC) for Suffolk.

### Impairment

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

### Intangible non-current assets

Intangible assets are non-financial non-current assets that do not have physical substance, but are identifiable and are controlled by the PCC through custody or legal rights.

**Net book value**

The amount at which non-current assets are included in the balance sheet, meaning their historical cost or current value less the cumulative amounts allowed for depreciation.

**Net realisable value**

The open-market value of the asset in its existing use (or open-market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

**Non-current assets**

Tangible and intangible assets that yield benefits to the PCC and the services it provides for more than one year.

**Outturn**

The actual amount spent in the financial year.

**Operational assets**

Non-current assets held and occupied, used or consumed by the PCC in the direct delivery of services for which it has a statutory or discretionary responsibility.

**Past Service Costs**

The increase in pension liabilities as a result of a scheme amendment or curtailment whose effect relates to year of service earned in earlier years.

**PCC**

References to PCC within these Financial Statements relate to the entity of the Police and Crime Commissioner for Suffolk unless otherwise stated.

**Pension Strain**

Occurs when there is a clear shortfall in the assumed level of funding needed to provide a particular pension benefit, often occurring when a member draws their benefits earlier than expected i.e. due to redundancy.

**Projected Unit Credit Method**

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases, and
- b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit credit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

**Precept**

The proportion of the budget raised from council tax.

**Provision**

Amount set aside to provide for a liability which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

**PWLB**

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies and to collect the repayments.

**Related parties**

Two or more parties are related parties when at any time during the financial period:

- a) One party has direct or indirect control of the other party; or
- b) The parties are subject to common control from the same source; or
- c) One party has influence over the financial and operational policies of the other party so that the other party might not always feel free to pursue its own separate interests; or
- d) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Vested rights include where appropriate the related benefits for spouses or other dependants.

### **Retirement Benefits**

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either (i) an employer's decision to terminate an employee's employment before the normal retirement date or (ii) an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

### **Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit credit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

### **Settlement**

An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

- a) a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
- b) the purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
- c) the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

### **Useful life**

The period over which the PCC will derive benefits from the use of a non-current asset.

### **Vested Rights**

In relation to a defined benefit scheme, these are:

- a) for active members, benefits which they would unconditionally be entitled to on leaving the scheme;
- b) for deferred pensioners, their preserved benefits;
- c) for pensioners, pensions to which they are entitled.