

PEMBROKESHIRE COUNTY COUNCIL

Annual Financial Report

Including Statement of Accounts

2024-25

12 November 2025

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1.0 NARRATIVE REPORT

1.0 NARRATIVE REPORT

Pembrokeshire County Council's Statement of Accounts for 2024-25 provides a record of the Council's financial performance and position for the year and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

1.1 ORGANISATIONAL OVERVIEW

Pembrokeshire is one of Britain's special places, combining some of the most spectacular coastal scenery with a unique cultural heritage. Nearly a third of the county is in the Pembrokeshire Coast National Park – the only coastal national park in the country, and its numerous beaches are renowned as being amongst the finest anywhere. This all makes it a particularly attractive and satisfying area in which to live and work.

Pembrokeshire County Council provides a wide range of services for residents, businesses and visitors, details of which can be found on the Council's website.

The Council Vision is "Working Together, Improving Lives".

The Council is made up of 60 elected Members who each represent residents in different areas of Pembrokeshire. The Constitution sets out how the Council operates, the various bodies which make up the Council, how decisions are made and the procedures which are followed. Some of these processes are required by the law, while others are a matter for the Council to determine.

Council appoint a Leader of the Council who appoints Cabinet Members, each with a responsibility for a specific portfolio of services. During 2024-25 the Cabinet was a mix of Labour, Plaid Cymru, and unaffiliated Councillors led by an unaffiliated Leader.

Five Overview and Scrutiny Committees hold the Cabinet to account for its decisions. Another key part of the overview and scrutiny role is to review existing policies and consider proposals for new policies. Regulatory and other Committees also support delivery of Council Services.

During 2024-25 the Councils Senior Leadership Team (SLT) was led by the Chief Executive and included the Assistant Chief Executive, Directors and designated Heads of Service.

Members and Officers are responsible for ensuring that risk (threats and opportunities) is considered in the decisions that they take, and suitable arrangements are put in place to manage risk. A live Corporate Risk Register is maintained, with current and emerging business risks being kept under constant consideration being subject to formal quarterly review by SLT, the Corporate Risk Management Group (CRMG), the Governance and Audit Committee, and Cabinet.

The Annual Governance Statement (AGS), which accompanies the Statement of Accounts each year, outlines the Council's governance framework and, following review of effectiveness, identifies significant governance issues and priorities for improvement, with specific actions to be undertaken the following year. It is reviewed by the Governance and Audit Committee and approved by Council.

The Programme for the Administration specifies the priorities for Cabinet for the electoral term, which have been incorporated into the Corporate Strategy and the approved Wellbeing Objectives for the Council. A new Corporate Strategy 2025-2030 was approved by Council on 6 March 2025.

THE WELL-BEING OBJECTIVES FOR 2024-25 WERE:

- Education - We will improve the provision of education and learning, equipping our learners with lifelong skills and knowledge they will need for the future.
- Social Care - We will ensure the appropriate provision of care and support, focusing on prevention and ensuring vulnerable people are safe.
- Housing - We will enable the delivery of affordable, available, adaptable and energy efficient homes.
- Economy - We will deliver our economic ambition through supporting growth, jobs and prosperity and enable the transition to a more sustainable and greener economy.
- Decarbonisation and the nature emergency - We will promote and support initiatives to deliver decarbonisation, manage climate adaptation and tackle the nature emergency.
- Sustainable communities - We will support our communities, maintaining positive relationships with them to help to build active, resourceful, connected, sustainable and creative communities.
- Welsh Language - We will support the Welsh language within communities and through schools.
- Core Services - We will focus resources on delivering core services such as highways, waste and recycling, public protection and leisure and culture that contribute to communities' quality of life, ensuring residents live in neighbourhoods that are clean, green, safe and active.
- Reducing Poverty - We will develop a strategy to reduce poverty and inequality.
- Good governance - We will build a culture of good governance in the Council to enhance trust and confidence in our decision-making processes.
- Financial resilience - We will be a financially sustainable and resilient Council managing our resources and assets effectively and efficiently, for instance by reviewing and optimizing our corporate estate.
- Workforce - We will enhance the development of our workforce, improving skills and opportunities as well as tackling issues of recruitment and retention.

A Corporate Scorecard provides key non-financial performance indicators and is maintained to monitor the performance of the authority. This is subject to formal quarterly review by the Senior Leadership Team (SLT), Cabinet and Overview & Scrutiny Committees. The performance for 2024-25 was reported to Cabinet on 7 July 2025.

Medium Term Service Plans are produced by individual services and are designed to drive improvement and to plan and prepare for future scenarios in line with the priorities in the Corporate Strategy and financial projections in the Medium-Term Financial Plan (MTFP). These service plans are further supported by team plans and individual performance and wellbeing plans. The roll out of the new Feedback, Focus & Future conversational development system commenced at the end of 2024-25. This is an innovative programme designed to enhance staff engagement and growth, focusing on staff development and future goals.

1.1.1 STRATEGIC PARTNERSHIPS

The council supports several strategic partnerships both financially and with officer and member time. The drivers for these partnerships include legislation and government policy. Details of the council's strategic partnerships are included within the Annual Governance Statement.

1.2 CORE FINANCIAL STATEMENTS

The core financial statements, prepared using International Financial Reporting Standards (IFRS), comprise of:

- The Expenditure and Funding Analysis – showing the reconciliation between how annual expenditure is used and funded from resources (cash basis) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices (IFRS basis).
- The Comprehensive Income and Expenditure Statement - showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices (IFRS basis) as opposed to the cost actually funded from taxation. The reconciliation to the taxation position, as represented by the actual funds available to the Council, is shown in the Expenditure and Funding Analysis.
- The Movement in Reserves Statement – showing the movement on the different reserves held by the authority analysed between usable reserves and unusable reserves held for financial accounting purposes.
- The Balance Sheet - which sets out the financial position on 31 March in terms of the value of assets and liabilities recognised by the Council and the reserves held by the Council.
- The Cash Flow Statement - which summarises the inflows and outflows of cash and cash equivalents with third parties arising from revenue and capital transactions.

1.2.1 SUPPORTING NOTES AND SUPPLEMENTARY FINANCIAL STATEMENTS

These comprise of:

- Notes to the core financial statements.
- Other accounts prepared or controlled by the Council.
- The Housing Revenue Account Income and Expenditure Statement, Movement on the Housing Revenue Account Statement and supporting notes that summarise the transactions relating to Council Housing.

1.2.2 GROUP ACCOUNTS

When appropriate, group accounts are to be prepared to reflect the total cost of service provision by including the appropriate expenditure, income and the assets and liabilities of “subsidiary” bodies in which the Council has a material interest and influence. The need for group accounts has been considered and felt not to be necessary.

Since 2014-15, Tenby Pool gross income and expenditure and the fixed asset values have been incorporated into the Council’s Statement of Accounts in accordance with the Code.

Further details on the Councils joint arrangements are set out within notes 9.7.4.

1.3 REVENUE EXPENDITURE 2024-25

The approved revenue net expenditure budget for 2024-25 was £303.5m. The revenue outturn financial position confirms the Council's net expenditure for 2024-25 at £301.5m after appropriations to and from reserve, an underspend of £2.0m. The table below shows the outturn position compared to the Quarter 3 (Q3) 2024-25 rolling budget and the Q3 2024-25 projected outturn at Directorate level. The outturn position is shown after the appropriations to and from reserves at the year-end.

	Net Expenditure 2024-25			Variance Actual Outturn to Rolling Budget £'000
	Q3 Rolling Budget 2024-25	Q3 Projected Outturn 2024-25	Actual Outturn 2024-25	
	£'000	£'000	£'000	
EDUCATION - INDIVIDUAL SCHOOL BUDGETS	97,039	97,039	97,039	-
EDUCATION - OTHER	22,196	22,094	21,583	(613)
CULTURAL, LEISURE, TOURISM & REGISTRATION SERVICES	5,579	5,502	5,482	(97)
DIRECTOR EDUCATION TOTAL	**124,814**	**124,635**	**124,104**	**(710)**
SOCIAL CARE - CHILDRENS SERVICES	31,556	37,669	37,205	5,649
SOCIAL CARE - ADULT SERVICES	80,127	84,047	80,999	872
HOUSING SERVICES	5,822	5,844	5,712	(110)
DIRECTOR SOCIAL CARE TOTAL	**117,505**	**127,560**	**123,916**	**6,411**
INFRASTRUCTURE & ENVIRONMENTAL SERVICES	28,373	26,473	26,396	(1,977)
LAW & GOVERNANCE	2,509	2,598	2,573	64
CHIEF EXECUTIVE TOTAL	**30,882**	**29,071**	**28,969**	**(1,913)**
RESOURCES	8,173	6,105	7,535	(638)
COUNCIL TAX REDUCTION SCHEME	11,181	11,011	11,073	(108)
VACANCY MANAGEMENT*	(884)	0	0	884
LEVIES	10,532	10,532	10,531	(1)
NET INVESTMENT INCOME	(1,060)	(1,381)	(1,164)	(104)
CAPITAL FINANCING COSTS	14,196	10,581	10,020	(4,176)
DIRECTOR RESOURCES TOTAL	**42,138**	**36,848**	**37,995**	**(4,143)**
ASSISTANT CHIEF EXECUTIVE TOTAL	**3,548**	**2,961**	**2,511**	**(1,037)**
USE OF 85% COUNCIL TAX 2ND HOME PREMIUM	**(9,167)**	**(8,567)**	**(8,984)**	183
USE OF 100% COUNCIL TAX LONG TERM EMPTY PROPERTY PREMIUM	**(1,671)**	**(1,371)**	**(1,477)**	194
USE OF RESERVE	**(1,553)**	**(1,553)**	**(1,553)**	-
Contingency for Teachers Pension / Pay Award Funding / Additional Funding Quarter 4	**(3,000)**	**(4,692)**	**(3,999)**	(999)
TOTAL NET EXPENDITURE	**303,496**	**304,892**	**301,482**	**(2,014)**
AEF FUNDING	(218,870)	(218,870)	(218,870)	-
COUNCIL TAX (BASE)	(84,626)	(83,950)	(85,854)	(1,228)
TOTAL FUNDING	**(303,496)**	**(302,820)**	**(304,724)**	**(1,228)**
(SURPLUS) / DEFICIT FUNDING (TO) / FROM RESERVE	**0**	**2,072**	**(3,242)**	**(3,242)**

*Vacancy Management shown within service lines

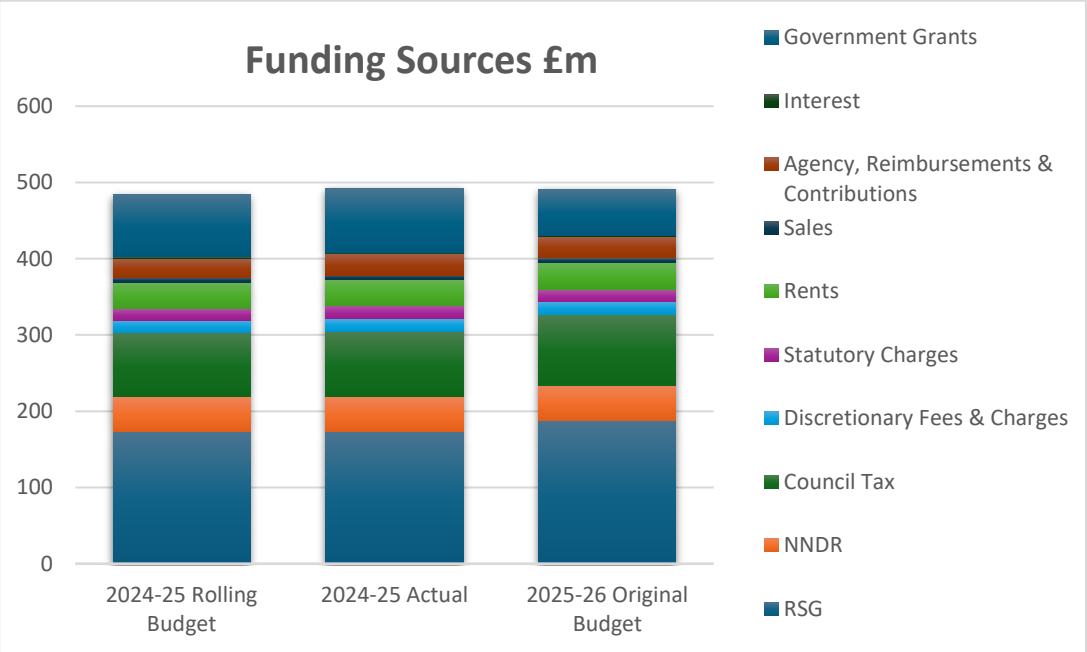
The surplus balance of £3.242m was appropriated to the following reserves, earmarked for the purposes identified:

Reserve	Amount £'m	Purpose
General Fund	1.228	To make provision for repayment of Second Home Council Tax premiums to those who successfully appeal the 182-days occupancy threshold with the VOA.
Initiative Fund	2.014	To provide resources for the Council to invest in improvement and prevention projects to realise future cost avoidance / budget saving opportunities.

All service specific issues and commentary are shown in the County Council Budget Outturn Monitoring Report 2024-25 approved by Cabinet on 7 July 2025.

1.3.1 FUNDING SOURCES

The Council receives its funding from two main sources – Aggregate External Finance (AEF) and Council Tax. The AEF, comprising of Revenue Support Grant (RSG) and redistributed National Non-Domestic rates (NNDR) is awarded by Welsh Government. Other sources of funding include specific Government grants and income from fees and charges. The graph below shows the budgeted funding for 2024-25 versus actual received and the budgeted funding for 2025-26.



1.3.2 TREASURY MANAGEMENT

The Council's Treasury Management Strategy and Investment Strategy for 2024-25 were approved by Council on 6 March 2024.

The Treasury Management Annual Report was reported to Cabinet on 7 July 2025 as part of the Outturn Monitoring Report.

1.3.3 REVENUE COLLECTIONS

1.3.3.1 COUNCIL TAX

Cash collected to 31 March 2025 was £106.797m against a collectable debit of £112.296m. This represents an in year collection rate of 95.10% which was lower than the 2023-24 collection rate of 96.59%.

The table below shows the Council Tax arrears figures as at 31 March 2025 by age of debt.

Council Tax Prior Year Arrears	31 March 2024 £'m	31 March 2025 £'m
Age of debt <1 year	3.218	5.508
Age of debt - 1 to 2 years	2.738	3.679
Age of debt - 3 to 4 years	1.888	2.273
Age of debt - > 5 years	0.540	1.046
TOTAL PRIOR YEAR ARREARS	**8.384**	**12.506**

Note that the arrears < 1 year and 1 to 2 years will be impacted by properties moving back to Council Tax from April 2023. This transfer results in the overall debit increasing and is not a reduction in cash collection.

1.3.3.2 2ND HOMES PREMIUM AND LONG TERM EMPTY PROPERTY PREMIUM

The Second Home Premium debit raised for 2023-24 was £6.1m of which £5.7m was collected. The Second Home Premium raised for 2024-25 was £13.8m of which £12.2m (88.4%) has been collected. (Note figures include Police and Town & Community Council Precepts).

The Long-Term Empty Property Premium debit raised for 2023-24 was £0.583m with cash collected being £0.520m. The debit raised for 2024-25 was £1.9m of which £1.7m (89.5%) was collected. (Note figures include Police and Town & Community Council Precepts).

1.3.3.3 BUSINESS RATES

Cash collected to 31 March 2025 was £52.354m against a collectable debit of £53.645m. This represents an in year collection rate of 97.59% which was lower than the 2023-24 collection rate of 98.17%.

Tables detailing all revenue collections are held within the County Council Budget Outturn Monitoring Report 2024-25 approved by Cabinet on 7 July 2025.

1.4 HOUSING REVENUE ACCOUNT (HRA)

The Housing Revenue Account is a ring-fenced account which includes income from rents and expenditure on managing the housing stock and related services.

- The Council has 5,869 (5,800) dwellings and 1,041 (1,075) shops and garages at 31 March 2025 (31 March 2024).
- The average opening un-rebated weekly rent collectable for 2024-25 was £110.16 compared to £105.76* for 2023-24. *2023-24 figure has been restated to exclude void property.
- Income including rent and charges for services totalled £30.835m (2023-24 £28.524m*).*2023-24 figure has been restated to exclude statutory adjustments.

- Revenue expenditure included £18.234m (2023-24 £16.600m*) on Management & maintenance, £0.879m (2023-24 £0.607m) on Rent, Rates, Taxes and the provision for bad and doubtful debts, £4.439m (2023-24 £4.616m*) on Capital Financing adjustments and £7.700m (2023-24 £7.406m) appropriation to reserves for Capital Improvements and maintenance catch up programme. *2023-24 figure has been restated
- Rent arrears for current tenants at the end of 2024-25 was £3.162m, a further increase of £0.639m on the 2023-24 year end position. The rent arrears as a percentage of total rent due had increased by 2.16% on the 2023-24 year end position.

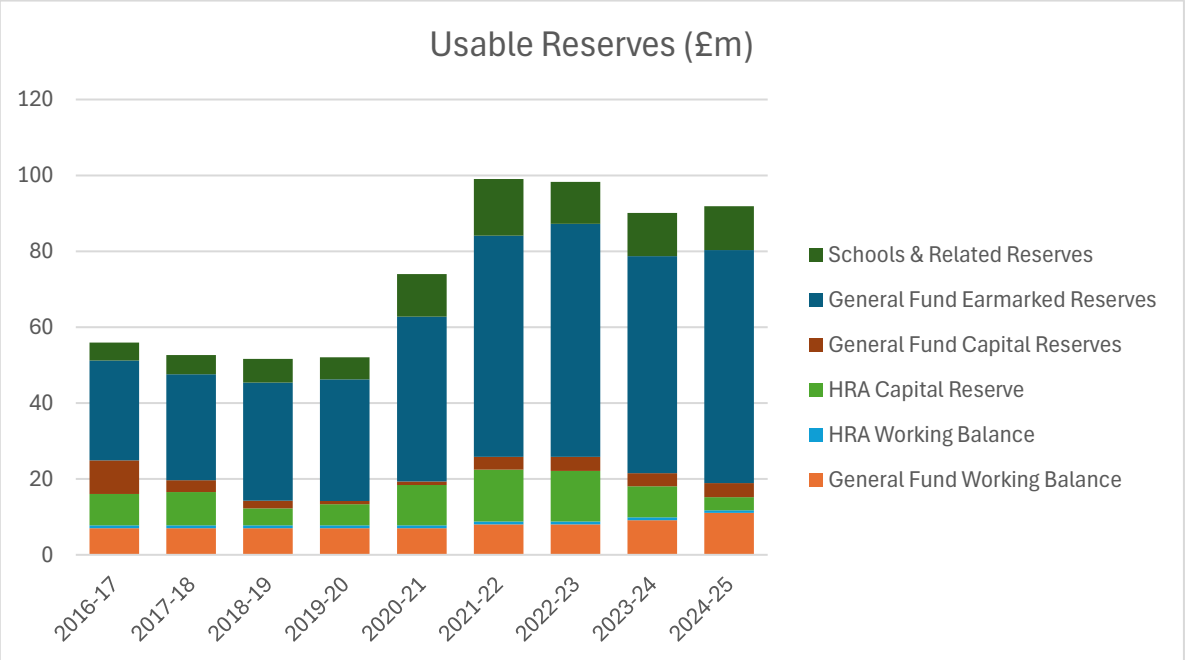
1.5 CAPITAL EXPENDITURE

	Actual 2023-2024* £'000	Actual 2024-2025 £'000
Capital Expenditure (Note. 11.1.2.1)	**96,629**	**87,995**
Financed By:		
Loan Financing	29,399	19,566
Grants / Contributions	48,275	52,423
Reserves & Receipts Applied	18,955	16,006
TOTAL	**96,629**	**87,995**

*Restated

1.6 RESERVES

Useable Reserves are set aside for specific purposes or for general contingencies and cash flow management in accordance with the Strategy for Holding and Utilising Reserves. The chart below shows the movement in useable reserve balances from 2016-17 to 2024-25.



1.6.1 COUNCIL TAX PREMIUMS

The element of Second Homes Council Tax Premium and Long-Term Empty Property Council Tax Premium allocated to fund elements of the Council's budget relating to affordable housing and enhancing the sustainability of local communities was £10.461m in 2024-25. The allocation of this funding is shown in the table below:

Elements of the budget relating to affordable housing and enhancing the sustainability of local communities Service	Budget Allocation £'000	Actual Allocation £'000
Schools	6,500	6,123
Youth Service	500	500
Youth Offender Teams & Youth Justice Services	400	400
Homelessness	2,050	2,050
Beaches (including RNLI & pontoons)	100	100
Parks & Open Spaces	500	500
Public Conveniences	300	300
Housing Standards	200	200
Street Cleansing	288	288
TOTAL	**10,838**	**10,461**
Second Home Premium (85%)	9,167	8,984
Long Term Empty Property Premium (100%)	1,671	1,477
TOTAL	**10,838**	**10,461**

Full details on the statutory guidance associated with the use of Council Tax premiums is included in Appendix D of the 2025-26 Council Budget Report.

1.7 REVALUATION OF ASSETS

Movement in asset valuations as well as accounting charges such as deprecation have no impact on the Council Tax or rent payable as they are required to be reversed from unusable reserves.

Note 11.1 provides full details of asset movements during the year.

As part of the Council's rolling programme, revaluations of schools took place with a review of valuations for Housing Stock.

Capital receipts from the disposal of property assets were £0.311m.

1.8 INTERNATIONAL ACCOUNTING STANDARDS

The Council is a member of the Dyfed Pension Fund, Pension Costs details are shown in Note 9.4.

- The cost to the Council during the year for pension liabilities was £18.8m (£17.9m for 2023-24).
- The Council's future surplus in respect of pension benefits payable, compared to assets held, is £201m at 31 March 2025, based on the latest actuarial assumptions. This has increased by £89m from 2023-24.
- The fund is revalued every three years, with the fund's assets at 31 March 2022 reflected in the 2024-25 accounts.

The Teacher's pension scheme is administered by the Department for Education in England and Wales. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the Council's Balance Sheet.

In 2024-25, the Council applied IFRS 16 (Leases) as adopted by the Code of Accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property, plant, equipment and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

In accordance with IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases. However, the Council has applied the recognition exemption permitted under IFRS 16 for certain classes of assets such as photocopiers where the underlying asset is of low value

The Council has set a de-minimis threshold of £10,000 for the recognition of lease liabilities. Leases with a total value below this threshold are not recognised on the balance sheet and are instead accounted for as an expense on a straight-line basis over the lease term. This approach is considered to provide a practical and proportionate method of applying IFRS 16, reflecting the materiality of lease arrangements in the context of the Council's overall financial position.

The Council continues to monitor these arrangements to ensure that their exclusion remains appropriate under the materiality framework of IFRS. The impact of these arrangements can be seen in Note 11.2

1.9 FINANCIAL OUTLOOK

The Public Sector has faced a sustained period of real term reductions in funding levels resulting from the austerity measures imposed by UK Government. The Aggregate External Finance (AEF) received from Welsh Government has not kept pace with the increase in demand and inflationary pressures faced by Welsh Local Authorities resulting in an increased reliance on Council Tax income.

The increase in demand and cost of services above the funding available has resulted in the requirement for efficiencies and economies in the cost of services, with the ongoing financial challenge now requiring cuts to service delivery and job losses, particularly those delivered under discretionary powers.

A change in UK Government, the wars in Ukraine, Middle East and Yemen, changes in tariffs and trade policy and the ongoing cost of living crisis has meant the period of economic instability and uncertainty has endured throughout 2024-25. This has resulted in continued uncertainty around inflation and interest rates.

The approved revenue net expenditure budget for 2024-25 of £303.5m was prepared against a backdrop of the most challenging financial situation to face Pembrokeshire County Council since its inception. The funding gap of £31.9m resulting from increases in pay and non-pay inflation and demand pressures was met through £14.1m budget savings, use of 85% Second Home Council Tax premium and 100% Long Term Empty Property Council Tax premium (used to fund elements of the budget relating to affordable housing and enhancing the sustainability of local communities), £1.6m one off use of reserve and a 12.5% increase in Council Tax.

The Council has continued to experience significant financial pressures due to the increase in demand and complexity in Children and Adults Social Care with an overspend in these areas of £6.5m in 2024-25 and continued uncertainty around future projections.

Pembrokeshire continues to see a reduction in School pupil numbers but increase in Additional Learning Need (ALN) requirement. Individual School balances remain a concern with forty-one of 61 schools setting budgets in excess of the funding received for 2024-25 and 13 schools holding deficit balances at the end of the financial year.

There continues to be a shortage of affordable housing in Pembrokeshire, with long waiting lists for social housing. The Council's ambitious affordable homes programme has been delayed due to restrictions in using the Council Tax premiums for the Housing Revenue Account (HRA). Welsh Government has stated that the Cabinet Secretary has agreed to officials drafting the instrument to allow Welsh Ministers to issue a Direction that would enable local authorities to transfer certain funds from the General Fund into the HRA and consult with local government on its principles. This will give Local Authorities the option to transfer the Second Homes and Long Term Empty Property Council Tax premiums into their HRA. Pembrokeshire are piloting the application process with Welsh Government during 2025-26.

The ongoing budget challenge has resulted in increased work to identify, cost and validate potential budget savings options to be presented to Council. Budget savings are becoming less palatable and more difficult to implement with increased political challenge often leading to delay in implementation. £13.381m (95%) of budget savings were delivered in 2024-25.

The escalation of cost experienced in Social Care during the first quarter of 2024-25 prompted a moratorium on non-essential expenditure and a recruitment freeze to be in place for the remainder of the financial year. Whilst this contributed to the improvement of the outturn position, with the overspend in Social Care being offset by underspends in other service areas; this has resulted in delayed work and increased workload pressure on remaining staff which is not a sustainable model. The recruitment market remains challenging, with many services experiencing a high turnover and struggling to recruit and retain suitably qualified and skilled staff. Whilst this will result in a reduction in budgetary pressures, it will impact the ability of Pembrokeshire County Council to deliver its services.

The late receipt of additional grant funding awarded in the final quarter of the year, while welcomed, makes accurate projecting of the budget outturn position challenging.

Delivery of capital projects is complex and may span over several financial years. Inflationary pressures continue to influence materials and labour, and these challenges have and continue to have an adverse impact on the delivery of the Council's ambitious capital programme. This has resulted in savings in borrowing costs for Capital Financing in 2024-25. The affordability of the capital programme is a key factor in the long-term financial sustainability of the Council. There is an appreciation amongst Members and officers that any future additional borrowing will have an adverse effect on the revenue budget, at a time when difficult decisions need to be made to balance the budget and deliver services.

The budget for 2025-26 was approved by Council on 6 March 2025 with a net revenue budget of £326.6m and a capital budget of £142.3m. The £26.9m funding gap resulting from the rebasing of 2024-25 demand levels in Social Care and additional demand and pay and non-pay inflation for 2025-26 offset by a 3.8% increase in AEF, was met through £18.6m budget savings, use of 92% Second Home Council Tax premium and 100% Long Term Empty Property Council Tax premium (used to fund elements of the budget relating to affordable housing and enhancing the sustainability of local communities) and a 9.35% increase in Council Tax.

A significant financial challenge remains over the MTFP with £73.6m projected funding gap for the period 2025-26 to 2028-29. A live MTFP is maintained with current and emerging financial implications being kept under constant consideration and is subject to monthly review by the Senior Leadership Team and a quarterly review by Cabinet, Governance and Audit Committee and Corporate Overview and Scrutiny Committee. Work has commenced to identify budget savings to balance the budget for 2026-27 and the MTFP 2026-27 to 2028-29.

1.9.1 KEY RISKS (THREATS) FOR 2025-26 AND THE MTFP

A number of key risks, (threats and opportunities) identified for 2025-26 and the MTFP are included in Appendix J of the Budget 2025-26 and MTFP 2025-26 to 2028-29 report to Council 6 March 2025. The threats are summarised below.

- No indicative AEF funding figures have been received for the term of the MTFP 2025-26 to 2028-29 with a risk that current settlement assumptions for 2026-27 to 2028-29 may be incorrect. The current most likely scenario of a +2% increase in AEF will be a further real term cut in funding.
- Pay Award Uncertainty – no indicative pay increases for 2025-26 have been received. Estimates of national pay awards, national insurance and employers' pension contributions for teaching and non-teaching staff are built into the MTFP, however, any increases over and above that budgeted will cause additional financial pressure unless the increases are fully funded by Welsh Government on an ongoing basis and not as a one-off specific grant.
- Inflation Uncertainty – although CPI inflation appears to have stabilised in recent months, any increase above budgeted assumptions would further increase the inflation pressure during 2025-26 and the MTFP.
- Individual School balances continue to be a concern in the Medium Term. Ageing school infrastructure requiring large Capital investment over MTFP, with questions over the financial sustainability of the current portfolio
- Increasing demand, complexity of care and costs being experienced across social care show no signs of easing. Added to this is the fragility of the social care workforce with a continuing reliance on more expensive agency workers. Given the unprecedented nature of current levels of demand there is a risk that future estimates of demand are insufficient. Any increase in demand above budgeted assumptions will have to be appropriately managed to avoid potential overspends in 2025-26 and an increase in demand pressure over the MTFP.
- The introduction of legislation to eliminate private profit from the care of looked after children raises concerns over the level of resources (both revenue and capital) to achieve this ambition and how these will be met. Whilst the development of further in-house provision is being explored, there remains a risk of potential disruption to the market resulting in further increasing costs which could put at risk the Council's ability to deliver safe outcomes for those children in need of care and support.
- Cabinet priorities specified in the Programme for Administration, (which is currently being reviewed) may not be affordable due to the challenging financial outlook over the Medium-Term Financial Plan.
- The affordability of the capital programme is a key factor in the long-term financial sustainability of the Council. Difficult decisions will need to be made in prioritising the revenue budget and bridging the projected funding gap. Any borrowing undertaken as a result of capital investment will have a detrimental impact on the revenue budget.

- The level and use of Council Tax premiums is approved annually by Council. There is therefore a risk that Council decides not to use Council Tax Premiums to fund elements of the General Fund budget (relating to affordable housing and enhancing the sustainability of local communities) in the future. Should this be the case Council will have to identify an alternative source of funding, or additional budget savings to ensure a balanced budget position is maintained.
- Budget savings are becoming more challenging to identify and implement with a risk of delay in Member decision making to implement unpalatable cuts. Where a budget saving measure is not implemented, or is delayed, services will be required to find other in year savings to make up the shortfall to prevent budget overspend and further depletion of General Fund reserves to cover any in year shortfalls.
- There is a risk that earmarked reserves will be insufficient to fund the required lifecycle replacement of assets, particularly fleet replacement. Where reserves are used to fund recurrent expenditure with no planned replenishment there is a risk that balances will be depleted below acceptable levels, leaving no balances available to cushion the impact of emergencies or as a general contingency.
- As part of the live MTFP we have to give continued consideration to the Wellbeing of Future Generations Act and ensuring Financial Sustainability whilst maintaining the delivery of our services to our customers.
- Costs associated with delivery of the Council's commitment to net zero carbon by 2030 may be above budgeted levels, resulting in additional pressures over and beyond the MTFP.

These risks will be kept under close review with a quarterly update provided to Cabinet, the Governance and Audit Committee and the Corporate Overview and Scrutiny Committee as part of the budget monitoring report.

1.9.2 KEY OPPORTUNITIES FOR 2025-26 AND THE MTFP

In view of the extremely challenging financial climate, and the continuing need to achieve significant efficiencies, budget savings and service change across the organisation, it is necessary to review the Council's approach to transformation and innovation. Stronger and more robust governance arrangements which provide better strategic leadership and co-ordination of delivery is considered essential to meet these challenges.

A new Transformation and Innovation Board (Chaired by the Cabinet Member for Resident Services) has been established for 2025-26 to provide the necessary strategic oversight and direction to both emerging and existing sub-programmes of change centred on the thematic areas of

(i) Preventions (0-25 yrs old),
(ii) Digital and Artificial Intelligence (AI),
(iii) Target Operation Model (TOM)/Vanguard service redesign and
(iv) Decarbonisation and Adaptation.

The Board will also provide oversight of projects delivered through the Accelerated Change Programme (ACP) to ensure these achieve the positive improvements and financial impact anticipated.

This will provide the foundations to enable us to continue to address the financial challenges to ensure the Council maintains a sustainable financial position over the medium and longer term.

1.10 CONCLUSION

Although it was pleasing to note the outturn underspend for 2024-25, the Council continues to face ongoing financial challenges for 2025-26 and throughout the MTFP. We need to continue to address these financial challenges to ensure the Council maintains a sustainable financial position over the medium and longer term. There are going to be some extremely difficult decisions to be made and it is virtually inevitable that in order to balance the budget and ensure financial sustainability for 2026-27 and beyond, the Council will have to make significant budget savings across virtually all Council services, continue to utilise a significant element of the Council Tax premiums to fund elements of the budget relating to affordable housing and enhancing the sustainability of local communities, and move its Band D Council Tax level to at least the average level in Wales.

If you need any more information about our Statement of Accounts, please contact the Director of Resources, Pembrokeshire County Council, County Hall, Haverfordwest, SA61 1TP. Our Statement of Accounts will also be available on the Council's internet site.



Jonathan Haswell FCCA
Director of Resources

Hyperlinked Documents

It should be noted that the hyperlinked documents within the narrative report do not fall within the scope of the Audit of the Financial Statements.



2.0 AUDITOR'S REPORT

2.0 THE REPORT OF THE AUDITOR GENERAL

Opinion on financial statements

I have audited the financial statements of Pembrokeshire County Council for the year ended 31st March 2025 under the Public Audit (Wales) Act 2004.

Pembrokeshire County Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including the material accounting policies.

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

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

- give a true and fair view of the financial position of Pembrokeshire County Council as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Basis of opinion

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

My staff and I are independent of Pembrokeshire County Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- • the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the Annual Governance Statement, which accompanies the financial statements, for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Pembrokeshire County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

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

Responsibilities of the responsible financial officer for the financial statements

The responsible financial officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- Enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Pembrokeshire County Council's policies and procedures concerned with:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals;
- Obtaining an understanding of Pembrokeshire County Council's framework of authority as well as other legal and regulatory frameworks that Pembrokeshire County Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Pembrokeshire County Council.
- Obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Pembrokeshire County Council's controls, and the nature, timing and extent of the audit procedures performed.

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

Other auditor's responsibilities

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Pembrokeshire County Council's in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Catherine Mealing-Jones
Auditor General for Wales
16 October 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ



3.0 STATEMENT OF RESPONSIBILITIES

3.0 STATEMENT OF RESPONSIBILITIES

3.1 STATEMENT OF RESPONSIBILITIES

THE COUNCIL'S RESPONSIBILITIES

The Council is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Resources.
- To manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

THE DIRECTOR OF RESOURCES' RESPONSIBILITIES

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

In preparing this Statement of Accounts, the Director of Resources has:

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

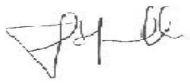
The Director of Resources has also:

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

CERTIFICATE OF DIRECTOR OF RESOURCES

The Statement of Accounts for Pembrokeshire County Council for the year ended 31 March 2025 is contained within Sections 4-13 and is produced in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended). The Regulations prescribe the contents of the Statement of Accounts, and it is upon the contents only that the Audit opinion is expressed.

I certify the accounts present a true and fair view of the financial position of Pembrokeshire County Council as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025 and append my signature to the Statement in accordance with Regulation 10(1).



J HASWELL FCCA
Director of Resources
Date: 15 October 2026

REPORTING AND APPROVAL

These accounts, initially published on 12 November 2025, will be reported to Full Council for approval, following the conclusion of the Annual Audit. The audit certificate is shown in section 2.0.



Cllr Simon Hancock MBE
Presiding Member
Date: 15 October 2026



4.0 CORE FINANCIAL STATEMENTS UNDERLYING PRINCIPLES

4.0 CORE FINANCIAL STATEMENTS - UNDERLYING PRINCIPLES

The core Financial Statements are set out within Section 6.0, with critical judgements within section 5.0, the application of accounting standards, concepts, inherent risks, and accounting policies used within the core Financial Statements preparation set out within Section 7.0.

4.1 FINANCIAL REPORTING STANDARDS

The International Financial Reporting and Other Standards that have been issued have been applied as required by the Code of Practice on Local Authority Accounting 2024-25, and the Statement of Accounts as set out within Sections 4-13, have been prepared in compliance with the Code.

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that the Council disclose information relating to the anticipated impact of any accounting change required by a new International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS) that has been issued but not yet adopted by the Code.

This requirement applies to the adoption of the following new or amended standards. The 2025-26 Code introduces changes arising from the accounting guidance in relation to:

IFRS 17 Insurance Contracts IFRS17 replaces IFRS4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability). The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as requiring the disclosure of information that enables the users of the financial statements to understand the impact of a currency not being exchangeable.

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

None of the matters covered in the annual improvements and IFRS amendments are expected to materially affect this Council. The Code requires implementation after 1 April 2025, there is therefore no impact on the 2024-25 statement of accounts.

Infrastructure Assets 1 January 2023 CIFPA issued a temporary relief with an update to the Code on infrastructure assets. These are shown separately to other non-current assets to exclude gross cost and accumulated depreciation.



5.0 CRITICAL JUDGEMENTS

5.0 CRITICAL JUDGEMENTS

In applying the accounting policies set within Note 7.0, the Council has made judgements about the complex transactions and those involving uncertainty in future years.

- Although there is a significant degree of uncertainty about the future level of funding for local government, there is insufficient evidence to conclude that any assets of the Council may be impaired as a result.
- The Code requires that assets must be revalued every 5 years as a minimum but must be revalued more regularly where a five yearly valuation is insufficient to keep pace with material changes in Fair Value.
- The role of a “market review” is to report on movement in cost and / or value relevant to the asset valuations since the valuation date. If the market has changed and there is a need to undertake revaluations, these will be done as a desktop basis. At the time of writing the valuation report, no further amendments were identified for 2024-25.
- In certain instances, it has been necessary to estimate the charges made in the accounts using historical experience, current trends etc. Actual results may be different from the assumptions made and consequently may affect the charges made in future years’ accounts.
- Council Tax Reduction Scheme (CTRS) has been shown gross in the Cost of Services segment of the Comprehensive Income and Expenditure Statement rather than netting it off Council Tax Income in the Taxation and Non-Specific Grant Income segment. As there is no specific reference to the proper accounting treatment of CTRS in the CIPFA Accounting Code of Practice or Guidance notes, reliance has been placed on IPSAS 23 – Revenue from Non-Exchange Transactions (taxes and transfers). This standard is relevant to public sector bodies and states that taxation revenue shall be determined at a gross amount; it shall not be reduced for expenses paid through the tax system.
- Partneriaeth, an alliance of three local authorities - Carmarthenshire County Council, Pembrokeshire County Council and the City and County of Swansea Council commenced on 1 April 2022. The Partneriaeth Joint Committee resolved on 16 December 2024 to terminate the Committee effective from 31 March 2025. A new Collaboration Agreement has been approved by all three Cabinets in the partnership effective from 1 April 2025, with the Strategic Group for Partneriaeth being responsible for monitoring performance, planning, risk and resource management. Pembrokeshire County Council is the employing body for the Partneriaeth staff and maintains the Partneriaeth finances/accounts (see note 9.7.4 for Pembrokeshire County Council’s element of Partneriaeth Accounts), providing financial services, internal audit, ICT, HR and procurement support to Partneriaeth via service level agreements.

5.1 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed relate to the estimates that require the Authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The main risk areas are set out in the following table:

Issues appertaining to items in the current set of accounts:		
Item	**Risk**	**Potential Affect**
Contractual Obligations	Incorrect quantification and legal challenge	Additional charge to taxpayer at future date
Provisions	Quantification incorrect	Additional charge to taxpayer at future date
Sustainable Communities for Learning Programme (Band A & Band B)	Incorrect cost assumptions Interest rate increases above LGBI rates (Band A)	Increased contractual costs Increased debt charge resulting in additional charge to taxpayer
Non-Current Assets	Useful Life Valuation Material Uncertainty	Incorrect depreciation charge Incorrect asset valuation
Pension Liability	Actuarial assumptions incorrect	Increased Employer contributions at future date / additional charge to taxpayer at future date
Welfare Reform Act	Assumptions incorrect	Increased service costs including bad debts
Demographic changes	Assumptions incorrect	Increased service & contractual costs
Grant Funding	Loss of grant from Welsh Government, UK Government	Reduction in service provision
Governance	Decisions not made or not made in timely manner	Budget over / under spends & loss of grant funding
Contractual Arrangements	Large private sector organisation going into Administration	Delays to service provision and increased cost
Transformation / Alternative Service Delivery	Changed ways of working do not deliver assumed financial savings	Budget over / under spend Separate accounting arrangements
Valuation Uncertainty	Assumptions incorrect Human Error during input	Incorrect valuations in the balance sheet – over/under
Issues potentially impacting the accounts in the future:		
Item	**Risk**	**Potential Affect**
Wellbeing of Future Generations Act	Act not considered in decision making	Cost of corrective action
Partnership working e.g. SBCD/CJC/ Partneriaeth/Freeport	Additional pressure in MTFP Loss of Partneriaeth SLA income	Budget requirement / overspend
Schools Reorganisation / Sustainable Communities for Learning Programme (Band B)/Nine Year Rolling Programme	Unable to provide service within existing budgets Incorrect cost assumptions Construction material shortages and price increases. Incorrect funding assumptions including inflation and construction costs. Changes to WG funding mechanism or % contribution	Budget overspend Increased contractual costs Additional pressure on the revenue budget
Housing Rent Policy Changes	Incorrect Business plan assumptions. Breaching HRA income limits.	Additional charge to tenants at future date. Welsh Government Intervention
Contractual Arrangements	Private sector and / or third sector organisation going into Administration.	Delays to service provision and increased cost.

Issues potentially impacting the accounts in the future:		
Item	**Risk**	**Potential Affect**
Grant Funding	Loss of grant from Welsh Government, UK Government & Europe.	Reduction in service provision. Increased costs to service
Council Tax Premiums	Reduction in Council Tax premium percentage, or allocation to fund elements of the Council's budget relating to affordable housing and enhancing the sustainability of local communities	Reduction in service provision
Cleddau Bridge	£60m compensation over 20 years does not recognise inflationary risk over time £3m annual instalments delayed or grant clawback from Welsh Government	Increased service cost over time Reduced cashflow and budget gap
Wars in Ukraine/Middle East / Yemen	Economic instability and uncertainty	Increased costs of service provision and loss of income generation Increased bad debt relating to services and Council Tax collection
Cost of Living Crisis	Economic instability and uncertainty	Increased costs of service provision and loss of income generation Increased bad debt relating to services and Council Tax and rent collection
Individual School Budgets	Further increase in the number of schools going into a licensed deficit	General Fund will need to subsidise the deficits unless met from compensating actions successfully delivered.
Fleet replacement and Cleddau Bridge Earmarked Reserves	Insufficient financial resources to meet the lifecycle costs over the MTFP	General Fund or HRA (where relevant) will need to fund the deficits from increased contributions unless met from successful reprofiling of lifecycle expenditure
Government Policy / Welsh Government Senedd Election	Economic instability and uncertainty. Council Tax reform	Increased costs of service provision and loss of income generation not met by increase in financial settlement.
Continuation of Increased Demand upon Services	Further increases in Social Care and Housing	Increased costs of service provision, not met by increase in financial settlement.
Interest Rates	Economic instability and uncertainty	Increased borrowing costs will have an adverse impact on the revenue budget. Conversely, investment income will benefit from a favourable increase in interest rates.

Issues potentially impacting the accounts in the future:		
Item	**Risk**	**Potential Affect**
Valuation Uncertainty	Material changes in pattern of economic consumption Assumptions incorrect Human Error during input	Additional resources required to undertake additional valuations Incorrect valuations in the balance sheet – over/under
Political Balance / Local Authority Elections	Inability to approve the annual budget and council tax resolutions	Will require budget savings or use of reserves to balance the budget
Net Zero / Decarbonisation	General Fund and HRA issue	Increased capital costs and in the case of the HRA no measurable reduction in costs to the Council.
Nutrients	Effect on economy of Pembrokeshire	That new planning applications are delayed until the working group have resolved the issues. For the Registered Social Housing (including the Council's Housing Revenue Account) this will impact upon the timing of delivery of new schemes and the ability to provide additional Social Housing
Arrears on Council Tax and Housing Rents	The Authority does not receive the outstanding balances due on Council Tax and Housing rents	Greater arrears will increase the bad debt provision needed and also upon the cashflow of the Council, resulting in decreased investment income and potentially the need to borrow sooner other than originally planned.



6.0 CORE FINANCIAL STATEMENTS COMPONENTS AND DETAIL

6.0 CORE FINANCIAL STATEMENTS – COMPONENTS AND DETAIL

6.1 EXPENDITURE AND FUNDING ANALYSIS

This note reconciles the Council's reported annual expenditure and funding sources with those recognised under IFRS, showing how resources are allocated across services for decision-making and presented in the Comprehensive Income and Expenditure Statement.

2023-24*				2024-25		
Net Expenditure in Revenue Outturn £'000	Adjustment between the Funding and Accounting Basis (Note 8.1) £'000	Net Expenditure in the CIES £'000		Net Expenditure in Revenue Outturn £'000	Adjustment between the Funding and Accounting Basis (Note 8.1) £'000	Net Expenditure in the CIES £'000
116,907	19,752	136,659	Director for Education	124,104	43,009	167,113
112,142	13,426	125,568	Director of Social Care & Housing	123,916	15,762	139,678
28,670	6,650	35,320	Chief Executive	28,969	19,834	48,803
6,165	4,595	10,760	Director of Resources	10,955	(1,250)	9,705
3,065	2,862	5,927	Assistant Chief Executive	2,511	11,218	13,729
(3,598)	3,598	-	Use of Council Tax 2nd Home Premium	(8,984)	8,984	-
-	-	-	Use of Council Tax LTE Premium	(1,477)	1,477	-
-	-	-	Use of Reserve	(1,553)	1,553	-
-	-	-	Contingency for Teachers Pension / Pay Award	(3,999)	(2,500)	(6,499)
9,850	-	9,850	Council Tax Reduction Scheme	11,073	-	11,073
402	(402)	-	Long Term Empty Properties**	-	21	21
900	(766)	134	Affordable Housing Scheme**	1,189	(1,084)	105
299	503	802	Contributions to Community**	396	283	679
3,598	(3,598)	-	General Fund Use of Council Tax Premium	10,461	(10,461)	-
278,400	**46,620**	**325,020**	**Net Cost of Services (inc HRA) / Deficit on Continuing Operations**	**297,561**	**86,846**	**384,407**
9,752	22,694	32,446	Other Operating Expenditure	10,531	23,991	34,522
5,773	(2,966)	2,807	Financing & Investment Income & expenditure	8,678	(3,680)	4,998
(293,925)	(57,662)	(351,587)	Taxation and non-specific grant income**	(316,770)	(70,257)	(387,027)
-	**8,686**	**8,686**	**(Surplus) or Deficit**	**-**	**36,900**	**36,900**

*2023-24 restated to reflect the revised Management reporting structure adopted during 2024-25
** Second Homes and Long Term Empty Property Council Tax Premiums shown separately in the Management Accounts but consolidated in the Statement of Accounts tables.

	2023-24 Fund Balance £000	2024-25 Fund Balance £000
Opening General Fund and HRA Balance	(8,752)	(9,852)
less / add Surplus or (Deficit) on General Fund and HRA Balance in Year	(1,100)	(1,928)
Closing General Fund and HRA Balance at 31 March* **	**(9,852)**	**(11,780)**

*** For a split of this balance between the General Fund and HRA see note 6.3 Movement in Reserves Statement

6.2 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

6.2.1 SURPLUS/DEFICIT ON CONTINUING OPERATIONS

Analyses by service groupings, the day-to-day income and expenditure on such items as employee remuneration, running costs of services, capital charges, service specific grants, rents, fees and charges.

In accordance with the Code requirements, the operating income and expenditure of services include the following. These do not form part of the estimates for tax raising purposes, having no direct in year net cost to the taxpayer, but which are required to measure the underlying economic cost of services in any one year:

- Receipts under £10k arising from the sale of assets. A sum of £144k is included in Corporate and Democratic Core income that has been appropriated to Capital Receipts Reserve in accordance with accounting policies
- Miscellaneous receipts not related to disposal of assets. A sum of £377k is included in Corporate and Democratic Core income that has been appropriated to Capital Receipts Reserve in accordance with accounting policies. These receipts predominately relate to Section 33 Highway Bonds and loan receipts.
- The following "notional" costs are also included that are "reversed out" in the Movement in Reserves Statement:
  - revenue expenditure funded from capital under statute and grants
  - depreciation and impairment costs of fixed assets
  - current service pension costs
  - accrued employee benefits

6.2.2 OTHER OPERATING EXPENDITURE & FINANCING & INVESTMENT INCOME

Adds the following to the Surplus/Deficit on Continuing Operations:

- precepts & levies
- agency activities
- interest received on external investments and interest paid on external loans
- the cost of writing down premiums and discounts associated with restructuring the loan portfolio

In addition, the Code requires that the following costs, which are not budgeted for either being notional or having no direct in year net cost to the taxpayer, are also added:

- pensions net interest cost
- gains or losses on asset disposals and costs of sales.

6.2.3 TAXATION AND NON-SPECIFIC GRANTS

Shows the income received from general taxation in the form of revenue support and other non-specific grant income, national non-domestic rates and council tax. General capital grant and contributions for capital purposes are recognised as revenue income under the Code.

6.2.4 OTHER COMPREHENSIVE INCOME & EXPENDITURE

Shows the surplus or deficit arising from the revaluation of fixed and financial assets and re-measurement of pension assets and liabilities.

Comprehensive Income And Expenditure Statement	Note	2023-24*			2024-25		
		Gross Total Cost £'000	Income £'000	Net Total Cost/ Expend £'000	Gross Total Cost £'000	Income £'000	Net Total Cost/ Expend £'000
Director For Education		180,258	(43,599)	136,659	216,362	(49,249)	167,113
Director Of Social Care & Housing		199,288	(73,720)	125,568	222,535	(82,857)	139,678
Chief Executive		53,856	(18,536)	35,320	69,431	(20,628)	48,803
Director Of Resources		42,965	(32,205)	10,760	36,495	(26,790)	9,705
Assistant Chief Executive		15,494	(9,567)	5,927	25,101	(11,372)	13,729
Contingency for Teachers Pension / Pay Award Movement		-	-	-	-	(6,499)	(6,499)
Council Tax Reduction Scheme		9,850	-	9,850	11,073	-	11,073
Council Tax Premiums		936	-	936	811	(6)	805
(Surplus)/Deficit on Continuing Operations		**502,647**	**(177,627)**	**325,020**	**581,808**	**(197,401)**	**384,407**
Other Operating Expenditure							
Precepts & Levies	9.2			30,892			34,611
Gains & Losses on Disposal of Non-Current Assets				1,554			(89)
Financing & Investment Income and Expenditure							
Interest Payable				9,174			7,598
Interest & Investment Income				(3,487)			(2,141)
Net Pensions Interest	9.4.1			(2,880)			(459)
Taxation & Non-Specific Grant Income							
Revenue Support Grant (inc Special Grant)	9.1.1			(171,737)			(173,198)
NNDR Pool Share				(40,938)			(45,672)
Local Taxpayers	9.1.3			(95,815)			(106,864)
Second Home Premium	9.1.3			(6,066)			(13,274)
Long Term Empty Properties	9.1.3			(509)			(1,842)
General Capital Grants & Contributions	9.1.5			(36,522)			(46,177)
(Surplus) or Deficit on Provision of Services				**8,686**			**36,900**
Other Comprehensive Income & Expenditure							
(Surplus)/Deficit on revaluation of non-current assets**	11.11.2			(41,856)			(3,034)
Remeasurements of Pensions Liabilities & Assets	11.11.5			(60,914)			(84,757)
Asset Ceiling Adjustment	11.11.5			119,561			82,232
Total Other Comprehensive Income & Expenditure**				**16,791**			**(5,559)**
Total Comprehensive Income & Expenditure**				**25,477**			**31,341**

*2023-24 restated to reflect the revised Management reporting structure adopted during 2024-25

**Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

6.3 MOVEMENT IN RESERVES STATEMENT

This Statement summarises the annual movements in the Council's usable and unusable reserves, explaining the differences between IFRS-based service costs and the statutory funding position reflected in the General Fund and Housing Revenue Account.

Actuals 2024-25	General Fund Working Balance £'000	Earm'd General Fund Reserves £'000	HRA Working Balance £'000	Earm'd HRA Reserves £'000	Capital Receipts & Grants Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance 31 March 2024	**(9,100)**	**(71,845)**	**(752)**	**(8,194)**	**(13,964)**	**(103,855)**	**(808,806)**	**(912,661)**
In Year Opening Balance Adjustments*	-	-	-	-	-	-	5,398	5,398
Balance 1 April 2024	**(9,100)**	**(71,845)**	**(752)**	**(8,194)**	**(13,964)**	**(103,855)**	**(803,408)**	**(907,263)**
(Surplus) / Deficit on Provision of Services	35,775	-	1,125	-	-	**36,900**	**-**	**36,900**
Other Comprehensive Income & Expenditure*	-	-	-	-	-	**-**	**(5,559)**	**(5,559)**
Total Comprehensive Income & Expenditure (see 6.2.4)*	**35,775**	**-**	**1,125**	**-**	**-**	**36,900**	**(5,559)**	**31,341**
Adjustments Between Accounting Basis and Funding Basis Under Regulation (see 10.1)	(42,529)	**-**	3,208	**-**	1,062	**(38,259)**	**38,259**	**-**
Net (Increase) & Decrease Before Transfers (To) / From Reserves*	**(6,754)**	**-**	**4,333**	**-**	**1,062**	**(1,359)**	**32,700**	**31,341**
Transfers (To) / From Reserves	4,826	(5,304)	(4,333)	4,811	**-**	**-**	**-**	**-**
(Increase) / Decrease in Year*	(1,928)	(5,304)	-	4,811	1,062	**(1,359)**	**32,700**	**31,341**
Balance 31 March 2025 (see 10.2.1 & 10.2.2)	**(11,028)**	**(77,149)**	**(752)**	**(3,383)**	**(12,902)**	**(105,214)**	**(770,708)**	**(875,922)**

*Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

Actuals 2023-24	General Fund Working Balance £'000	Earm'd General Fund Reserves £'000	HRA Working Balance £'000	Earm'd HRA Reserves £'000	Capital Receipts & Grants Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance 31 March 2023	**(8,000)**	**(76,116)**	**(752)**	**(13,383)**	**(14,256)**	**(112,507)**	**(825,631)**	**(938,138)**
(Surplus) / Deficit on Provision of Services	5,028	-	3,658	-	-	**8,686**	**-**	**8,686**
Other Comprehensive Income & Expenditure	-	-	-	-	-	**-**	**16,791**	**16,791**
Total Comprehensive Income & Expenditure (see 6.2.4)	**5,028**	**-**	**3,658**	**-**	**-**	**8,686**	**16,791**	**25,477**
Adjustments Between Accounting Basis and Funding Basis Under Regulation (see 10.1)	(1,420)	**-**	1,094	**-**	292	**(34)**	**34**	**-**
Net (Increase) & Decrease Before Transfers (To) / From Reserves	**3,608**	**-**	**4,752**	**-**	**292**	**8,652**	**16,825**	**25,477**
Transfers (To) / From Reserves	(4,708)	4,271	(4,752)	5,189	**-**	**-**	**-**	**-**
(Increase) / Decrease in Year	(1,100)	4,271	-	5,189	292	**8,652**	**16,825**	**25,477**
Balance 31 March 2024 (see 10.2.1 & 10.2.2)	**(9,100)**	**(71,845)**	**(752)**	**(8,194)**	**(13,964)**	**(103,855)**	**(808,806)**	**(912,661)**

6.4 BALANCE SHEET

This Statement shows the value at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets (assets less liabilities) are matched by reserves.

Balance Sheet As At 31 March	Note	2023-24		2024-25	
		£'000	£'000	£'000	£'000
Non-Current Assets:					
Property, Plant & Equipment	11.1				
Council Housing Property	11.1.1.3	284,450		312,722	
Other Land & Buildings	11.1.1.3	575,908		535,848	
Infrastructure	11.1.1.3	137,199		142,976	
Infrastructure HRA	11.1.1.3	14,542		16,424	
Right of Use Assets	11.1.1.3	-		4,129	
Vehicles/Plant/Equipment	11.1.1.3	17,320		18,906	
Heritage Assets		1,902		175	
Community Assets	11.1.1.3	581		1,119	
Assets Under Construction	11.1.1.3	56,820		32,285	
Surplus Assets	11.1.1.3	1,889		3,175	
Fixed Assets			**1,090,611**		**1,067,759**
Intangible Assets			72		246
Long Term Debtors	11.4.1		5,223		5,615
Total Long Term Assets			**1,095,906**		**1,073,620**
Current Assets:					
Short Term Investments	11.3	5,399		5,673	
Inventories		1,622		1,713	
Short-term Debtors and Prepayments	11.4.1	75,178		93,958	
Cash & Cash Equivalents	11.5	14,733		-	
Assets Held For Sale	11.6	-		243	
Total Current Assets			**96,932**		**101,587**
Total Assets			**1,192,838**		**1,175,207**
Current Liabilities:					
Other Short-term Borrowing	11.4.2	(3,758)		(16,203)	
Short-term Creditors	11.4.2	(50,285)		(49,591)	
Revenue Grants Receipts in Advance	11.4.3	(8,605)		(789)	
Capital Grants Receipts in Advance	11.4.3	(29,772)		(36,113)	
Cash & Cash Equivalents	11.5	-		(4,395)	
Provisions	11.7.1	(2,225)		(2,790)	
Total Current Liabilities			**(94,645)**		**(109,881)**
Total Assets Less Current Liabilities			**1,098,193**		**1,065,326**
Long Term Borrowing	11.8.1	(175,029)		(177,127)	
Deferred Liabilities	11.9	(2,842)		(5,581)	
Net Pension Fund Liability	11.11.5	(7,661)		(6,696)	
Total Long Term Liabilities			**(185,532)**		**(189,404)**
Net Assets			**912,661**		**875,922**
Usable Reserves					
- General Fund Working Balance	10.2.1		9,100		11,028
- HRA Working balance	10.2.1		752		752
- Earmarked Reserves and Capital Receipts	10.2.1& .2		94,003		93,434
Unusable Reserves	11.11		808,806		770,708
Total Reserves			**912,661**		**875,922**

6.5 CASH FLOW STATEMENT

The Cash Flow Statement outlines how the Council generates and uses cash and cash equivalents during the reporting period by categorising flows into operating, investing, and financing activities, highlighting the sources of operational funding, future service investment, and capital obligations.

Cash Flow Statement	2023-24		2024-25	
	£'000	£'000	£'000	£'000
Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow				
Net (Surplus)/Deficit on the provision of services		**8,686**		**36,900**
Adjustments to net surplus or deficit on the provision of services for non-cash movements				
Depreciation	(33,761)		(34,457)	
Impairment & revaluations	(23,980)		(70,243)	
Pension fund adjustments	(54)		(1,560)	
Other non-cash financial instrument adjustments	(291)		(44)	
Contributions to provisions	442		(565)	
Carrying amount of non-current assets sold	(2,056)		(169)	
Movements in revenue debtors, creditors, stocks and other non-cash movements.	(9,331)		19,317	
		(69,031)		**(87,721)**
Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities				
Proceeds from sale of property, plant and equipment, investment property and intangible assets	514		301	
Capital Grants	36,522		46,177	
		37,036		**46,478**
Net Cash Flow from Operating Activities		**(23,309)**		**(4,343)**
Investing Activities				
Purchase of property, plant & equipment, investment property & intangible assets	79,611		81,942	
Purchase of short term & long term investments	-		-	
Proceeds from the sale of property, plant & equipment, investment property & intangible assets	(514)		(301)	
Proceeds from short term & long term investments	(20,000)		-	
Capital grants received	(41,425)		(43,666)	
Net Cash Flow from Investing Activities		**17,672**		**37,975**
Financing Activities				
Cash receipts of short-term & long-term borrowing	(60)		(17,871)	
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-Balance Sheet PFI contracts	17		1,576	
Repayments of short-term & long-term borrowing	27,196		1,791	
Net cash flow from financing activities		**27,153**		**(14,504)**
Net (Increase)/Decrease in Cash & Cash Equivalents		**21,516**		**19,128**
Cash & cash equivalents at the beginning of reporting period	(36,249)		(14,733)	
Cash & cash equivalents at the end of reporting period	14,733		(4,395)	
Increase/(Decrease) In Cash & Cash Equivalents		**(21,516)**		**(19,128)**

Movement In Cash Balances	As At 31 March		Movement In Year
	2024 £'000	2025 £'000	£000
Cash Equivalent	13,992	77	(13,915)
Cash At Bank / In Hand	741	(4,472)	(5,213)
	14,733	**(4,395)**	**(19,128)**

The cash flows for operating activities include the following items:	2023-24 £'000	2024-25 £'000
Interest Paid	7,931	7,979
Interest Received	(3,292)	(1,560)



7.0 ACCOUNTING POLICIES

7.0 ACCOUNTING POLICIES

The accounting policies used to prepare the Core Accounting Statements, and the following Supporting Notes and Supplementary Financial Statements have been reviewed using the 2024-25 Code of Practice on Local Authority Accounting.

7.1 GENERAL PRINCIPLES

The objective of the accounting policies adopted is to ensure that the Statement of Accounts provides a “true and fair” view of the financial position of the Council.

The accounts have been prepared in accordance with the latest Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the Code) and adhere to the relevant Financial Reporting Standards and Practices, unless otherwise stated.

Figures are included in the Financial Statements using the cost convention specified by the appropriate accounting standard.

The accounting policies are revised as required from those of the previous year to reflect changes in reporting requirement with any such changes being disclosed.

7.2 INCOME AND EXPENDITURE ACCRUALS

7.2.1 EMPLOYEE COSTS

Salaries and wages shall be charged against the periods to which they relate and if necessary estimated accruals made using previous pay periods as a basis. An adjustment shall be made in the Comprehensive Income & Expenditure Account to take account of accrued leave entitlement.

7.2.2 SUPPLIES AND SERVICES ETC.

The Council operates a system of accruals and converted payments. Creditors will be accrued by the end of a predetermined period of the following year and by the inclusion of estimates for significant items remaining outstanding at this time based on quotations or past costs. An exception to this principle relates to electricity and similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy shall be consistently applied each year and therefore does not have a material effect on any year’s accounts.

7.2.3 SUPPORT SERVICES

The following bases shall generally be used for charging costs to service revenue accounts:

- Costs of support services shall be charged to services on the basis of estimated time spent or most appropriate basis.
- Costs associated with office accommodation shall be allocated on the basis of occupation.
- Other costs shall be allocated on the basis of gross current expenditure if there is no more objective basis available.
- The cost allocations to services shall only be reviewed when there has been a significant restructuring of service provision.

7.2.4 PRECEPTS AND LEVIES

All precepts and levies shall form part of the Council’s Surplus/Deficit on the Provision of Services and reported in the Comprehensive Income and Expenditure Statement.

7.2.5 INCOME

All income due to the Council shall be accounted for at the due date and recognised at fair value. Council Tax Income shall be brought into account on the basis of entries in the Valuation List.

The Authority's share of National Non-Domestic Rates (NNDR) Pool reported in the Comprehensive Income and Expenditure Statement is that notified by the Welsh Government. The amount of NNDR collected on behalf of the Welsh Government shall not form part of the Council's income and associated debtors and creditors on the Balance Sheet. All associated entries are consolidated into an NNDR pool account.

7.2.6 INTEREST PAYABLE

Interest on borrowing shall be accrued and accounted for in the Comprehensive Income and Expenditure Statement in the appropriate year when the economic effect is reflected in the accounts except to the extent that it is capitalised under accounting policy 7.17.

Any effective interest rate adjustment made in respect of market loans (see accounting policy 7.10.3) shall be charged to the Comprehensive Income and Expenditure Statement, but not being a proper charge to the Council Fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

7.2.7 INTEREST RECEIVABLE

The following principles shall apply to interest receivable:

Interest received on surplus funds invested externally shall be credited to the Comprehensive Income and Expenditure Statement from where appropriations shall be made to:

- Housing Revenue Account in accordance with the rate prescribed in regulation.
- Schools Delegated Fund balances in accordance with the Council's Scheme for the Local Management of Schools
- Earmarked reserves if it is deemed appropriate.

7.2.8 GENERAL DEBTORS

Debtors shall be recognised in the Balance Sheet and measured at fair value of the amount receivable when revenue has been recognised. In the majority of cases fair value will equate to the cash value but in the case of long term debtors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the Council Fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

Where revenue has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Grant income agreed in principle will not be accrued until grant acceptance has been approved.

7.2.9 GENERAL CREDITORS

Creditors shall be recognised in the Balance Sheet and measured at fair value of the amount payable when goods have been delivered or services rendered. In the majority of cases fair value will equate to the cash value but in the case of long term creditors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the Council Fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

7.3 AQUIRED & DISCOUNTINUED OPERATIONS

Income & expenditure in relation to material acquired and discontinued operations shall be shown separately on the face of the Comprehensive Income and Expenditure Statement. Any liabilities shall be identified in notes to the Balance Sheet.

7.4 CASH & CASH EQUIVALENTS

Represented by funds that are held to meet short-term cash commitments, rather than invested for other purposes, and that are readily convertible to known amounts of cash. The amount of cash and cash equivalents so defined is determined by reference to the daily cash flow forecasts.

7.5 GOING CONCERN, EXCEPTIONAL, EXTRAORDINARY ITEMS, PRIOR YEAR ADJUSTMENTS

The Financial Statements are prepared on a going concern basis unless there is an intention by government that the services will no longer be provided.

Extraordinary items – No items of income or expenditure will be treated as extraordinary. All items will therefore be accommodated within one of the specified lines of the Surplus or Deficit on the Provision of Services or the Other Comprehensive Income and Expenditure.

Exceptional Items – where items of income and expenditure are material, their nature and amount will be disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts

Unless otherwise sanctioned by the Code, material prior period adjustments shall result in a restatement of prior year figures and disclosure of the effect.

7.6 EVENTS AFTER THE REPORTING PERIOD

Material events occurring after the end of the reporting period are, if applicable at the Balance Sheet date, amended in the Statement of Accounts. Other events will be disclosed with an estimate of the likely financial effect. If amended after being issued and prior to the conclusion of audit, the Responsible Financial Officer shall re-certify the revised Statement of Accounts as replacing that previously issued. Materiality is defined as being 1% of gross expenditure and items considered to be sensitive by their nature.

7.7 CHARGES TO REVENUE FOR NON-CURRENT ASSETS

7.7.1 GAINS ON REVALUATION

For the purposes of calculating gains and losses the current value of individual assets at the 31 March 2007 shall equal the historic cost. In the majority of cases gains on revaluation are credited to the Revaluation Reserve except where a previous impairment has been charged to the Comprehensive Income and Expenditure Statement.

In these circumstances the gain is credited to the Comprehensive Income and Expenditure Statement and applied to the balance of the related loss recorded in the Capital Adjustment Account. Any remaining unapplied gain is credited to the Revaluation Reserve.

7.7.2 REVALUATION LOSSES AND IMPAIRMENT

Assets are assessed annually for indications of impairment and if there are indications, and the difference in carrying value is material, an impairment loss is recognised (in line with paragraph below).

Losses arising from revaluations and impairments that cannot be absorbed by accumulated revaluation gains are charged to services. Not being a proper charge to the Council Fund this is reversed in the Movement in Reserves Statement to the Capital Adjustment Account.

7.7.3 DEPRECIATION

With the exception of Investment Properties and Heritage Assets which have indefinite lives, and Assets Under Construction which are not in operational use, depreciation is provided for on all non-current assets with a finite useful life and, where material, separate components of the asset is identified for depreciation purposes.

The net discounted value of Council Housing shall be apportioned between land and buildings before depreciation is calculated.

The straight-line method is used to estimate depreciation which shall be charged from the date when the asset becomes available for use to the appropriate service in the Comprehensive Income and Expenditure Statement. Not being a proper charge to the Council Fund this is reversed in the Movement in Reserves Statement to the Capital Adjustment Account.

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.

7.8 EMPLOYEE COSTS & BENEFITS

7.8.1 BENEFITS DURING EMPLOYMENT

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement earned by employees but not taken before the financial year-end which employees can carry forward into the next financial year. The accrual is charged to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

7.8.2 TERMINATION BENEFITS

Termination benefits are amounts payable as a result of a decision by the Council to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant Service Cost line in the Comprehensive Income and Expenditure Statement, when the Council is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy. Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

7.8.3 PENSION COSTS

Employees of the Council are members of two separate pension schemes. Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council. The Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education (DfE). The arrangements for this scheme mean that liabilities for benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year. The Local Government Pension Scheme - other employees are entitled to be members of the Dyfed Pension Fund. The Local Government Scheme is accounted for as a defined benefit scheme:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:
- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Property – market value
- The change in the net pensions liability is analysed into the following components:
- Current service cost – the increase in liabilities as result of the number of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to the number of years of service earned in earlier years – debited to Central Services in the Comprehensive Income and Expenditure Statement
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
    - The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve and 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 – charged to the Pensions reserve and Other Comprehensive Income and Expenditure:

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

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

- The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

7.9 STOCKS AND WORKS IN PROGRESS

Stocks held in the Council's stores shall be valued at the lower of cost and net realisable value. Works in progress, where the Council is the contractor, shall be valued at fair value of the contract sum receivable.

7.10 FINANCIAL INSTRUMENTS

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Authority adopted IFRS 9 Financial Instruments with effect from 1 April 2018. There were 3 key changes:

- **Re-measurement of modified loans**

  The Council amortise the cost of premium and discounts associated with debt rescheduling using the statutory override with any unamortised sums shown in the statutory override account (FIAA). This treatment has been reviewed as part of the adoption of IFRS 9. The Council have used proper accounting treatment and as a result there is no need to change treatment on transition to IFRS 9 Financial Instruments.

- **Impairment of Financial Assets**

  Impairment losses are calculated to reflect the expectation that cashflows might not take place because the borrower could default on their obligations. This is recognised in the Surplus or Deficit on the Provision of Service as an impairment gain or loss.

  The Authority has adopted a simple approach to impairment in accordance with The Code and measures the loss for Trade Debtors at an amount equal to expected lifetime loss using a provision based on a combination of age of debt and historic collection rates. This method ensures early recognition of the impairment of financial asset.

Loans to Third Party have been carefully reviewed under the new expected credit loss model to ensure any credit loss is recognised early. When considering historic, current and forward looking information there is no requirement to recognise any credit loss.

There has been no change as a result of the implementation of IFRS 9.

- **Classification of Financial Instruments**
  The classification of Financial Assets are now determined by both their characteristics and the business model under which they were acquired.

  There are 3 Models:

  a) Amortised Cost
  The financial asset is held within a business model whose objective is to hold financial assets in order "to collect contractual cash flows". Cash flows are solely payments of principal and interest.

  b) Fair Value Through Other Comprehensive Income
  The financial asset is held within a business model whose objective is achieved by both "collecting contractual cash flows and selling financial assets"

  c) Fair Value Through Profit and Loss
  All other combinations of business model and contractual cash flows.

Financial Instruments	Amortised Cost	Fair Value (CI)	Fair Value (P&L)
Financial Assets			
Short Term Investments	✓		
Bank Call/Cash Equivalent	✓		
Debtors			✓
Financial Liabilities			
Short Term Borrowing	✓		
Long Term Borrowing	✓		

After review there is no need to change treatment on transition to IFRS 9.

7.10.1 FINANCIAL LIABILITIES

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

For most of the borrowings that the Council has, the amount presented in the Balance Sheet is the outstanding principal repayable together with any accrued interest and interest charged to the Comprehensive Income and Expenditure Statement for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund balance is managed by a transfer to or from the financial instrument adjustment account in the Movement in Reserves Statement.

7.10.2 FINANCIAL ASSETS

Under IFRS 9 Financial Instruments, classification of financial assets are now based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL) or
- Fair value through other comprehensive income (FOVCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at 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 authority 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 Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. That means the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year as per the loan agreement.

The Authority has adopted a simple approach to impairment in accordance with The Code and measures the loss for Trade Debtors at an amount equal to expected lifetime loss using a provision based on a combination of age of debt and historic collection rates. This method ensures early recognition of the impairment of financial asset.

Where an investment is realised, the asset shall be removed from the Balance Sheet. The Council's approved types of investment do not allow for any market gain or loss. In the unlikely event of loss arising from failure of a counterparty, provision shall be made in the Comprehensive Income and Expenditure Statement as allowed for by regulation.

7.10.3 SOFT LOANS

7.10.3.1 ADVANCES

Where the Council advances loans that are interest free or at below market rates, the loan shall be recorded initially at fair value in the accounts by discounting the future cash receipts using a prevailing market rate and charging the difference between the cash advanced and its market value (interest loss) to the Comprehensive Income and Expenditure Statement.

The market interest due in each year shall be calculated on the discounted balance using the market rate and credited to the Comprehensive Income and Expenditure Statement.

Both the interest gain and the market interest, or difference between market and contractual interest, not being proper charges to the Council Fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

7.10.3.2 BORROWING

Where the Council borrows money at nil interest or at below market rates, the loan shall be recorded initially at fair value in the accounts by discounting the future cash repayments using a prevailing market rate and crediting the difference between the loan and its market value (interest gain) to the Comprehensive Income and Expenditure Statement.

The market interest due shall be calculated each year on the outstanding discounted balance using the market rate and charged to the Comprehensive Income and Expenditure Statement.

Both the discount and the market interest, or difference between market and contractual interest, not being proper charges to the Council Fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account**.**

7.10.4 INVESTMENTS

7.10.4.1 RECOGNITION & MEASUREMENT

An investment shall be recognised when the counterparty with whom the cash is to be placed is contractually entitled to the asset and shall be measured initially at fair value, being the estimate of the amount receivable if the investment was realised. The investment portfolio, measured at fair value, shall be reported in a note to the Balance Sheet showing the movements in the year. The Council's investment portfolio shall generally be classified as loans and receivables valued at amortised cost. In practice this means that the investments the Council has with its approved counterparties shall be reported at amortised value by adjusting the principal sums invested to allow for the equalisation of the return over the life of the investment. The adjustment shall be made via the Movement in Reserves Statement to the Financial Instrument Adjustment Account. Any available for sale investments shall be reported at fair value in accordance with IFRS13.

7.10.4.2 DERECOGNITION, GAINS AND LOSSES

Where an investment is realised the asset shall be removed from the Balance Sheet. The Council's approved types of investment do not allow for any market gain or loss. In the unlikely event of loss arising from failure of a counterparty, provision shall be made in the Comprehensive Income and Expenditure Statement as allowed for by regulation.

7.10.5 BASIS OF CHARGES MADE FOR REPAYING DEBT

The Comprehensive Income and Expenditure Statements for the Council Fund and HRA shall be charged with the minimum amount (MRP) judged to be prudent in accordance with statutory guidance and as set out in the Annual Minimum Revenue Provision (MRP) Policy approved by Council.

	2023-24 £'000	**2024-25 £'000**
Use of Voluntary MRP	1,634	-
Cumulative Additional Voluntary MRP	-	-

7.10.6 FINANCIAL LOAN GUARANTEE CONTRACTS

7.10.6.1 RECOGNITION

Guarantees relating to the ability of another party to repay a debt shall be recognised at fair value by charging the Comprehensive Income and Expenditure Statement and establishing a Financial Liability Reserve.

7.10.6.2 MEASUREMENT

If no premium is charged to the party seeking the guarantee, the amount shall be estimated by considering the probability of the guarantee being called. Any amount guaranteed is reassessed and/or amortised every year to reflect changing circumstances.

7.11 DEFERRED LIABILITIES

Liabilities which by arrangement are payable at some future date by an annual sum over a period of time shall be shown separately and classified as long-term liabilities in the Balance Sheet.

7.12 FOREIGN CURRENCY TRANSLATION

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

7.13 GOVERNMENT GRANTS AND OTHER CONTRIBUTIONS

7.13.1 GENERAL

Government grants and other contributions shall be accounted for on an accruals basis and when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

7.13.2 REVENUE GRANTS AND CONTRIBUTIONS

Where a revenue grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant or contribution shall be recognised as a receipt in advance. When the grant conditions are met it shall be recognised in Comprehensive Income and Expenditure Statement as income and be matched in the service revenue accounts with the expenditure to which it relates.

General grants and contributions, e.g. Revenue Support Grant, NNDR redistribution shall be disclosed as one or more items on the face of the Comprehensive Income and Expenditure Statement.

7.13.3 GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES

Where a capital grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date the grant or contribution shall be recognised as part of the Capital Grants Receipts in Advance. When the conditions have been met, the grant or contribution will be transferred from the Capital Grants Receipts in Advance and recognised as income in the Comprehensive Income and Expenditure Statement as non-specific grant income.

Grants and contributions funding capital expenditure and Donated Assets that have been credited to the Comprehensive Income and Expenditure Statement are not proper income to the General Fund or Housing Revenue Account and shall account for these amounts as follows:

- If the expenditure to be financed from that grant or contribution has been incurred at the Balance Sheet date, the grant or contribution shall be transferred from the General Fund (or Housing Revenue Account) to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer shall be reported in the Movement in Reserves Statement.

- Where the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution shall be transferred to the Capital Grants Unapplied Account (within the usable reserves section of the Balance Sheet), reflecting its status as a capital resource available to finance expenditure. This transfer shall be reported in the Movement in Reserves Statement. At a future date, when the expenditure is incurred, the grant or contribution (or part thereof) shall be transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer shall be reported in the Movement in Reserves Statement.

7.13.4 REPAYMENT

In the event of repayment this shall first be applied to any receipt or contribution received in advance. To the extent that the repayment exceeds any such receipt in advance, or where no receipt in advance exists, the repayment shall be recognised within the Comprehensive Income and Expenditure Statement as an expense. The repayment of a capital grant shall be transferred from the Council Fund (or Housing Revenue Account) to the Capital Adjustment Account. This transfer shall be reported in the Movement in Reserves Statement.

7.14 NON-CURRENT ASSETS

7.14.1 RECOGNITION

All expenditure on the acquisition, creation or enhancements of non-current assets shall be capitalised in the accounts provided that the non-current asset will yield future economic benefits to the Authority and the services it provides endures for a period of more than one year and can be reliably measured. These costs shall include subsequent expenditure that enhances, replaces (part or whole) or services the asset.

The cost of day-to-day non-structural repairs and maintenance works associated with operating the fixed assets shall be charged directly to service revenue accounts.

The land and buildings components of non-current assets shall be accounted for separately. Assets shall be recognised on a component basis where:

- An individual component is material to the cost and/or operation of that asset and
- That component has an estimated useful life that is materially different to that of the other component parts of the asset.

Where components are replaced or restored, the existing carrying amounts in the Balance Sheet shall be derecognised before the new component is recognised.

7.14.2 CLASSIFICATION

Property, Plant and Equipment covers all assets with physical substance (tangible assets) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period.

Investment Property held solely to earn rentals or for capital appreciation purposes or both, shall be classified as Investment Property.

Heritage Assets held and maintained principally for its contribution to knowledge and culture, preserved in trust for future generations.

Infrastructure assets are inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use; examples include highways, structural maintenance of highways, footpaths, bridges, permanent ways, coastal defences, water supply and drainage systems).

7.14.3 INITIAL VALUATION

Non-current Asset Values shall be recognised initially at cost recognising all expenditure on an accruals basis that is directly attributable to bringing the asset into its intended use (normally RIBA stage 3 onwards).

Where no conditions relating to the asset remain to be fulfilled for Donated Assets or Assets Exchanged for Non-monetary Consideration, the fair value of the asset shall be recognised in the Balance Sheet and in the Comprehensive Income and Expenditure Statement. The latter being transferred to the Capital Adjustment Account via the Movement in Reserves Statement. Where conditions attach to a donated asset the asset shall be recognised in the Balance Sheet and in the Donated Assets Account until such time as the conditions are fulfilled.

Heritage Assets shall be valued at cost or value, obtained by an appropriate method, if available.

7.14.4 SUBSEQUENT VALUATION

Measurement after recognition shall be on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS):

- Property shall be included in the Balance Sheet at current value defined as the lower of net realisable value in its existing use or, in the absence of an active market, because of the specialised nature of the asset, depreciated replacement cost.
- Plant and Equipment shall be carried at historic cost as a proxy for current value.
- Council Housing shall be included in the Balance Sheet at current value for the existing use of social housing which shall be derived by discounting the market value by a factor reflecting the difference between commercial and social rents.
- Surplus assets shall be included in the Balance sheet at fair value, defined as the amount that would be paid for the asset in its highest and best use less cost of sale in line with IFRS13 requirements.
- Infrastructure, community assets, and assets under construction for operational use, shall be included in the Balance Sheet at historical cost net of depreciation where appropriate.
- CIPFA have provided an update to the Code and specifications for future Codes for Infrastructure Assets (the Update November 2022) provides amended specifications on the disclosure on gross cost and accumulated depreciation for infrastructure assets. The Update allows local authorities temporary relief from disclosing gross cost and accumulated depreciation until 31 March 2025.
- Any assets acquired for non-cash consideration shall be included in the Balance Sheet at current value.
- Heritage Assets shall generally be valued at historic cost or by using their insurance value as a proxy for current value.
- Revaluation shall not occur at the point of disposal.

Valuation shall be undertaken within a 5-year period on a rolling basis with changes to values being made in the year they arise, the effective date being 31 March. Material changes in the pattern of economic consumption occurring to any major asset or asset group in any one year shall be recognised in that year.

The assets shall be valued by the Council's appointed valuer who is suitably qualified.

7.14.5 ASSET LIVES

The remaining useful asset lives, estimated on a component basis if deemed appropriate, shall reflect the period of an assets remaining expected use to the Authority and shall be determined taking into account the expected use, physical wear and tear, age, obsolescence, type of construction, condition, repair and enhancement, and legal or similar limits on the use of an asset (e.g. expiry of leases).

Estimates of remaining useful lives shall be made annually, if deemed appropriate, and each time the asset is revalued.

7.14.6 DE MINIMIS EXPENDITURE

Expenditure greater than £10,000 or expenditure on assets with a useful life exceeding 12 months shall be capitalised.

7.15 INTANGIBLE ASSETS

Generally, expenditure on externally purchased intangibles and internally developed intangible assets shall be charged in the year in which it is incurred to the relevant service heading in the Comprehensive Income and Expenditure Statement. However, if in the case of internally developed assets there is evidence that a ready market exists, and in both instances an estimated finite useful life can be ascertained, the asset shall be reported at current value and may be written out over a period consistent with the consumption of economic benefits; the appropriateness of the period of amortisation shall be reviewed each year.

7.16 RESEARCH & DEVELOPMENT

Expenditure on research and development shall be regarded as part of continuing operations and normally written off as incurred.

7.17 CAPITALISATION OF BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction and commissioning of an asset taking over 12 months to be ready for its intended use may be capitalised. Other than borrowing specifically earmarked for a project, the relevant borrowing costs shall be ascertained by calculating a capitalisation rate, being the weighted average of the associated borrowing costs that are outstanding for the period in question.

Any borrowing costs that are capitalised in respect of any year shall be separately disclosed.

7.18 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Payments that under legislation are funded from capital resources but where no fixed assets are created shall be charged to the appropriate service in the Comprehensive Income and Expenditure Statement. Not being funded from revenue resources the amount shall be reversed in the Movement in Reserves Statement with an equal amount charged to the Capital Adjustment Account.

7.19 ASSETS HELD FOR SALE

Assets which meet all the following criteria shall be shown as current assets in the Balance Sheet:

- The asset (or disposal group) is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets (or disposal groups).
- The sale is highly probable; the appropriate level of management being committed to a plan to sell the asset (or disposal group) and an active programme to locate a buyer and complete the plan has been initiated.
- The asset (or disposal group) is being actively marketed for a sale at a price that is reasonable in relation to its fair value.
- The sale is expected to qualify for recognition as a completed sale within one year of the date of classification and the action required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If the above criteria are not met the asset shall continue to be accounted for in the appropriate non-current asset category.

7.20 ASSET DISPOSALS

Disposal proceeds and the carrying value shall be recorded in Comprehensive Income and Expenditure Statement, but not being a proper charge to the Council Fund shall be reversed to the Capital Receipts Reserve and the Capital Adjustment Account respectively. Any balance on the Revaluation Reserve in respect of the asset disposed of shall be written off directly to the Capital Adjustment Account.

In the case of Donated Assets any balance on the Donated Assets Account shall be recognised as a deficit or surplus in the Comprehensive Income and Expenditure Statement as Other Operating Expenditure. As it is not being funded from revenue resources or revenue income, the amount shall be reversed in the Movement in Reserves Statement with an equal amount charged to the Capital Adjustment Account.

The receipts from the disposal of Council Housing assets shall be set aside as a provision for HRA debt repayment in the Capital Adjustment Account. Monies received from the sale of council houses shall only be applied for Housing Revenue Account functions.

Interest earned on the investment of capital receipts in hand shall be credited to the Council Fund.

Receipts under £10,000 and miscellaneous receipts not related to disposal of assets cannot be treated as capital items and shall be credited to the Comprehensive Income and Expenditure Statement and appropriated to the Capital Receipts Reserve in the Movement in Reserves Statement.

7.21 LEASES AND LEASE-TYPE ARRANGEMENTS

7.21.1 RECOGNITION AND CLASSIFICATION

The Council classifies contracts as leases based on their substance; analysed to determine whether they convey the right to control the use of the asset, through obtaining substantially all the economic benefits or service potential and to direct its use. The Council has adopted IFRS16 from 1 April 2024 which expands leases to include arrangements with nil consideration, peppercorn or nominal payments.

7.21.2 COUNCIL AS LESSEE

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include - fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment. Leases of low value assets (value when new value less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

7.21.3 COUNCIL 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. Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). 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.

7.21.4 SALE AND LEASEBACK ARRANGEMENTS

If an asset is sold and leased back the following policy shall apply:

- If the leaseback arrangement is classified as a finance lease, the transaction cannot be regarded as a true disposal, and any excess of sale proceeds over the carrying amount of the asset shall be amortised over the lease term on the basis that the lessor is providing finance to the Council.
- If the leaseback arrangement is classified as an operating lease, and both transactions are at fair value any excess of sale proceeds over an asset valued at fair value shall be recognised as income in the year of disposal. If the sale price is above fair value, any excess of sale proceeds over the carrying amount of the asset shall be amortised over the lease term. If the sale price is below fair value, any loss shall be recognised immediately.

7.21.5 ARRANGEMENTS CONTAINING A LEASE

Arrangements, other than those specifically made under the Private Finance Initiative or Public Private Partnership arrangements, which convey a right to use an asset shall be assessed as to whether they contain an inherent lease arrangement against the criteria of the asset needing to be used to fulfil the terms of the arrangement and the arrangement conveys the right to use that asset.

If an arrangement is judged to contain a lease, then the above policies for leases shall apply.

7.22 GROUP ACCOUNTS

Each year the Council shall review its interests and influence in all types of entity including, but not limited to, other local authorities and similar statutory bodies, common good Trust Funds, companies, Joint Committees and other joint arrangements. When appropriate, group accounts shall be prepared in accordance with the pertinent accounting standards.

7.23 JOINT OPERATIONS

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly.

7.24 RELATED PARTIES

The following disclosures shall be made in respect of material transactions with related parties not disclosed elsewhere in the Statement of Accounts:

- Nature of the relationship and influence exerted either by or on the Council
- The aggregate of transactions in the year separately showing payable and receivable amounts
- Outstanding balances as at 31 March.

7.25 PRINCIPAL AND AGENT

Where the Council acts as agent, no transactions shall appear in its Financial Statements unless the Council collects and distributes cash on behalf of the principal, in which case the appropriate cash transactions will be reflected in the Balance Sheet.

7.26 WORKING BALANCES AND RESERVES

7.26.1 CLASSIFICATION

Reserves shall be classified as usable, being available to support future expenditure or unusable being those required for financial accounting purposes.

7.26.2 USABLE RESERVES

The Council Fund shall comprise of the General Fund balance and reserves, the Housing Revenue Account balance and reserves, usable capital receipts, usable grants and contributions and LMS (School) balances.

Working balances shall be maintained for General Fund and Housing Revenue Account at a level judged to be prudent to meet unforeseen events.

Working balances shall be maintained for schools in accordance with the Council's approved LMS scheme and regulations.

The Strategy for Holding and Utilising Reserves shall govern the creation, management and use of all reserves.

The expenditure financed from reserves shall be shown, when it is incurred, in the appropriate service section of the Comprehensive Income and Expenditure Statement.

The following circumstances shall allow amounts to be reserved from revenue:

- Material commitments exist for goods and services not received or paid for by 31 March.
- Facilitation of rolling over of funding to future years to ensure the cost-effective use of resources and allow for variation in service demand from year to year.
- To set aside resources for future developments or contingencies.

7.26.3 UNUSABLE RESERVES

The following financial reserves shall be maintained:

- Revaluation Reserve – to record any net gain on fixed asset revaluation after 1 April 2007.
- Capital Adjustment Account – to reflect the difference between the cost of fixed assets consumed and the capital financing set aside to pay for them.
- Financial Instruments Adjustment Account - to reflect the discounting and other adjustments applied to financial instruments to arrive at amortised cost reported in the Balance Sheet.
- Pension Reserve – to reflect the position of the Scheme's Fund.
- Accumulated Absences Account – to reflect the cost of paid absence entitlement due but not taken at 31 March.
- Deferred Capital receipts – to reflect sale proceeds in respect of assets disposed of on a deferred basis.

7.26.4 REPORTING

Usable reserve balances shall form part of the Council General Fund or the HRA.

Appropriations to and from reserves shall be reported in the Movement in Reserves Statement separately identifying usable reserves the Council has approved for revenue and capital purposes, reserves held by schools and unusable reserves.

7.27 PROVISIONS

Provisions are made where an event has taken place that gives the Authority 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.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority 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, considering 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.

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 Authority settles the obligation.

7.27.1 LANDFILL ALLOWANCE SCHEME WALES

Provision shall be made for any penalties/liabilities payable under the Schemes or where the Council considers it unlikely that the penalty will be enforced it shall disclose a separate class of contingent liability. Any payments made in advance shall be shown as assets.

7.28 CONTINGENT ASSETS AND LIABILITIES

7.28.1 CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Authority 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 authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

7.28.2 CONTINGENT ASSETS

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

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

7.29 VAT

Transactions shall be shown net of VAT to the extent that it is recoverable/payable.

7.30 TRUST FUNDS & OTHER ACCOUNTS

Separate accounts shall be maintained for Trusts and other funds administered by the Council. However, where the Authority has full control as the only Trustee group accounts would be required, but if the transactions / balances are not individually material they will be consolidated within the Council's single entity Financial Statements (for example Tenby Pool).

7.31 IFRS 15 REVENUE FROM CONTRACT

Applied from 1 April 2018, replacing both IAS 18 and Revenue IAS 11 Construction Contracts. IFRS 15 established a new framework for revenue recognition and changed the basis for deciding whether revenue is recognised at a point in time or over a period of time. IFRS 15 introduced 5 steps for revenue recognition, but as the Council has relatively predicable income streams the impact is deemed immaterial.



8.0 NOTES TO THE EXPENDITURE & FUNDING ANALYSIS

8.0 NOTES TO THE EXPENDITURE AND FUNDING ANALYSIS

8.1 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Actual Expenditure 2024-25	Adjustments for Capital Purposes £'000	Net change for Pensions Adjustments £'000	Other Statutory Adjustments £'000	Total Statutory Adjustments £'000	Other Non-Statutory Adjustments £'000	Total Adjustments £'000
Director For Education	43,500	583	(128)	**43,955**	(946)	**43,009**
Director Of Social Care & Housing	27,034	570	(4,481)	**23,123**	(7,361)	**15,762**
Chief Executive	21,632	249	(397)	**21,484**	(1,650)	**19,834**
Director Of Resources	2,856	497	198	**3,551**	(4,801)	**(1,250)**
Assistant Chief Executive	11,820	120	(656)	**11,284**	(66)	**11,218**
Use of Council Tax 2nd Home Premium	-	-	-	**-**	8,984	**8,984**
Use of Council Tax LTE Premium	-	-	-	**-**	1,477	**1,477**
Use of Reserve	-	-	-	**-**	1,553	**1,553**
Contingency for Teachers Pension / Pay Award Movement	-	-	-	**-**	(2,500)	**(2,500)**
Council Tax Reduction Scheme	-	-	-	**-**	-	**-**
Long Term Empty Properties*	-	-	-	**-**	21	**21**
Affordable Housing Scheme*	-	-	-	**-**	(1,084)	**(1,084)**
Contributions to Community*	-	-	-	**-**	283	**283**
General Fund Use of Council Tax Premium	-	-	-	**-**	(10,461)	**(10,461)**
Net Cost of Services (inc HRA) / Deficit on Continuing Operations	**106,842**	**2,019**	**(5,464)**	**103,397**	**(16,551)**	**86,846**
Other Operating Expenditure	(89)	-	-	**(89)**	24,080	**23,991**
Financing & Investment Income & expenditure	(739)	(459)	(1,985)	**(3,183)**	(497)	**(3,680)**
Taxation and non-specific grant income and expenditure*	(45,542)	-	(635)	**(46,177)**	(24,080)	**(70,257)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**60,472**	**1,560**	**(8,084)**	**53,948**	**(17,048)**	**36,900**

* Second Homes and Long Term Empty Property Council Tax Premiums shown separately in the Management Accounts but consolidated in the Statement of Accounts tables.

Actual Expenditure 2023-24**	Adjustments for Capital Purposes £'000	Net change for Pensions Adjustments £'000	Other Statutory Adjustments £'000	Total Statutory Adjustments £'000	Other Non-Statutory Adjustments £'000	Total Adjustments £'000
Director For Education	20,509	967	(1,555)	**19,921**	(169)	**19,752**
Director Of Social Care & Housing	23,819	810	(4,624)	**20,005**	(6,579)	**13,426**
Chief Executive	8,579	369	-	**8,948**	(2,298)	**6,650**
Director Of Resources	2,994	624	633	**4,251**	344	**4,595**
Assistant Chief Executive	2,734	164	-	**2,898**	(36)	**2,862**
Use of Council Tax 2nd Home Premium	-	-	-	**-**	3,598	**3,598**
Use of Council Tax LTE Premium	-	-	-	**-**	-	**-**
Use of Reserve	-	-	-	**-**	-	**-**
Contingency for Teachers Pension / Pay Award Movement	-	-	-	**-**	-	**-**
Council Tax Reduction Scheme	-	-	-	**-**	-	**-**
Long Term Empty Properties*	-	-	-	**-**	(402)	**(402)**
Affordable Housing Scheme*	-	-	-	**-**	(766)	**(766)**
Contributions to Community*	-	-	-	**-**	503	**503**
General Fund Use of Council Tax Premium	-	-	-	**-**	(3,598)	**(3,598)**
Net Cost of Services (inc HRA) / Deficit on Continuing Operations	**58,635**	**2,934**	**(5,546)**	**56,023**	**(9,403)**	**46,620**
Other Operating Expenditure	1,554	-	-	**1,554**	21,140	**22,694**
Financing & Investment Income & expenditure	(705)	(2,880)	994	**(2,591)**	(375)	**(2,966)**
Taxation and non-specific grant income and expenditure*	(36,522)	-	-	**(36,522)**	(21,140)	**(57,662)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**22,962**	**54**	**(4,552)**	**18,464**	**(9,778)**	**8,686**

* Second Homes and Long Term Empty Property Council Tax Premiums shown separately in the Management Accounts but consolidated in the Statement of Accounts tables.
**2023-24 restated to reflect the revised Management reporting structure adopted during 2024-25

8.1.1 ADJUSTMENTS FOR CAPITAL PURPOSES

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and Investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision & other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

8.1.2 NET CHANGE FOR THE PENSIONS ADJUSTMENTS

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

- For services this represents the removal of employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and Investment income and expenditure –- the net interest on the defined benefit liability is charged to the CIES.

8.1.3 OTHER STATUTORY ADJUSTMENTS

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

- For Financing & Investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits

8.1.4 OTHER NON-STATUTORY DIFFERENCES

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement e.g. reserve transactions:

- For financing & investment income and expenditure the other non-statutory adjustments column recognises adjustments to service segments e.g. for interest income and expenditure.
- For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognises adjustments to service segments e.g. for non-ringfenced government grants.

8.2 EXPENDITURE AND INCOME ANALYSED BY NATURE

Expenditure / Income	2023-24 £'000	2024-25 £'000
Expenditure		
Employee Costs	204,701	216,975
Other Operating Costs	240,205	260,133
Depreciation, amortisation & impairment	57,741	104,700
Interest Paid	6,294	7,139
Precepts & Levies	30,892	34,611
Gain or loss on disposal of assets	1,554	(89)
Total Expenditure	**541,387**	**623,469**
Income		
Rents, fees & charges etc	(79,815)	(83,349)
Interest & investment income	(3,487)	(2,141)
Income from council tax	(102,390)	(121,980)
Government grants and contributions	(347,009)	(379,099)
Total Income	**(532,701)**	**(586,569)**
Surplus or Deficit on the Provision of Services	**8,686**	**36,900**



9.0 NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

9.0 NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

9.1 TAXATION AND NON-SPECIFIC GRANT INCOME

9.1.1 REVENUE SUPPORT GRANT AND SPECIAL GRANT

The amount reported is that notified by the Welsh Government for the financial year in question.

9.1.2 NATIONAL NON-DOMESTIC RATES (NNDR)

The unified business rate for 2024-25 was set by the Welsh Government at 56.2p in the £1 with an average rateable value of £129,325,480 compared to an average rateable value of £129,459,619 in 2023-24. The Council made a contribution to the NNDR pool of £0.392m in 2024-25 and £9.908m in 2023-24. The lower contribution to the NNDR pool in 2024-25 was due to a NDR2 refund from Welsh Government.

9.1.3 COUNCIL TAX

The County Council set the following Council Tax for the County Council and also on behalf of the Dyfed Powys Police & Crime Commissioner and Town and Community Councils.

Band D Council Tax	**2023-24**	**2024-25**
Pembrokeshire County Council	£1,342.86	£1,510.72
Dyfed Powys Police & Crime Commissioner	£312.65	£332.03
Average Town and Community Council	£40.56	£42.68
Tax Base Number of Band D Equivalent		
Chargeable	60,935.15	65,435.58
Aggregate Collectable*	59,851.19	64,261.61

* Aggregate collectable figure made up of Budget Setting tax base 56,016.68 plus Second Homes Council Tax Premium 7,138.73 plus Long Term Empty Property Council Tax Premium 1,106.20.

Council Tax bills were based on the following property band numbers and multipliers:

Tax Band	**A***	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
2024-25 Band D Equiv.	4	4,139	7,028	12,361	11,967	15,807	9,301	3,825	755	249
2023-24 Band D Equiv.	4	3,789	6,665	11,687	11,098	14,705	8,599	3,513	651	224

The following amounts were due from council taxpayers for County, Police & Crime Commissioner and Town and Community Councils' expenditures:

Council Tax Income	**2023-24 £'000**	**2024-25 £'000**
Council Tax Due in Year	(96,162)	(108,089)
Council Tax Due in Year - Second Home Premium	(6,118)	(13,807)
Council Tax Due in Year - Long Term Empty Property Premium	(513)	(1,863)
Non-collection impairment allowance	403	1,779
Amount Due From Taxpayers Before Rebates	**(102,390)**	**(121,980)**
Allocated to:		
Dyfed Powys Police & Crime Commissioner Precept	(18,712)	(21,337)
Pembrokeshire County Council	(81,250)	(97,900)
Town and Community Councils Precepts	(2,428)	(2,743)
Total	**(102,390)**	**(121,980)**

9.1.4 REVENUE – OTHER NON-SPECIFIC GOVERNMENT GRANTS AND CONTRIBUTIONS

The grant income and contributions reported, are those notified by the Welsh Government and other funding bodies.

	2023-24* £'000	2024-25 £'000
Credited to Services		
DWP Subsidy Payments and Other DWP Grants	(22,908)	(22,248)
Post 16 Grant	(3,835)	(4,061)
Children & Communities Grant	(5,285)	(5,821)
Local Authority Education Grant (LAEG)**	(15,426)	(19,093)
Grants & Contributions from Health Boards	(14,405)	(13,744)
Housing Support Grant	(3,739)	(4,197)
Cleddau Bridge Grant	(3,000)	(3,000)
Regional Integration Fund	-	(3,211)
UK Shared Prosperity Fund*	(2,531)	(4,997)
Other Grants or Contributions credited to Services*	(26,683)	(33,680)
Total Revenue Grants & Contributions Credited to Services	**(97,812)**	**(114,052)**

** Table redistributed with lines added to reflect material grant amounts*
*** LAEG now includes Regional Consortia Schools Improvement Grant*

The above revenue grants and contributions have been accounted as follows during the year:

	2023-24 £'000	2024-25 £'000
Grants & Contributions Received	(106,417)	(114,841)
Grants Held in Advance Where Conditions Not Fulfilled	8,605	789
Grants & Contributions Credited As Income in Year	**(97,812)**	**(114,052)**

9.1.5 CAPITAL GRANTS & CONTRIBUTIONS

The Authority recognised the following capital grants and contributions in the Comprehensive Income and Expenditure Statement:

	2023-24 £'000	2024-25 £'000
Credited to Taxation and Non-Specific Grant Income		
General Capital Grant	(122)	(2,371)
Sustainable Communities for Learning (SCFL)	-	(6,330)
Major Repairs Allowance	(4,000)	(5,146)
Welsh Government - Transport (Local Transport Fund, Safe Routes in Communities, Local Road Safety, Bulford Road, & Southern Strategic Route)	(3,454)	(4,415)
Welsh Government - Waste Transfer Station	(5,238)	-
Welsh Government - Flood & Coastal Erosion Risk Management	(565)	(1,111)
Welsh Government - Cashfields and Empty Homes	(6,540)	(8,833)
Heart of Pembrokeshire (Levelling Up Fund)	(2,242)	(3,100)
South Quay (Levelling Up Fund)	-	(2,566)
Other Grants	(13,629)	(11,665)
Developers Contributions	(732)	(640)
	(36,522)	**(46,177)**
Applied to Finance Capital Expenditure	(36,522)	(46,177)
	(36,522)	**(46,177)**

9.2 PRECEPTS AND LEVIES

	2023-24 £'000	2024-25 £'000
Precepts		
Dyfed Powys Police & Crime Commissioner	18,712	21,337
Town and Community Councils	2,428	2,743
Levies		
Mid and West Wales Fire and Rescue Service	8,669	9,448
Pembrokeshire Coast National Park Authority	1,083	1,083
Totals	**30,892**	**34,611**

9.3 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Payments of a capital nature where no fixed asset was created are written out of the accounts in the Comprehensive Income and Expenditure Statement.

	2023-24 £'000	2024-25 £'000
Expenditure in Year	11,643	7,664
Grant & Contributions Received in Year	(11,422)	(6,246)
Net Revenue Expenditure Funded from Capital Under Statute	**221**	**1,418**

9.4 PENSION COSTS

The Authority participates in two pension schemes:

9.4.1 THE DYFED SUPERANNUATION SCHEME

Administered by Carmarthenshire County Council, the Dyfed Superannuation Scheme is a funded defined benefit scheme to which both employees and the Authority as employers pay contributions. The scheme operates under the legislation appertaining to Local Government Pensions.

A composite employers' contribution rate used in 2024-25 was calculated by the Fund's actuary based on the valuation as at 31 March 2022 for all employees of the County Council who are members of the scheme.

The Fund was valued as at 31 March 2022, and the results of this valuation are reflected in the 2024-25 Accounts.

The disclosures set out below are required by International Accounting Standard 19 (IAS 19), which employs slightly different assumptions than those used in the actuarial valuation, are also produced by the Fund's Actuary at each financial year end. IAS 19 requires most assets to be valued at "realisable values" i.e.: bid values, as opposed to "fair values" (in effect, mid-market values).

The pensions fund investment assets will move in line with the value of securities quoted on world equity markets which could increase or decrease. As the Pension Fund time horizon is long term and the true value of investments is only realised when investments are sold, no adjustments are made for any changes in the fair value of investments between 31 March 2025 and the date that the accounting statements are authorised for issue.

REVENUE TRANSACTIONS

Comprehensive Income And Expenditure Statement Entries included in Net Operating Expenditure	2023-24 £'000	2023-24 £'000	2024-25 £'000	2024-25 £'000
Interest on Pension Liabilities	32,018		33,465	
Interest on Plan Assets	(34,898)		(39,407)	
Interest on surplus above asset ceiling		-		5,483*
		(2,880)		**(459)**
Administration Expenses		423		444
Past Service (Gain) / Cost		-		528
Curtailment (Gain) / Loss		734		83
Current Service Cost		19,662		19,719
		17,939		**20,315**
Statement of Movement on the Council Fund Balance Entries	**£000**	**£000**	**£000**	**£000**
Reversal IAS 19 Entries Above:		(17,939)		(20,315)
Actual Charges Paid In Year				
Actual Amount Charged for Period	17,103		17,947	
Cost of Enhancements Charged in Year	782		808	
		17,885		**18,755**
		(54)		**(1,560)**
Employees Contributions		5.5% - 12.5%		5.5% - 12.5%
Employers Contributions		16.0%		16.1%

**Only recognised in 2024-25 figures following code changes following the implementation of an asset ceiling in 2023-24*

THE DYFED SUPERANNUATION SCHEME PENSION ASSETS & LIABILITIES

RECONCILIATION OF PRESENT VALUE OF THE SCHEME LIABILITIES

	Total Liabilities 2023-24 £'000	Funded Liabilities 2024-25 £'000	Unfunded Liabilities 2024-25 £'000	Total Liabilities 2024-25 £'000
Liability as at 1 April	**676,303**	**685,828**	**7,661**	**693,489**
Movements in the year:				
Current Service Cost	**19,662**	19,719	-	**19,719**
Interest on Pension Liabilities	**32,018**	33,109	356	**33,465**
Member Contributions	**6,528**	6,826	-	**6,826**
Past Service (Gain) / Cost	**-**	528	-	**528**
Remeasurements (liabilities) *comprising of*:				
Experience (gain) / loss	**3,574**	61	(1)	**60**
(Gain) / Loss on financial assumptions	**(11,319)**	(102,879)	(487)	**(103,366)**
(Gain) / Loss on demographic assumptions	**(8,978)**	(1,634)	(25)	**(1,659)**
Curtailments	**734**	83	-	**83**
Benefits / transfers paid	**(25,033)**	(27,089)	(808)	**(27,897)**
Liability at 31 March	**693,489**	**614,552**	**6,696**	**621,248**

RECONCILIATION OF FAIR VALUE OF THE SCHEME ASSETS

	2023-24 £'000	2024-25 £'000
Fair Value of Plan Assets as at 1 April	**727,343**	**805,389**
Movements in the year:		
Interest on Plan assets	34,898	39,407
Remeasurements (assets)	44,191	(20,208)
Administration Expenses	(423)	(444)
Employer Contributions	17,885	18,755
Member Contributions	6,528	6,826
Benefits / transfers paid	(25,033)	(27,897)
Fair Value of Plan Assets as at 31 March	**805,389**	**821,828**

PENSION FUND ASSETS SPLIT BY CATEGORY

	31 March 2024 £'000	31 March 2025 £'000
Equities	585,934	595,497
Other Bonds	75,783	75,444
Property	99,204	85,799
Alternatives	40,437	57,692
Cash/Liquidity	4,031	7,396
Total	**805,389**	**821,828**

Notes to the tables:

Deferred taxation has been ignored.

Compensatory Added Years benefits, which are recharged to the Authority, have been included in the liabilities and contributions for the purposes of the calculations.

No specific investigation has been undertaken in relation to decreases in the average age of the scheme membership, but no reason has been given to suggest there have been any substantial changes since the 2022 actuarial valuation.

The net pension liability reported in the accounts includes a potential liability related to the McCloud judgement. In July 2020, the UK Government published proposals for consultation on a remedy to address the McCloud issue. The pension fund actuary has based the estimate on the major provisions of the remedy, however, there remains some uncertainty over the final outcome.

ACTUARIAL ASSUMPTIONS

	Beginning Of Year %	End Of Year %
Financial Assumptions		
Rate of CPI inflation	2.7	2.6
Rate of increase in salaries	4.2	4.1
Rate of increase in pensions	2.8	2.7
Discount Rate	4.9	5.8
Life Expectancy (Years)		
Male future pensioner aged 65 in 20 years' time	22.9	22.9
Female future pensioner aged 65 in 20 years' time	25.6	25.7
Male current pensioner aged 65	21.5	21.5
Female current pensioner aged 65	23.8	23.9

Notes to the Actuarial Assumptions

- The end of year figures for the market value of the assets and split of assets between investment categories have been calculated as at 31 March 2025. The corresponding split of assets at the start of the year has been calculated as at 31 March 2024.
- The actuarial assumptions used in the calculation of the year-end Balance Sheet liabilities are based on the 2022 actuarial valuation assumptions, other than the financial assumptions, which are shown above.
- The above expected returns are gross of expenses. A deduction of £3.661m in respect of expenses is made in calculating the expected return for the year.
- The figure used for the discount rate is based on a yield on corporate bonds of around 5.8%.
- The estimation of the defined benefit obligations is sensitive to actuarial assumptions for discount rate, inflation, pay growth and life expectancy. Changes to these assumptions could lead to significant changes in the liability.
- The 2024-25 estimated employer contributions are £18.009m per the Mercer report.

SENSITIVITY ANALYSIS

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2025 and the projected service cost for the year ending 31st March 2026 is set out below:

	Standard Assumptions £'000	+ 0.5% p.a. Discount £'000	+ 0.25% p.a. Inflation £'000	+ 0.25% p.a. Pay Growth £'000	1 year increase in life expectancy £'000	'+ 1% change in 2024-25 investment returns £'000	- 1% change in 2024-25 investment returns £'000
Liabilities	621,248	578,100	644,015	625,853	633,677	621,248	621,248
Assets	(821,828)	(821,828)	(821,828)	(821,828)	(821,828)	(830,035)	(813,621)
Deficit / (Surplus) (exc. ceiling impact)	(200,580)	(243,728)	(177,813)	(195,975)	(188,151)	(208,787)	(192,373)
Projected Service Cost for next year	14,465	12,361	15,619	14,465	14,814	14,465	14,465
Projected Net Interest Cost for next year (exc. ceiling impact)	(12,156)	(15,922)	(10,812)	(11,866)	(11,412)	(12,632)	(11,680)

EFFECT OVER TIME OF ACTUAL TO ASSUMED PERFORMANCE

Scheme History	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000
Present Value of Liabilities	(962,485)	(981,725)	(676,303)	(693,489)	(621,248)
Fair Value of Assets	697,421	747,811	727,343	805,389	821,828
Asset Ceiling Adjustment	-	-	-	(119,561)	(207,276)
Surplus / (Deficit) in the scheme	(265,064)	(233,914)	51,040	(7,661)	(6,696)

Prior to the Asset Ceiling Adjustment, Pembrokeshire remained in a surplus position, with the improving position for 2024-25 primarily due to adjustment of the estimated value of the future liabilities and remeasurement on assets. The deficit balance of £6.696m relates to unfunded pension obligations which are excluded from the asset ceiling calculation. It is anticipated that the original position will return to deficit in the future, prior to any asset ceiling adjustments.

9.4.2 THE TEACHER'S PENSION SCHEME

Administered by the Department for Education in England and Wales. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the Council's Balance Sheet.

The Council is responsible for the costs of any additional benefits awarded upon any retirement outside the terms of the Teacher Pension Scheme.

Comprehensive Income & Expenditure Statement Entries	2023-24 £'000	2024-25 £'000
Included in Net Operating Expenditure		
Total contributions charged to the accounts	10,624	13,328
Employees contribution rate	7.4% - 11.7%	7.4% - 11.7%
Employers contribution rate	23.7%	28.7%*

**The increase for 2024-25 was part funded in year from a Grant from Welsh Government*

9.5 REMUNERATION DETAILS

9.5.1 THE FOLLOWING TABLES SET OUT THE DISCLOSURE OF REMUNERATION FOR SENIOR STAFF AS FOLLOWS:

Chief Executive / Head of Paid Service and Directors including pension contributions. The total contribution rate for employer pension contributions was 16.1% for 2024-25 and 16% 2023-24.

Senior Officers		Gross Salary, Fees & Other Emoluments £	Employer Pension Contributions to Local Government Pension Scheme £	Benefits in kind £	Total	Election Fees* £
Chief Executive/Returning Officer *William Bramble CBE*	2023-24	150,900	24,148	6,612	181,660	36
	2024-25	154,696	24,906	6,632	186,234	9,837
Assistant Chief Executive***	2023-24	124,576	19,932	5,683	150,191	-
	2024-25	139,499	22,459	4,064	166,022	2,467
Director of Resources	2023-24	132,743	21,239	5,111	159,093	-
	2024-25	136,062	21,906	5,096	163,064	-
Director of Community Services**	2023-24	33,186	5,310	1,856	40,352	-
	2024-25	-	-	-	-	-
Director of Social Services & Housing	2023-24	121,770	19,456	514	141,740	-
	2024-25	127,691	20,558	1,177	149,426	1,011
Director for Education	2023-24	132,743	21,239	899	154,881	-
	2024-25	136,062	21,906	913	158,881	1,065
Monitoring Officer	2023-24	98,268	15,723	913	114,904	-
	2024-25	103,116	16,602	913	120,631	1,167

*Election Fees are not paid by the Council.
**Director of Community Services - post vacated & deleted from 1st July 2023
***Assistant Chief Executive - back dated pay £7,045 for 2022-23 & 2023-24 received in 2024-25

Other Employees (including teachers) receiving remuneration of £60,000 or more (not including employer pension contributions or national insurance) in bands of £5,000 this also includes exit costs.

Other Employees	Number Of Employees							
	2023-24*				2024-25			
Remuneration Band	Corporate	Schools	VA/RC Schools	Totals	Corporate	Schools	VA/RC Schools	Totals
£60,000 - £64,999	8	22	3	**33**	13	44	1	**58**
£65,000 - £69,999	8	21	2	**31**	7	20	2	**29**
£70,000 - £74,999	9	17	-	**26**	12	20	1	**33**
£75,000 - £79,999	4	15	1	**20**	4	16	2	**22**
£80,000 - £84,999	-	5	-	**5**	1	8	1	**10**
£85,000 - £89,999	3	3	-	**6**	1	3	-	**4**
£90,000 - £94,999	6	1	-	**7**	2	3	-	**5**
£95,000 - £99,999	1	4	-	**5**	8	2	-	**10**
£100,000 - £104,999	4	1	-	**5**	-	2	-	**2**
£105,000 - £109,999	1	3	-	**4**	3	1	-	**4**
£110,000 - £114,999	-	2	-	**2**	2	2	-	**4**
£115,000 - £119,999	-	-	-	**-**	1	-	-	**1**
£120,000 - £124,999	-	-	-	**-**	1	-	-	**1**
£125,000 - £129,999	-	1	-	**1**	-	2	-	**2**
£130,000 - £134,999	-	-	-	**-**	-	-	-	**-**
£135,000 - £139,999	-	-	-	**-**	-	-	-	**-**
£140,000 - £144,999	-	-	-	**-**	-	-	-	**-**
£145,000 - £149,999	-	1	-	**1**	-	-	-	**-**
£150,000 - £154,999	-	-	-	**-**	-	-	-	**-**
£155,000 - £159,999	-	-	-	**-**	-	1	-	**1**
Totals	**44**	**96**	**6**	**146**	**55**	**124**	**7**	**186**

*Updated to reflect the Monitoring Officer in Senior Officers table
The number has increased due to the Teachers pay award in September 2024 of 5.5%

The remuneration of the Council's Chief Executive / Head of Paid Services during 2024-25 was £154,696 (2023-24 £150,900). The median remuneration of all the Council's employees during 2024-25 was £26,190 (2023-24 £24,582). The ratio of the remuneration of the Council's Chief Executive / Head of Paid Services to the median remuneration of all the Council's employees during 2024-25 was approximately 5.9 : 1. (2023-24 6.1 : 1)

9.5.2 MEMBERS ALLOWANCES

The total allowances including taxable benefits paid to Members in the year totalled £1,435,980 compared with £1,365,384 in 2023-24. This is available on an individual Member basis on the Council website.

*The figures have been restated to account for Members Care Allowances

9.5.3 TERMINATION BENEFITS

The following table identifies payments comprising of statutory and voluntary redundancy costs, national insurance, pension contributions in respect of added years and pension strain and other ex gratia payments.

Band	2024-25							
	Corporate				Schools			
	No's			£'000	No's			£'000
	Compulsory	Other	Total		Compulsory	Other	Total	
£0 - £20,000	7	13	20	**166**	23	9	32	**133**
£20,001 - £40,000	-	15	15	**447**	1	5	6	**153**
£40,001 - £60,000	1	11	12	**592**	-	6	6	**312**
£60,001 - £80,000	-	5	5	**359**	-	2	2	**146**
£80,001 - £100,000	-	3	3	**276**	-	-	-	**-**
£100,001 - £150,000	-	1	1	**125**	-	-	-	**-**
£150,001 - £200,000	-	1	1	**150**	-	-	-	**-**
Total	**8**	**49**	**57**	**2,115**	**24**	**22**	**46**	**744**

Band	2023-24*							
	Corporate				Schools			
	No's			£'000	No's			£'000
	Compulsory	Other	Total		Compulsory	Other	Total	
£0 - £20,000	1	7	8	**51**	8	22	30	**248**
£20,001 - £40,000	-	8	8	**222**	-	1	1	**21**
£40,001 - £60,000	-	8	8	**375**	-	5	5	**277**
£60,001 - £80,000	-	3	3	**214**	-	2	2	**136**
£80,001 - £100,000	-	1	1	**83**	-	1	1	**87**
£100,001 - £150,000	1	-	1	**127**	1	-	1	**110**
Total	**2**	**27**	**29**	**1,072**	**9**	**31**	**40**	**879**

*Restated in the revised format merging redundancy & other termination costs with pension costs

Pension Costs - Annual Contribution (Prior Year)	2023-24 £'000	2024-25 £'000
Annual Contribution	1,644	1,607
Total	**1,644**	**1,607**

9.6 AUDIT FEES

The following amounts are estimated as payable to Audit Wales for the year:

	2023-24 £'000	2024-25 £'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor for the year	209	264
Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure	127	127
Fee payable for the certification of grant claims and returns	42	42
Total	**378**	**433**

The figures for both 2023-24 and 2024-25 Grant claims and returns are estimated.
The 2024-25 External Audit Service Fees are Estimated

9.7 RELATED PARTIES

Related parties refers to bodies or individuals that have the potential to control or influence the Council or to be influenced or controlled by the Council thereby possibly constraining the ability of the Council or the other party to operate independently.

There are other instances where Members and Officers of the Council may attend meetings of the third-party bodies but do not have the direct ability to exercise control, however, the opinions they express may influence decisions and policy.

9.7.1 MEMBERS OF THE COUNCIL

Under the Code of Conduct incorporated in the Council's Constitution, Members are required to record in the Register of Members Interests any financial and other personal interests, together with any gift, hospitality, material interest or advantage. The Register is open to inspection by the public and is available on an individual Member basis on the Council website.

Members of the Council are nominated to serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the County Council. The declaration of related party transactions by Members is open to inspection by the public and is available on an individual Member basis on the Council website.

Body/Company	Income £'000	Expenditure £'000	Creditors £'000	Debtors £'000
Camrose & Roch Playgroup	-	19	-	-
Community Interest Care CIC	-	3,408	-	-
Cleddau Reach Electrical Services Limited	-	452	<10	-
Crymych Community Council	<10	17	-	-
Fishguard & Goodwick Young Persons Trust	<10	62	-	-
Garth Youth Project	-	33	<10	-
Haverfordwest Town Museum	-	37	-	-
Johnston Community Council	<10	38	-	<10
Llangwm Rugby and Cricket Management Committee	<10	22	-	-
Llanrhian Community Council	-	22	-	-
Midway Motors (Crymych) Ltd	-	2,885	<10	-
Neyland CIC	<10	<10	-	-
PAVS (Pembs Association of Voluntary Services)	<10	2,123	(50)	-
Pembroke Dock Heritage Trust Limited	<10	12	-	<10
Pembrokeshire Citizens advice	-	334	-	-
Pembrokeshire Coast Charitable Trust	-	51	-	-
Pembrokeshire Coast National Park	(285)	102	<10	<10
Pembrokeshire Mind	<10	487	-	-
Pure West Radio Ltd	-	15	-	-
Stepaside and Pleasant Valley Residents Group	-	23	-	-
Tanyard Youth Group/Tanyard Youth Project Limited	-	98	-	-
Torch Theatre	<10	45	-	-
VC Gallery	-	147	<10	-
Visit Pembrokeshire	<10	175	-	<10

A complete list of Member related party expenditure, income and outstanding balances is held on the Council website.

9.7.2 CHIEF OFFICERS

Under the Employees' Code of Conduct, Officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality and offers thereof and, under Section 117 1972 Local Government Act, contractual arrangements where there is a conflict of interest. Most professional bodies also have codes of professional conduct to which members of those bodies are expected to adhere.

Body/Company	Income £'000	Expenditure £'000	Creditors £'000	Debtors £'000
Welsh Local Government Association (WLGA)	(680)	145	-	-
Pembrokeshire College	(829)	301	-	23

A complete list of Officers related party expenditure, income and outstanding balances is held on the Council website.

9.7.3 CONTRACTS

Under the Council's constitution contracts as defined in Contract Procedure Rules and are subject to Cabinet Member delegations.

9.7.4 MATERIAL RELATIONSHIPS

There have been no material relationships identified where material influence exists.

9.7.4.1 UK AND WELSH GOVERNMENTS

The UK and Welsh Governments, have the responsibility for the statutory framework and provide the majority of the Council's funding, much of which is subject to specific terms and conditions. They can, therefore, exert effective control over the operations of the Council. Details of grants received are set out within note 9.1.4 & .5. Grant receipts outstanding at 31 March 2025 are set out within note 11.4.3.

9.7.4.2 JOINTLY CONTROLLED OPERATIONS

Other Public Bodies are subject to common control by Central and Welsh Government.

PARTNERIAETH

Partneriaeth is an alliance of up to three local authorities, Carmarthenshire County Council, Pembrokeshire County Council and the City and County of Swansea Council. Pembrokeshire County Council is the employing body for the Partneriaeth staff and maintains the Partneriaeth finances/accounts, providing financial services, internal audit, ICT, HR and procurement support to Partneriaeth via service level agreements.

The Council's share of the Joint Arrangement Income and Expenditure Account and Balance Sheet are shown in the table below.

Partneriaeth				
Income and Expenditure	**2023-24**		**2024-25**	
	Total Partneriaeth £'000	**PCC Share £'000**	**Total Partneriaeth £'000**	**PCC Share £'000**
Expenditure	28,415	6,320	3,360	739
Income	(28,223)	(6,278)	(2,321)	(511)
Net Expenditure	**192**	**42**	**1,039**	**228**
Movement on Reserves	(192)	(42)	(1,039)	(228)
Net (Surplus) / Deficit	**-**	**-**	**-**	**-**

During 2024-25 expenditure & income was lower as WG paid Grants directly to Local Authorities.

Balance Sheet as at 31 March	**2023-24**		**2024-25**	
	Total Partneriaeth £'000	**PCC Share £'000**	**Total Partneriaeth £'000**	**PCC Share £'000**
Current Assets	5,014	1,093	828	182
Current Liabilities	(3,435)	(749)	(288)	(63)
Total Assets Less Liabilities	**1,579**	**344**	**540**	**119**
Net Assets	**1,579**	**344**	**540**	**119**
Usable Reserves	(1,579)	(344)	(540)	(119)
Total Financing	**(1,579)**	**(344)**	**(540)**	**(119)**

The restructure of Partneriaeth during 2024-25 utilised usable reserves as part of exit arrangements.

Partneriaeth is a legally constituted Joint Committee statutory financial statements which can be obtained from the Partneriaeth website: http://www.partneriaeth.cymru

SWANSEA BAY CITY DEAL

The Swansea Bay City Deal is a £1.3bn investment in 11 major projects across the Swansea Bay City Region – which is made up of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea Councils.

The Swansea Bay City Deal is being led by the four regional local authorities through a Joint Committee Agreement, together with non-voting partners - Swansea Bay and Hywel Dda University Health Boards, Swansea University and the University of Wales Trinity Saint David.

The City Deal is being funded, subject to the approval of project business cases, by the UK Government, the Welsh Government, the public sector and the private sector. On the successful approval of project business cases the Accountable Body, on behalf of the Joint Committee, will release Government grant funding to Project Lead Authorities up to the maximum of the agreed allocated value. Grant values are subject to change, however this will be supported by a full business case and approval by the Joint Committee and both UK and Welsh Governments, as outlined within the Joint Committee Agreement.

In June 2020, the Pembroke Dock Marine (PDM) business case received approval to be part of the overall Swansea Bay City Deal programme. The agreement between the Accountable Body and the Council was signed on 23 February 2021 with the agreements between the Council and the four delivery partners being signed on 2 July 2021.

Pembrokeshire Dock Marine Project	2023-24 £'000	2024-25 £'000
Expenditure	7,103	991
Grant Income	(5,237)	(991)

In addition, there are 3 regional projects, Digital Infrastructure, Homes as Power Stations and Skills and Talents. Due to the timing of the grant on these projects there will be a requirement for the Council to borrow. The level of borrowing required is still to be confirmed.

SOUTH WEST WALES CORPORATE JOINT COMMITTEE (SWWCJC)

The South West Wales Corporate Joint Committee (SWWCJC) was formally established in 2022-23, following the Local Government and Elections Act (Wales) coming into force. In line with the legislation, the SWWCJC will have responsibility for a range of 'mandated functions' – regional transport, including the development of a Regional Transport Plan; regional (land use) planning, including the development of a Strategic Development Plan; economic well-being, and oversight of the Regional Economic Strategy and Delivery Plan (adopted by the SWWCJC in March 2022). In addition, the SWWCJC has agreed to support an additional 'function' – the development and oversight of the Regional Energy Strategy (adopted by the SWWCJC in March 2022).

The SWWCJC is a joint (combined authority) committee covering the four unitary authorities of Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot. The Joint Committee is made up of the Leaders of the constituent local authorities with the addition of the two National Parks (Brecon Beacons and Pembrokeshire Coast) for matters to do with land use planning. In addition, there are co-opted (non-voting) representatives from the two Health Boards and two universities. The SWWCJC was formally constituted at a meeting on 15 March 2022.

The democratic, standards, scrutiny, governance and audit functions are shared across the four local authorities with Pembrokeshire currently responsible for governance and audit.

Below the joint committee, initially four sub-committees were established however, the AGM proposed the establishment of three Sub Committees; Regional Transport, Strategic Planning and Economic Wellbeing; with the Energy theme to be incorporated into the Economic Wellbeing Sub Committee. Each sub-committee has a political lead and a chief executive lead with relevant Cabinet Members from each authority making up the committee membership.

The Joint Committee and sub-committees will be supported by a private sector Advisory Board (under recruitment) and a small officer team on secondment.

OTHER JOINT ARRANGEMENTS

Other joint arrangements include Hywel Dda Local Health Board, Substance Misuse Action Fund (SMAF), Welsh Purchasing Consortium, Local Resilience Forum, Integrated Transport (SWWITCH) and Joint Commissioning (Carmarthenshire County Council / Pembrokeshire County Council) amongst others. Where material, the main financial statements of the Council have been consolidated with the relevant entries.

9.7.4.3 CONTROLLED OR INFLUENCED ENTITIES

The Council controls the Tenby Pool, Fishguard and Tenby Harbour Authorities and other Trust Funds. Tenby Pool gross income and expenditure and the fixed asset values have been incorporated into the Council's Statement of Accounts.



10.0 NOTES TO THE MOVEMENT IN RESERVES STATEMENT

10.0 NOTES TO THE MOVEMENT IN RESERVES STATEMENT

10.1 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND REGULATORY FUNDING BASIS

Actuals 2024-25	General Fund Working Balance £'000	HRA Working Balance £'000	Capital Receipts & Grants Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000
Amounts included in Total Comprehensive Income and Expenditure required by regulation to be excluded to arrive at the funding position					
Depreciation	(28,721)	(5,736)	-	(34,457)	34,457
Impairment / Revaluation	(51,571)	(18,672)	-	(70,243)	70,243
Capital Grants Treated As Income	32,306	13,871	-	46,177	(46,177)
Revenue Expenditure Funded From Capital Under Statute	(1,418)	-	-	(1,418)	1,418
Disposal of Non-Current Assets	(42)	11	(372)	(403)	403
Use of Capital Receipts, Grants & Contributions to finance Capital Expenditure	-	-	1,417	1,417	(1,417)
Use of Capital Receipts set aside as reserved receipts	-	-	17	17	(17)
Financing Cost Adjustment (EIR adjustment)	(44)	-	-	(44)	44
Pension Cost Adjustment	(19,786)	(529)	-	(20,315)	20,315
Employee Benefits – Leave Accrual	(962)	-	-	(962)	962
Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position					
Minimum Revenue Provision	5,090	1,545	-	6,635	(6,635)
Statutory Repayment of Debt (Finance leases)	1,218	-	-	1,218	(1,218)
Statutory Repayment of Debt (PFI)	433	-	-	433	(433)
Capital Expenditure Charged To Council Fund (inc PFI Lifecycle)	2,556	12,033	-	14,589	(14,589)
Amortisation of net premium/discounts in relation to financial instruments	342	-	-	342	(342)
Employers contributions to pension schemes	18,070	685	-	18,755	(18,755)
Net Adjustment Required	**(42,529)**	**3,208**	**1,062**	**(38,259)**	**38,259**

Actuals 2023-24	General Fund Working Balance £'000	HRA Working Balance £'000	Capital Receipts & Grants Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000
Amounts included in Total Comprehensive Income and Expenditure required by regulation to be excluded to arrive at the funding position					
Depreciation	(28,228)	(5,533)	-	(33,761)	33,761
Impairment / Revaluation	(6,300)	(17,680)	-	(23,980)	23,980
Capital Grants Treated As Income	25,981	10,541	-	36,522	(36,522)
Revenue Expenditure Funded From Capital Under Statute	(221)	-	-	(221)	221
Disposal of Non-Current Assets	(2,503)	51	(569)	(3,021)	3,021
Use of Capital Receipts, Grants & Contributions to finance Capital Expenditure	-	-	828	828	(828)
Use of Capital Receipts set aside as reserved receipts	-	-	33	33	(33)
Financing Cost Adjustment (EIR adjustment)	(291)	-	-	(291)	291
Pension Cost Adjustment	(17,238)	(701)	-	(17,939)	17,939
Employee Benefits – Leave Accrual	1,071	-	-	1,071	(1,071)
Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position					
Minimum Revenue Provision	2,714	1,545	-	4,259	(4,259)
Statutory Repayment of Debt (PFI)	452	-	-	452	(452)
Capital Expenditure Charged To Council Fund (inc PFI Lifecycle)	5,969	12,158	-	18,127	(18,127)
Amortisation of net premium/discounts in relation to financial instruments	2	-	-	2	(2)
Employers contributions to pension schemes	17,172	713	-	17,885	(17,885)
Net Adjustment Required	**(1,420)**	**1,094**	**292**	**(34)**	**34**

10.2 USABLE RESERVES

10.2.1 GENERAL FUND, HRA, EARMARKED AND EDUCATION SPECIFIC RESERVES

	Balance 31 March 2024 £'000	Contrib'n (from) Revenue Accounts £'000	Contrib'n to Revenue Accounts £'000	Financing Adj & Tfr to Provision £'000	Contrib'n to Capital Accounts £'000	Balance 31 March 2025 £'000
Working Balances						
General Fund	(9,100)	(1,928)	-	-	-	(11,028)
HRA	(752)	-	-	-	-	(752)
Total Working Balances	**(9,852)**	**(1,928)**	**-**	**-**	**-**	**(11,780)**
Earmarked Reserves						
HRA Capital Reserve						
Housing HRA	(8,194)	(7,043)	-	-	11,854	(3,383)
Total HRA Capital Reserve	**(8,194)**	**(7,043)**	**-**	**-**	**11,854**	**(3,383)**
General Fund Capital Reserves						
General Capital Fund	(2,099)	(2,189)	368	-	237	(3,683)
PFI Legacy	(1,408)	-	1,408	-	-	-
Total Capital General Fund Reserves	**(3,507)**	**(2,189)**	**1,776**	**-**	**237**	**(3,683)**
General Fund Earmarked Revenue Reserves						
Insurance	(2,994)	(450)	-	1,203	-	(2,241)
Winter Maintenance	(227)	-	-	-	-	(227)
Risk Management	**(3,221)**	**(450)**	**-**	**1,203**	**-**	**(2,468)**
Property & Equipment	(1,089)	(459)	-	-	440	(1,108)
Carriageway Reconstruction	(773)	(600)	773	-	-	(600)
Vehicles & Plant	(6,886)	(5,635)	-	-	1,546	(10,975)
Cleddau Bridge	(2,239)	(581)	-	-	-	(2,820)
West Wales Crematorium	(1,259)	(263)	-	-	-	(1,522)
Car Parks	(1,450)	(493)	-	-	-	(1,943)
Asset Renewal & Repair	**(13,696)**	**(8,031)**	**773**	**-**	**1,986**	**(18,968)**
Elections	(566)	(36)	21	-	-	(581)
Social Care Reorganisation	(502)	-	-	-	-	(502)
Education Reorganisation	(441)	-	35	-	-	(406)
Mutual Investment Model (MIM)	(621)	-	621	-	-	-
Equalisation	**(2,130)**	**(36)**	**677**	**-**	**-**	**(1,489)**
Initiative Fund	(10,625)	(10,055)	2,685	-	-	(17,995)
Hardship Fund	(5,688)	-	5,688	-	-	-
Programme for Administration	(2,991)	-	1,653	-	-	(1,338)
Second Home Premium General Fund	-	(8,984)	8,984	-	-	-
Affordable Housing	(9,131)	(1,189)	104	-	-	(10,216)
Enhancing Pembrokeshire	(2,104)	(396)	680	-	-	(1,820)
Bringing Homes into Use	(778)	-	21	-	-	(757)
Corporate	**(31,317)**	**(20,624)**	**19,815**	**-**	**-**	**(32,126)**
Service Delivery	(4,496)	(27)	97	-	-	(4,426)
Planning	(204)	(200)	-	-	-	(404)
Building Regs	(15)	-	72	-	-	57
County Farms	(211)	(15)	-	-	-	(226)
Riverside Shopping Centre	(675)	-	229	-	-	(446)
Environmental Services	(744)	(54)	-	-	-	(798)
Grant Exit Costs	(207)	(422)	-	-	-	(629)
Service Delivery	**(6,552)**	**(718)**	**398**	**-**	**-**	**(6,872)**
Joint Arrangements	(16)	(5)	-	-	-	(21)
External	**(16)**	**(5)**	**-**	**-**	**-**	**(21)**
Total General Fund Revenue Earmarked Reserves	**(56,932)**	**(29,864)**	**21,663**	**1,203**	**1,986**	**(61,944)**
Schools ISB Balances	(3,869)	(1,277)	2,091	-	-	(3,055)
School Catering SLA	(305)	-	-	-	-	(305)
Schools Maintenance SLA	(1,842)	(404)	-	-	-	(2,246)
Schools Supply Insurance	(701)	-	414	-	-	(287)
ICT Infrastructure	(4,689)	(1,617)	352	-	325	(5,629)
Total Schools & Related Reserves	**(11,406)**	**(3,298)**	**2,857**	**-**	**325**	**(11,522)**

10.2.2 CAPITAL RECEIPTS, GRANTS & CONTRIBUTIONS RESERVES TRANSACTIONS

Part of the receipts from the sale of assets is set aside to repay debt in accordance with accounting policies, the balance is available to finance capital expenditure.
Contributions for capital purposes and unapplied capital grants received are also available to finance future capital investment.

	Balance at 1 April 2024*	Rec'd In Year	Set Aside Prov'n	In Year Transfers	Applied to Revenue	Applied To Finance Expend	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts Reserve							
General Fund	(13,997)	(322)	-	-	-	1,417	(12,902)
HRA	33	(50)	17	-	-	-	-
TOTAL	**(13,964)**	**(372)**	**17**	**-**	**-**	**1,417**	**(12,902)**

*Reclassification of 2023-24 closing balance between HRA and General Fund

10.2.3 CAPITALISATION OF REVENUE EXPENDITURE

Local Government Act 2003 Sections 16(2)(b) and 20: Treatment of Certain Costs as Capital Expenditure to create a Capitalisation Directive to use capital receipts to fund the costs of Service Reform and Transformation.

During 2024-25 The Council has used flexibility in the use of capital receipts under the guidance and direction issued by Welsh Government.

Project	Expenditure	Expenditure Capitalised and Funded Through Capital Receipts	Expected Savings Per Annum
	£'000	£'000	£'000
Workforce Transformation 2024-25	1,417	1,417	1,058
Workforce Transformation 2023-24	828	828	719



11.0 NOTES TO THE BALANCE SHEET

11.0 NOTES TO THE BALANCE SHEET

11.1 NON-CURRENT ASSETS

Note 11.1 provides full details of asset movements during the year. As part of the Council's rolling programme, revaluations of Children and Schools assets took place in 2024-25. A decision was also made to revalue all Depreciated Replacement Cost Valued Assets and the HRA Stock in 2024-25.

Capital receipts from the disposal of assets totalled £0.311m which includes Land & Building assets, Vehicles, Old IT Hardware & some small frontages. There were no Council House Sales.

11.1.1 FIXED ASSETS

The Council's fixed asset portfolio (excluding Infrastructure assets) was valued at £939.6m as at 31 March 2025 compared to £980m as at 31 March 2024.

Fixed assets acquisitions in the year were made for consideration of £12.7m. This figure is included in the total additions value of £80.3m, with the remaining value relating to construction costs or work relating to existing assets.

Property asset disposals realised £0.261m in respect of non-council housing, £0.050m in respect of Council Housing HRA Shops, Flats and frontages. There was no sale of Council houses. At 31 March 2025, surplus assets awaiting disposal have an estimated value of £1.110m as being likely to be sold within the next 12 months.

Impairments were charged in the year representing: The demolition of the Former Old Bridge Haverfordwest Public Convenience and impairment to the roof of Monkton Cemetery. Where assets have been revalued in year any impairments were recognised within the revaluation.

11.1.1.1 VALUATION

The assets of the Council have been valued in accordance with the stated accounting policy. Where applicable, assets have been valued by the External Valuers Bruton Knowles, with their lead valuer, Mrs H McLeod-Baikie F.R.I.C.S. The following table shows the Council's revaluation of fixed assets as part of the rolling programme.

Valuation Basis Gross Values	Council House Assets £'000	Other Land & Bldings £'000	Right of Use Assets £'000	Vehicle, Plant & Equip £'000	Com'ty Assets £'000	Heritage Assets £'000	Assets Under Const'n £'000	Surplus Assets £'000	Total £'000
Carried at Historical Cost	2,809	7,029	5,405	38,819	1,050	349	32,733	-	**88,194**
Valued at Fair Value as at:									
31 March 2025	303,585	457,604	-	2,538	-	-	-	3,175	**766,902**
31 March 2024	-	37,789	-	-	69	-	-	-	**37,858**
31 March 2023	-	35,226	-	-	-	-	-	-	**35,226**
31 March 2022	442	4,235	-	-	-	-	-	-	**4,677**
31 March 2021	6,575	136	-	-	-	-	-	-	**6,711**
Total Cost or Valuation	**313,411**	**542,019**	**5,405**	**41,357**	**1,119**	**349**	**32,733**	**3,175**	**939,568**

This table excludes Infrastructure Assets which are held at cost.
Voluntary Controlled (VC) Schools, Voluntary Aided (VA) Schools for which the Council has legal title are included on the Council's Balance Sheet. Those that are legally owned by other bodies are excluded. The gross carrying value of VC and VA schools excluded from the Balance Sheet is approximately £14.7m.

The gross carrying value of the pool area of Tenby Leisure Centre (approx. £1.826m) is held in trust. In accordance with the Code, this has been included in the Balance Sheet. It is also reported separately as part of the Tenby Pool Trust accounts.

Infrastructure is measured at Historic Cost and so is not included in the table above.

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note along with Table 11.1.1.3 and Table 11.1.1.4 do not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The timescales required to conclude a change to the infrastructure assets was the primary reason for utilising the temporary relief within the 2024-25 accounts. In addition, it is anticipated that there will be no material impact on the financial statements.

11.1.1.2 DEPRECIATION & IMPAIRMENT

All fixed assets have been depreciated using the straight-line method using the following assumed useful lives shown below. Except for Right of use Assets which was depreciated in line with either lease terms or anticipated lease terms.

Type Of Asset	Useful Life Over Which Depreciated
Council Dwellings	40 years
Other HRA Property	Up to 40 years
Buildings	Up to 40 years
Land	Not depreciated
Infrastructure	40 years
Vehicles Plant & General Equipment	3 - 15 years
IT Equipment	5 years
Heritage Assets	Not depreciated
Community Assets	Not depreciated
Assets Under Construction	Not depreciated
Surplus Assets	Up to 5 years
Investment Properties	Not depreciated
Intangibles	3 years

11.1.1.3 MOVEMENT IN NON-CURRENT ASSET VALUES PROPERTY, PLANT & EQUIPMENT DETAILS 2024-25

Owned Assets	Council House Assets £'000	Other Land & Bldings £'000	Right of Use Assets £'000	Vehicle, Plant & Equip £'000	Com'ty Assets £'000	Heritage assets £'000	Assets Under Const'n £'000	Surplus Assets £'000	Total Property Plant & Equip £'000
Cost or Valuation At 31 March 2024	**295,897**	**581,980**	**-**	**39,794**	**581**	**2,463**	**57,096**	**2,064**	**979,875**
Opening Balance Adjustment*	(388)	(5,771)	-	-	-	(1)	-	-	**(6,160)**
Opening Balance Adjustment - Right of Use*	-	(195)	5,094	-	-	(497)	-	-	**4,402**
Cost or Valuation At 1 April 2024	**295,509**	**576,014**	**5,094**	**39,794**	**581**	**1,965**	**57,096**	**2,064**	**978,117**
Additions	30,607	4,276	450	5,282	538	-	27,558	14	**68,725**
De-recognition / disposals	-	(194)	-	(3,700)	-	-	-	(16)	**(3,910)**
De-recognition – other (component)	(19,683)	(3,829)	(139)	(19)	-	-	(34)	(13)	**(23,717)**
Revaluation Acc Dep & Imp w/o to Gross Carrying Amount	(16,023)	(17,885)	-	(1,444)	-	-	-	(260)	**(35,612)**
Revaluations increases / (decreases) recognised in the Revaluation Reserve	19,547	(13,792)	-	1,444	-	(1)	-	(4,398)	**2,800**
Revaluations increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	3,452	(50,055)	-	-	-	-	-	60	**(46,543)**
Reclassifications – PPE & Investment	-	-	-	-	-	-	-	-	**-**
Reclassifications – (to) / from Held for Sale	(40)	(252)	-	-	-	-	-	-	**(292)**
Other Movements	42	47,736	-	-	-	(1,615)	(51,887)	5,724	**-**
At 31 March 2025	**313,411**	**542,019**	**5,405**	**41,357**	**1,119**	**349**	**32,733**	**3,175**	**939,568**
Depreciation & Impairments									
Depreciation	(9,884)	(2,832)	-	(19,773)	-	-	518	(181)	**(32,152)**
Impairment	(1,563)	(3,240)	-	(2,701)	-	(561)	(794)	6	**(8,853)**
At 31 March 2024	**(11,447)**	**(6,072)**	**-**	**(22,474)**	**-**	**(561)**	**(276)**	**(175)**	**(41,005)**
Opening Balance Adjustment Depreciation*	(555)	234	-	-	-	-	(531)	6	**(846)**
Opening Balance Adjustment Impairment*	559	(220)	-	-	-	177	531	(6)	**1,041**
At 1 April 2024	**(11,443)**	**(6,058)**	**-**	**(22,474)**	**-**	**(384)**	**(276)**	**(175)**	**(40,810)**
Depreciation Charge for 2024-25	(5,269)	(18,013)	-	(5,028)	-	-	-	-	**(28,310)**
Depreciation Charge for Right of Use Assets in 2024-25	-	-	(1,276)	-	-	-	-	-	**(1,276)**
Impairment Losses & Non-Enhancing Expenditure to Revaluation Reserve	-	(179)	-	-	-	-	-	-	**(179)**
Impairment Losses & Non-Enhancing Expenditure to Surplus/Deficit on the Provision of Services	-	(48)	-	-	-	-	-	-	**(48)**
Derecognition / Disposals:									
~ W/O Accumulated Depreciation	-	2	-	3,485	-	-	-	-	**3,487**
~ W/O Accumulated Impairment	-	192	-	122	-	-	-	-	**314**
Revaluations:									
~ W/O Accumulated Depreciation	15,685	15,103	-	1,435	-	-	-	260	**32,483**
~ W/O Accumulated Impairment	338	2,783	-	9	-	-	-	-	**3,130**
Reclassifications:									
~ Transfer Accumulated Depreciation b/fwd	-	-	-	-	-	-	-	-	**-**
~ Transfer Accumulated Impairment b/fwd	-	47	-	-	-	210	(172)	(85)	**-**
At 31 March 2025	**(689)**	**(6,171)**	**(1,276)**	**(22,451)**	**-**	**(174)**	**(448)**	**-**	**(31,209)**
Balance Sheet Amount at 31 March 2025	**312,722**	**535,848**	**4,129**	**18,906**	**1,119**	**175**	**32,285**	**3,175**	**908,359**
Balance Sheet Amount at 31 March 2024	**284,450**	**575,908**	**-**	**17,320**	**581**	**1,902**	**56,820**	**1,889**	**938,870**
Balance Sheet Amount at 1 April 2024	**284,066**	**569,956**	**5,090**	**17,320**	**581**	**1,581**	**56,820**	**1,889**	**937,303**

*Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

The Rolling Programme of Revaluations for 2024-25 covered the School Assets. The vast majority of the schools were inspected during 2024-25 by our External Valuers (Bruton Knowles) and therefore the revaluations have taken into account the obsolescence established from those inspections and discussions with Building Maintenance. In addition for 2024-25, all of the Depreciated Replacement Cost Valuation based Assets (Specialised Assets) and the HRA Stock have been revalued. There have also been a number of Assets Under Construction transferred to Operational Assets during 2024-25 and when Category transfers between Categories are actioned revaluations are required on the Asset Register.

Owned Assets	**Infrastructure excluding HRA Assets £'000**	**HRA Infrastructure £'000**	**Total Infrastructure £'000**
Net Book Value as at 31 March 2024	**137,199**	**14,542**	**151,741**
Opening Balance Adj.	-	386	**386**
Net Book Value as at 1 April 2024	**137,199**	**14,928**	**152,127**
Additions	9,626	1,912	**11,538**
Acc Depn & Imp WO to GCA	(482)	-	**(482)**
Reval recognition in Reval Reserve	413	-	**413**
Reval recognition in Surplus & Deficit	68	-	**68**
~ W/O Accumulated Impairment	483	-	**483**
Reclassification to Held for Sale	(11)	-	**(11)**
Depreciation Charge for 2024-25	(4,320)	(416)	**(4,736)**
Balance Sheet Amount at 31 March 2025	**142,976**	**16,424**	**159,400**

The above table shows Infrastructure Assets held at Historical Cost as at 31 March 2025 net of a transfer to Assets Held for Sale for a strip of land in Llangwm.

11.1.1.4 COMPARATIVE MOVEMENT IN NON CURRENT ASSET VALUES PROPERTY, PLANT & EQUIPMENT 2023-24

Owned Assets	Council House Assets £'000	Other Land & Bldings £'000	Vehicle, Plant & Equip £'000	Com'ty Assets £'000	Heritage assets £'000	Assets Under Const'n £'000	Surplus Assets £'000	Total Property Plant & Equip £'000
Cost or Valuation at 1 April 2023*	**293,550**	**513,384**	**35,644**	**620**	**1,951**	**59,569**	**2,133**	**906,851**
Additions	20,157	8,656	5,986	10	1,941	36,496	-	**73,246**
De-recognition / disposals	-	(2,227)	(1,598)	-	-	-	-	**(3,825)**
De-recognition – other (component)	(11,188)	(6,728)	(238)	(10)	(1,157)	-	-	**(19,321)**
Revaluation Acc Dep & Imp w/o to Gross Carrying Amount	(55)	(16,204)	-	(62)	(272)	-	(528)	**(17,121)**
Revaluations increases / (decreases) recognised in the Revaluation Reserve	(75)	44,054	-	-	-	-	777	**44,756**
Revaluations increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(6,492)	2,076	-	23	-	-	12	**(4,381)**
Reclassifications – PPE & Investment	-	-	-	-	-	-	-	**-**
Reclassifications – (to) / from Held for Sale	-	-	-	-	-	-	(330)	**(330)**
Other Movements	-	38,969	-	-	-	(38,969)	-	**-**
At 31 March 2024	**295,897**	**581,980**	**39,794**	**581**	**2,463**	**57,096**	**2,064**	**979,875**
Depreciation & Impairments								
Depreciation	(4,811)	(1,298)	(16,430)	-	-	(219)	(5)	**(22,763)**
Impairment*	(1,563)	(901)	(2,701)	(63)	(833)	(794)	6	**(6,849)**
At 1 April 2023*	**(6,374)**	**(2,199)**	**(19,131)**	**(63)**	**(833)**	**(1,013)**	**1**	**(29,612)**
Depreciation Charge for 2023-24	(5,127)	(16,767)	(4,888)	-	-	-	(704)	**(27,486)**
Impairment Losses & Non-Enhancing Expenditure to Revaluation Reserve	-	(2,900)	-	-	-	-	-	**(2,900)**
Impairment Losses & Non-Enhancing Expenditure to Surplus/Deficit on the Provision of Services	-	(228)	-	-	-	-	-	**(228)**
Derecognition / Disposals:								
~ W/O Accumulated Depreciation	-	554	1,545	-	-	-	-	**2,099**
~ W/O Accumulated Impairment	-	-	-	-	-	-	-	**-**
Revaluations:								
~ W/O Accumulated Depreciation	54	15,416	-	-	-	-	528	**15,998**
~ W/O Accumulated Impairment	-	789	-	63	272	-	-	**1,124**
Reclassifications:								
~ Transfer Accumulated Depreciation b/fwd	-	-	-	-	-	-	-	**-**
~ Transfer Accumulated Impairment b/fwd	-	(737)	-	-	-	737	-	**-**
At 31 March 2024	**(11,447)**	**(6,072)**	**(22,474)**	**-**	**(561)**	**(276)**	**(175)**	**(41,005)**
Balance Sheet Amount at 31 March 2024	**284,450**	**575,908**	**17,320**	**581**	**1,902**	**56,820**	**1,889**	**938,870**
Balance Sheet Amount at 1 April 2023*	**287,176**	**511,185**	**16,513**	**557**	**1,118**	**58,556**	**2,134**	**877,239**

*Restated

Owned Assets	Infrastructure excluding HRA Assets £'000	HRA Infrastructure £'000	Total Infrastructure £'000
Net Book Value as at 1 April 2023	**136,144**	**12,019**	**148,163**
Additions	6,887	2,859	**9,746**
De-recognition / disposals	(1,014)	-	**(1,014)**
De-recognition – other (component)	(58)	-	**(58)**
~ W/O Accumulated Depreciation	1,014	-	**1,014**
~ W/O Accumulated Impairment	8	-	**8**
Depreciation Charge for 2023-24	(5,782)	(336)	**(6,118)**
Balance Sheet Amount at 31 March 2024	**137,199**	**14,542**	**151,741**

The above table shows Infrastructure assets at Historical Cost as at 31 March 2024.

11.1.2 CAPITAL EXPENDITURE AND FINANCING

11.1.2.1 CAPITAL EXPENDITURE IN YEAR

The amount of capital expenditure incurred in the year is shown in the table below together with the resources which have been used to finance it.

	2023-24 £'000	2024-25 £'000
Capital Expenditure Analysed by Services:		
Education	19,875	14,096
Social Services	396	185
Transport	5,481	7,637
Housing – H.R.A.	23,016	32,623
Housing – Council Fund	697	736
Culture & Related Services	3,644	7,395
Development	4,478	7,848
Environmental	24,289	8,408
Corporate	7,650	8,076
City Deal	7,103	991
	96,629	**87,995**
Finance Leases / Assets Acquired Under Right of Use (IFRS 16)	16	311
Capital Investment	**96,645**	**88,306**
Representing:		
Fixed Assets Property Plant & Equipment	82,992	80,263
Property, Plant & Equipment Non-Enhancing Expenditure in year adjustment	1,799	-
Intangible Assets	125	313
Loans & Advances	86	66
Gross Revenue Expenditure Funded from Capital Under Statute	11,643	7,664
	96,645	**88,306**
Financed by:		
Loans/Supported Borrowing	3,790	-
Unsupported Borrowing/LGBI	25,609	19,566
Capital Grants & Other Contributions	48,275	52,423
General Fund Reserves & Receipts Applied	18,955	16,006
Finance Leases	16	311
	96,645	**88,306**

11.1.2.2 CAPITAL FINANCING REQUIREMENT

The capital financing requirement represents the external financing required, after taking into account grants, capital receipts and internal funds applied in respect the long-term capital investment made by the Council.

	2023-24 £'000	2024-25 £'000
Capital Financing Requirement as at 1 April	**250,355**	**275,026**
Opening Balance Adjustment*	-	4,186
Movements in Year		
Increase/(Decrease) in Supported Borrowing (Local & Central Taxation)	24,655	11,229
Assets Acquired/Disposed of Under Right of Use (IFRS 16)	16	311
Capital Finance Requirement as at 31 March	**275,026**	**290,752**
In Year Movement		
Capital Investment:		
Property Plant and Equipment	82,992	80,263
Property, Plant & Equipment Non-Enhancing Expenditure in year adjustment	1,799	-
Intangible Assets	125	313
Loans & Advances	86	66
Revenue Expenditure Funded From Capital Under Statute	11,643	7,664
Total	**96,645**	**88,306**
Sources of Finance:		
Capital Receipts	(828)	(1,417)
Set Aside Capital Receipts	(33)	(51)
Government Grants and Other Contributions	(48,275)	(52,423)
Sums Set Aside From Revenue:		
- Direct Revenue Contribution	(18,127)	(14,589)
- Minimum Revenue Provision	(4,711)	(8,286)
	(71,974)	**(76,766)**
Increase/(Decrease) in Capital Financing Requirement	**24,671**	**11,540**

*Open balance adjustment relating to Set Aside receipts

The movement in MRP in Note 11.1.2.2 between 2023-24 and 2024-25 is partly due to utilisation of Voluntary MRP in 2023-24, this was accumulated in previous years. An additional £1.216m within the MRP in 2024-25 was attributable to the introduction of IFRS16.

	2023-24 £'000	2024-25 £'000
Use of Voluntary MRP	1,634	-
Cumulative Additional Voluntary MRP	-	-

11.1.2.3 CAPITAL CONTRACT COMMITMENTS

The following represents amounts committed under Capital Schemes of which £48.721m has been accrued in the 2024-25 accounts.

The major commitments under capital contracts at the 31 March are:	2023-24 £'000	2024-25 £'000
Education	3,936	3,339
Social Care	16	6
Transport	1,491	13,771
Housing – H.R.A.	3,468	13,577
Housing – Council Fund	32	7
Culture & Related Services	1,170	16,643
Development	946	508
Environmental	3,610	730
Corporate	48	140
	14,717	**48,721**

As at 31 March 2025 the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant & Equipment in 2024-25 and future years budgeted to cost £48.721m. Comparative figure for 2023-24 was £14.717m.

The Major Contract Commitments by scheme within the total includes:	2024-25 £'000
Portfield Special School (SCFL)	1,730
Greenhill School ATP	125
Penrhyn Dewi Support to ALN	655
Brynhir HRA New Build Scheme	827
Haverfordwest Interchange	12,366
Milford Interchange	138
Heart of Pembrokeshire & Signature Bridge	3,567
Western Quayside	427
South Quay Phase 1	93
South Quay Phase 2	12,896
Eco Park	661
Glasfryn HRA Housing Development	2,084
Schools IT Equipment	531
Maes Ingli HRA Housing Development	210
Windsor Gardens HRA Housing Development	124
Cleddau Bridge Housing Development	9,690
Other	2,597
	48,721

The table above provides an analysis of the capital commitments analysed by Major Schemes.

11.2 LEASE AND LEASE TYPE ARRANGEMENTS

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-25 and not by adjusting prior year figures. The details of the changes in accounting policies and transitional provisions are disclosed below.

Definition of a lease

On transition to IFRS 16, the Council elected to apply the practical expedient not to reassess whether a contract is, or contains, a lease at 1 April 2024, except in relation to leases for nil consideration and housing tenancies. It has applied IFRS 16 only to contracts that were previously identified as leases under IAS 17 and IFRIC 4.

11.2.1 COUNCIL AS LESSEE

As a lessee, the Authority previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

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

Leases classified as operating leases under IAS 17:

The Council used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date.
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics.
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.08%.
- Right-of use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded.
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet. (Onerous lease means the cost of the lease is more than the benefit the council receives)
- For right-of-use assets for peppercorn or nominal lease payments, a right-of use asset has been recognised at fair value on 1 April 2024 with the difference between that fair value and the lease liability credited as a gain in the surplus/deficit on the provision of services.

The Council has acquired various assets under finance leases which are reported under Property, Plant and Equipment in the Balance Sheet. Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 1 April 2024:

- £5.094m Property, plant and equipment – land and buildings (right-of-use assets)
- £0.000m Intangible assets (right-of-use assets)
- £3.096m Non-current creditors (lease liabilities)
- £1.109m Current creditors (lease liabilities)

The newly recognised leases liabilities of £4.205m compare with the operating lease commitments of £0.675m at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements.

Leases classified as finance leases under IAS 17

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2024 are determined at the carrying amount of the lease asset and lease liability under IAS 17 at 31 March 2024.

11.2.1.1 RIGHTS OF USE ASSETS

The table below shows the change in the value of right-of-use assets held under leases by the Council:

	Land and Buildings £'000	Heritage £'000	Community £'000	Vehicles, Plant and Equipment £'000	Total £'000
Balance at 1 April 2024	**3,874**	**124**	**25**	**1,071**	**5,094**
Additions	-	139	-	311	**450**
Revaluations	-	-	-	-	**-**
De-recognition - other	-	(139)	-	-	**(139)**
Disposals	-	-	-	-	**-**
Depreciation and Amortisation	(589)	(11)	-	(676)	**(1,276)**
Balance at 31 March 2025	**3,285**	**113**	**25**	**706**	**4,129**

11.2.1.2 TRANSACTIONS UNDER LEASES

The Council incurred the following expenses and cash flows in relation to leases:

	2024-25 £'000
Comprehensive Income and Expenditure Statement	
Interest expense on lease liabilities	129
Expense relating to short-term leases	70
Expense relating to exempt leases of low-value items	106
Variable lease commitments not included in the measurement of lease liabilities	-
Income from subletting right-of-use assets	-
Gains or losses arising from sales and leaseback transactions	-
Cash Flow Statement	
Total cashflow for leases	1,342
Cash payments for interest portion of lease liabilities	129
Short term lease payments where exemptions taken	70
Low value lease payments where exemptions taken	106
Variable lease payments excluded from lease liabilities	-

11.2.1.3 MATURITY ANALYSIS OF LEASE LIABILITIES

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

	31 March 2025 £'000
Less than one year	1,270
One to five years	1,420
More than five years	1,400
Total Undiscounted Liabilities	**4,090**

11.2.2 COUNCIL AS LESSOR

The Council is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for authorities acting as an intermediate lessor (subletting an asset it has acquired under a lease), or where the Council is party to a lease for nil consideration. Otherwise, the Council shall account for lease applying IFRS16 as adopted by the Code from 1st April 2024.

- Under IFRS16, Councils' acting as an intermediate lessor are required to assess the classification of a sub-lease with reference to the right-of-use asset not the underlying asset.
- Where the Council is party to a lease for nil consideration, in which it is acting as lessor and the lease is classified as finance lease, the Code requires it will derecognise the asset being provided to the third party and recognise any unguaranteed residual value in accordance with the requirements of IFRS16.

The Council was not party to any sublease arrangements as lessor as at 1 April 2024.

The Council has a gross investment in property it leases out comprising of the minimum lease payments expected to be received over the remaining lease terms and the residual value anticipated for the properties when the leases come to end.

Finance lease debtors are not material as consideration payments totalling £0.890m were made at the inception of the agreements. No liability is therefore outstanding.

Anticipated receipts from operating leases running up to 999 years is £29.0m.

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	31 March 2024 £'000	**31 March 2025 £'000**
Less than 1 year	2,652	1,913
One to Two years	1,215	1,712
Two to Three years	1,008	1,566
Three to Four years	801	1,451
Four to Five years	706	1,353
More than Five years	15,934	20,960
	22,316	**28,955**

11.3 INVESTMENTS

The investments are shown in the Balance Sheet at amortised value which allows for equalisation of the return on the principal sum over the life of the investment.

The market (fair) value reflecting the proceeds if the investments had been realised at 31 March 2025 was £5.7m. The corresponding fair value at 31 March 2024 was £19.4m.

Fair Value has been calculated using the Net Present Value (NPV) approach which provides an estimate of payments in the future in today's terms.

The Council does not hold the following categories of financial assets – "available-for-sale" or "at fair value through profit and loss".

Investments (Loans & Receivables)	Amortised Value	Maturity Value			Interest Accrued in Year	Amortised Value	Fair Value
	31 March 2024	1 April 2024	Move-ment In Year	31 March 2025		31 March 2025	31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Short Term (under 12 months)							
Money Market	5,399	5,000	-	5,000	673	5,673	5,749
	5,399	**5,000**	**-**	**5,000**	**673**	**5,673**	**5,749**
Cash Equivalent							
Money Market	13,992	13,876	(13,876)	-	**77**	77	-
Total Investments	**19,391**	**18,876**	**(13,876)**	**5,000**	**750**	**5,750**	**5,749**

11.4 DEBTORS AND CREDITORS

11.4.1 DEBTORS AND PREPAYMENTS

All amounts included as assets are shown at market (fair) value.

	Net 1 April 2024 £'000	Gross 31 March 2025 £'000	Impairment Allowance £'000	Net 31 March 2025 £'000
Amounts falling due after one year:				
Other Loans	2,589	2,413	-	2,413
Debts Against Estates	2,634	3,202	-	3,202
	5,223	**5,615**	**-**	**5,615**
Amounts falling due in one year:				
Trade Receivables	17,477	20,287	(4,351)	15,936
Prepayments	1,524	1,920	-	1,920
Other Receivable Amounts	56,177	87,262	(11,160)	76,102
	75,178	**109,469**	**(15,511)**	**93,958**

The movement is primarily due to an increase Council Tax and NNDR which has in part been offset by an increase in Impairment Allowance (otherwise known as Bad Debt Provision).

11.4.2 CREDITORS & SHORT-TERM BORROWING

The fair value of trade and other payables is taken to be the invoiced or billed amount.

	Balance 31 March 2024				Balance 31 March 2025			
	Short Term Creditors £'000	Revenue Grants Receipts in Advance £'000	Capital Grants Receipts in Advance £'000	Total Creditors £'000	Short Term Creditors £'000	Revenue Grants Receipts in Advance £'000	Capital Grants Receipts in Advance £'000	Total Creditors £'000
Amounts falling due in one year:								
Trade Payables	(28,589)	(136)	(13,358)	**(42,083)**	(23,392)	(124)	(13,222)	**(36,738)**
Other Payables	(21,696)	(8,469)	(16,414)	**(46,579)**	(26,199)	(665)	(22,891)	**(49,755)**
	(50,285)	**(8,605)**	**(29,772)**	**(88,662)**	**(49,591)**	**(789)**	**(36,113)**	**(86,493)**
Loan Interest				**(1,967)**				**(902)**
Loans Maturing within One Year				**(1,791)**				**(15,301)**
Total Creditors				**(92,420)**				**(102,696)**

The increase in creditors is predominately due to short term borrowing payable within the next year (Loans Maturing within One Year). This increase has been partially offset by the utilisation of Grants during 2024-25 resulting in reduced Grants in Advance balances.

11.4.3 GRANTS RECEIPTS IN ADVANCE

These are grants that have been received in advance and cannot be applied until the terms of the grant have been complied with when the grant will be recognised as income.

	Balance at 1 April 2024 £'000	Applied in Year Conditions Met £'000	Returned / Accrual Reversed in Year Conditions Not Met £'000	Received In Year Conditions Outstanding £'000	Balance at 31 March 2025 £'000
Current Liability:					
Revenue Grants					
· General Fund	**(8,605)**	8,464	100	(748)	**(789)**
· HRA	**-**	-	-	-	**-**
Capital Grants					
· General Fund	**(29,772)**	3,094	-	(9,435)	**(36,113)**
· HRA	**-**	-	-	-	**-**
Total	**(38,377)**	**11,558**	**100**	**(10,183)**	**(36,902)**

A breakdown of the Grants Receipts in Advance is highlighted in the tables below:

Capital Grants Receipts in Advance	2023-24* £'000	2024-25 £'000
Current Liabilities		
WG - Town Centre	(3,204)	(3,204)
WG - Withybush Food Park	(1,161)	(1,161)
WG - Transport Interchange	(10,264)	(11,701)
WG - Sustainable Communities for Learning Programme	-	(1,071)
WG - Education Grants	-	(1,933)
Heart of Pembrokeshire	(2,017)	(4,022)
Houses to Homes Schemes	(835)	(1,003)
S106 Developers Contributions	(8,334)	(8,071)
Other Capital Grants & Contributions	(3,957)	(3,947)
Total Current Liabilities Capital Grants Receipts in Advance	**(29,772)**	**(36,113)**

***** Table redistributed

Revenue Grants Receipts in Advance	2023-24 £'000	2024-25 £'000
Current Liabilities		
Education	(111)	(134)
Children & Adult Social Services	(656)	(330)
Community Services*	(7,687)	(227)
Central & Corporate Services	(112)	(76)
General Fund Housing & HRA	-	(22)
Highways	(39)	-
Total Current Liabilities Revenue Grants Receipts in Advance	**(8,605)**	**(789)**

* Community Services include Culture, Environment, Planning, Highways & Transport Services

11.5 CASH AND CASH EQUIVALENT

	Balance 31 March 2024 £'000	Balance 31 March 2025 £'000
Cash at bank / in hand *	741	(4,472)
Bank Call Accounts	13,992	77
Total Cash and Cash Equivalents	**14,733**	**(4,395)**

*The Council utilised an overdraft facility at 31 March 2025. The short term cashflow deficiency was a result of grant income not being received as expected. The overdraft facility was used as the most cost effective way of maintaining liquidity for the short period of time. By 4 April 2025 the Councils bank account returned to a surplus position

11.6 ASSETS HELD FOR SALE

	2023-24 £'000	2024-25 £'000
Balance outstanding at start of year	-	-
Assets classified as Held for Sale during year	330	303
Assets sold	(330)	(60)
Balance outstanding at end of year:	**-**	**243**

11.7 PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS

11.7.1 PROVISIONS

The Council undertakes a degree of self-insurance and annually contributes an amount to the provision to meet the cost of claims settled.

	2023-24			2024-25		
	Insurance £'000	Other £'000	Total £'000	Insurance £'000	Other £'000	Total £'000
Brought Forward at 1 April	**(2,667)**	**-**	**(2,667)**	**(2,225)**	**-**	**(2,225)**
Cost of Claims Charged to Services	317	-	317	637	-	637
Less: External Reimbursement	(13)	-	(13)	(2)	-	(2)
Charged To Provision	**304**	**-**	**304**	**635**	**-**	**635**
Contributions & Transfers in Year	138	-	138	(1,200)	-	(1,200)
Balance Carried Forward at 31 March	**(2,225)**	**-**	**(2,225)**	**(2,790)**	**-**	**(2,790)**

11.7.2 CONTINGENT LIABILITIES

- From December 2023, the Renting Homes (Wales) Act 2016 and regulations made under the Act brought into effect changes to contractual arrangements between landlords and tenants. The legislation is the subject of litigation by some housing associations. A judgement was made on the 2 October 2025 which is being reviewed to establish any potential liability. It would appear from initial review that there will be limited impact on the Housing Revenue Account. However, this cannot be reliably estimated until further legal advice is obtained and discussions had with Welsh Government and other interested parties.
- Virgin Media Court Case: In June 2023, the High Court found that changes to member benefits in contracted out defined benefit pension schemes between 6th April 1997 and the abolition of contracting-out in 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. An appeal in June 2024 was dismissed. In June 2025 the Department of Work and Pensions advised that the Government would introduce new legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standard. Scheme obligations will otherwise be unaffected. The Pension Liability included within the accounts does not include an adjustment for the Virgin Media Case.
- The Council, with external support, is currently reviewing its job evaluation scheme. The review is ongoing, so any financial implications are not currently known.
- PCC entered into a contract with a supplier from April 2019 for the installation and operation of EV charging facilities across Pembrokeshire. The electricity supply to the EV chargers is provided by EDF via Pembrokeshire County Council's corporate account. Under the terms of the contract for operation of the EV chargers, the supplier is responsible for all liabilities associated with the electricity supply. There are currently unpaid EDF invoices and potential disputes in relation to certain charges which could result in PCC being liable for the debt on the EDF account and separately having to take recovery action against the supplier.

11.7.3 CONTINGENT ASSETS

None.

11.8 LONG TERM BORROWING

11.8.1 ANALYSIS OF LOAN TRANSACTIONS IN YEAR

Under the relevant financial reporting standards, in order to ascertain the amortised value of the loan portfolio as reported in the Balance Sheet, the maturity value of loans is adjusted to take account of accrued interest due, and a financial adjustment is made to smooth out the effect of any stepped interest or premiums and discounts.

Amortised Value	2023-24 £'000	Market Loans £'000	WG £'000	PWLB £'000	2024-25 £'000
Maturity Value	**(174,223)**	**(25,000)**	**(1,600)**	**(150,194)**	**(176,794)**
Financial Adjustment Account Entries					
Effective Interest Rate Adjust					
· Prior years	**(338)**	(269)	180	-	**(89)**
· Current year	**(291)**	4	(48)	-	**(44)**
Deferred Liabilities Account Entries					
Discounts Transferred	**(200)**	(200)	-	-	**(200)**
Less Discount write down					
· Prior years	**29**	-	-	-	**-**
· Current year	**2**	-	-	-	**-**
Council Fund Account Entries					
Effective Interest Rate w/off	**(8)**	-	-	-	**-**
Amortised Value	**(175,029)**	**(25,465)**	**(1,468)**	**(150,194)**	**(177,127)**

11.8.2 COMPARISON OF MATURITY VALUE AND FAIR VALUE

The fair value is an estimate of what the loan portfolio would cost to redeem as at 31 March 2025. Fair Value has been calculated using the Net Present Value (NPV) approach which provides an estimate of payments in the future in today's terms. The PWLB debts has been valued using the new borrowing rate.

Maturity Value and Fair Value	2023-24 £'000	Market Loans £'000	WG £'000	PWLB £'000	2024-25 £'000
Maturity Value					
As at 1 April					
Long Term Borrowing	**(190,954)**	(25,000)	(1,946)	(147,277)	**(174,223)**
Short Term Borrowing	**(12,196)**	-	(254)	(1,538)	**(1,792)**
Total Borrowing	**(203,150)**	**(25,000)**	**(2,200)**	**(148,815)**	**(176,015)**
Repaid in Year	**27,196**	-	254	1,537	**1,791**
Raised in Year	**(60)**	(10,000)	-	(7,871)	**(17,871)**
As at 31 March					
Long Term Borrowing	**(174,223)**	(25,000)	(1,600)	(150,194)	**(176,794)**
Short Term Borrowing	**(1,791)**	(10,000)	(346)	(4,955)	**(15,301)**
Total Borrowing	**(176,014)**	**(35,000)**	**(1,946)**	**(155,149)**	**(192,095)**
Change in amount due in less than 1yr	**10,405**	(10,000)	(92)	(3,895)	**(13,987)**
Fair Value	**(161,727)**	**(19,910)**	**(1,487)**	**(133,519)**	**(154,916)**

The Council does not hold financial liabilities at fair value through profit and loss.

The Authority has used a transfer value as the method for calculating the fair value of its financial liabilities at the 31 March 2025. However, for comparison calculating fair value using exit pricing would have resulted in a value of £172.89m calculated on an early repayment discount rate method. The Authority has no contractual obligations to pay these penalty costs and would not incur any additional cost if the loans run to their maturity date.

An analysis of the debt portfolio by maturity value by lender and by maturity profile at 31 March 2025 is shown within notes 11.11.3.1&2.

11.9 DEFERRED LIABILITIES

These are liabilities that will not be settled within a twelve month period.

	Balance at 1 April 2024	Opening Balance Adjustment IFRS 16	Incurred In Year	Released In Year	In Year PV Adjust-ment	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000
Social Care Debts Against Estates	(2,632)	-	(593)	-	25	**(3,200)**
Right of Use (Property)	(160)	(2,053)	-	-	-	**(2,213)**
Right of Use (Equipment)	(50)	(118)	-	-	-	**(168)**
Total	**(2,842)**	**(2,171)**	**(593)**	**-**	**25**	**(5,581)**

11.10 USABLE RESERVES

	2023-24 £'000	2024-25 £'000
Earmarked Reserves (see note 10.2.1)	(80,039)	(80,532)
Capital Receipts and Contributions (see note 10.2.2)	(13,964)	(12,902)
Total	**(94,003)**	**(93,434)**

11.11 UNUSABLE RESERVES

The transactions in the unusable reserve accounts are summarised below followed by detail for each reserve account.

	Balance at 31 March £'000	Balance at 1 April 2024* £'000	Movement in Year £'000	Balance at 31 March 2025 £'000
Capital Adjustment Account	(505,067)	(500,204)	24,344	(475,860)
Revaluation Reserve	(314,743)	(314,208)	8,657	(305,551)
Financial Instruments Adjustment Account	693	693	(298)	395
Accumulated Absences Account	2,650	2,650	962	3,612
Pensions Reserve	7,661	7,661	(965)	6,696
Unusable Reserves Total	**(808,806)**	**(803,408)**	**32,700**	**(770,708)**

*Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

11.11.1 CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

	2023-24 £'000	2024-25 £'000
Balance 31 March	**(494,852)**	**(505,067)**
Opening Balance Adjustments*	-	4,863
Balance 1 April	**(494,852)**	**(500,204)**
Amounts Set Aside To Repay Debt		
- Minimum Revenue Provision	(4,711)	(8,286)
- Reserved Capital Receipts	(33)	(17)
Financing of Expenditure on Fixed Assets:		
- Capital Fund applied	(16,519)	(12,270)
- Other Funds applied	(1,608)	(2,319)
- Capital Receipts applied	(828)	(1,417)
- Capital Grants & Contributions credited to CI&E applied to capital financing	(36,522)	(46,177)
Income & Expenditure Statement Charges:		
- Write down of Net Revenue Expenditure Funded from Capital Under Statute	221	1,418
- Amount Provided for Depreciation	33,761	33,181
- Amount Provided for Depreciation for Right of Use Assets	-	1,276
- Non-Enhancing Expenditure	19,371	23,720
- Impairment	228	48
- Revaluation Movements	4,381	46,475
- Write down of Deferred Liability	965	234
Fixed Asset Movements:		
- Disposals	2,056	169
Revaluation Reserve Movements:		
- Amounts written off	(10,977)	(11,691)
Balance Carried Forward 31 March	**(505,067)**	**(475,860)**

*Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

11.11.2 REVALUATION RESERVE

The Revaluation Reserve was established in April 2007 and accounts for increases in the value of Property, Plant and Equipment; gains prior to 1 April 2007 were accounted in the Capital Adjustment Account. The balance is reduced when assets with accumulated gains in the reserve:

- suffer a downward revaluation or are impaired
- are depreciated as their economic benefit is consumed
- are disposed of and the gain is realised

	2023-24 £'000	2024-25 £'000
Balance Brought Forward at 31 March	**(283,864)**	**(314,743)**
Opening Balance Adjustments*	-	535
Balance 1 April	**(283,864)**	**(314,208)**
Revaluation Gains	(55,075)	(87,037)
Downward revaluation and impairment**	13,219	84,003
Surplus/Deficit on revaluation of non-current assets not charged to the surplus/deficit on the provision of services*	**(41,856)**	**(3,034)**
Write off excess current value depreciation over historical cost depreciation	9,898	11,616
Write off balance re asset disposals	1,079	75
Total Written Off	**10,977**	**11,691**
Balance Carried Forward at 31 March	**(314,743)**	**(305,551)**

*Opening balance adjustment to reflect recognition/derecognition of Assets owned and controlled / not owned and controlled by the Council including Right of Use Asset adjustments

** Where there is no previous valuation gain, losses are charged to the surplus/deficit on the provision of services in the Comprehensive Income and Expenditure Statement

11.11.3 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council approves annually in advance of each financial year Treasury Management and Investment Strategies which set out limits and criteria for borrowing and investment for the following financial year with the aim of minimising the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. No investment or borrowing limits were exceeded during the financial year.

The economic impact of the Covid-19 pandemic and more recently the conflicts in Ukraine and the Middle East along with global trade market uncertainties continues to present challenges to the financial services industry and its institutions. Borrowing has been required during the later part of the financial year and utilisation of the overdraft facility was required.

Credit Risk

This is the risk of failure by a third party to meet its contractual obligations under an investment, borrowing or other sources of project financing. The risk is minimised through the Annual Treasury and Investment Strategies.

Investment Credit Risk

It is the policy of the Council to place deposits only with a limited number of high-quality Banks and Building Societies, whose credit ratings are constantly reviewed by the Council using independent market data provided by the Council's Treasury Advisers. The amounts invested are restricted to prudent and affordable amounts as set out in the approved Strategy. No collateral is held for these transactions.

The credit quality of the counterparties is regarded as being at the lower end of the risk rankings, however, as the banking crisis has shown, credit ratings cannot always be relied upon. Nonetheless, there has been no renegotiation of terms with counterparties, and the Council expects full repayment, including all interest earned on the due date of all deposits placed with its counterparties, accordingly there is no impairment to report.

Credit Exposures

The Council constantly reviews its credit income collection performance and ensures it has made sufficient allowance for any bad debts that might occur.

The overdraft facility the Council has in place with its bankers is very rarely utilised and the credit risk exposure is extremely low.

Liquidity Risk

This is the possibility that a third party to a financial instrument will fail to meet their contractual obligations, causing a loss for the other party.

The Council has on-line access to monitor its bank transactions and prepares detailed daily, weekly and yearly cash flow forecasts which should ensure that cash shortfalls do not occur.

In any event the Council can borrow from the Public Works Loans Board as well as having in place an agreed overdraft facility with its bankers. As a result, there is no significant risk that the Council will be unable to raise finance to meets its commitments under financial loan instruments or any other liability.

The Council did temporarily use an overdraft facility over the period of 31 March 2025 to 2 April 2025. This was to cover a temporary shortfall in available funds with the overdraft being repaid in full on the 3 April 2025. The Authority had liaised with our Bankers to give advance notice. The use of the Overdraft was undertaken in accordance with the Council's Financial Procedure Rules and the Treasury Strategy. The use of the Overdraft was shown to be most cost effective measure during this period after analysis of all the options.

Market Risks

This is the possibility that the value of an instrument will fluctuate. The key market risks identified are:

Interest Rate Risk

The Council is exposed in the following way to the uncertainty of interest paid/received on variable rate instruments and in respect of any new borrowing required and investments made in any year:

- The Council maintains a significant debt and investment portfolio. To limit re-financing risk the Council's policy is to try and ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. Where, because of an inherited debt position, this is more difficult an optimum time for refinancing will be sought.
- Changes in interest rates will not impact on the Balance Sheet for the majority of assets and liabilities held at amortised cost, but will impact on those held at fair value. The fair value of fixed rate financial assets will fall if interest rates rise and the fair value of fixed rate financial liabilities will rise if interest rates fall.
- Increases in rates will potentially increase investment income and the cost of borrowing and vice versa. The extent at any one time depends upon the composition and maturity profile of the investment and loans portfolios and the relativity of borrowing and investment rates. If the average interest rates had been 1% higher for 2024-25 the net financial effect would be increased interest income of £0.367m.

Price Risk

The Councils Treasury Management Strategy allows the Authority to invest in money market funds up to the approved limits. Robust monitoring ensures any adverse market price exposure is minimised.

Foreign Exchange Risk

The Council has the following exposure to movement in exchange rates:

- The Council currently has no exchange rate risk for 2024-25 previously the Council had two grant aided schemes where the grant was denominated in Euros, Buccanier and Ancient Connections both of these schemes have now finished. A Euro Bank account is open to support these schemes. The Council is the lead body for both grants in which the grants are claimed in euros for all parties, including Pembrokeshire. Although the Council redistributes the grant received to all parties in euros the Council is exposed to exchange risk on their remaining element. There was no balance on the Euro account as at 31 March 2025.
- As set out in The Treasury Management Governance Arrangements the Council acknowledge their pursuit for "Value for Money" for all their treasury activities and in addition there is a project risk register. As at the 31 March 2025 there was no debtors relating to grant outstanding, therefore the exchange rate risk is nil.

11.11.3.1 ANALYSIS OF LOANS PORTFOLIO AT MATURITY VALUE BY LENDER AND BY MATURITY

Profile at 31 March 2025

Due for Redemption Within:	1 Year £'000	1 to 2 Years £'000	2 to 5 Years £'000	5 to 10 Years £'000	Over 10 Years £'000	Total 2024-25 £'000
Market Loans	-	-	-	-	25,000	**25,000**
Loans Managed by other Authorities	10,000	-	-	-	-	**10,000**
WG	346	346	795	459	-	**1,946**
PWLB	4,955	4,403	11,680	28,611	105,500	**155,149**
Total	**15,301**	**4,749**	**12,475**	**29,070**	**130,500**	**192,095**
Fixed rate	15,301	4,749	12,475	29,070	130,500	**192,095**
Variable rate	-	-	-	-	-	**-**
Total	**15,301**	**4,749**	**12,475**	**29,070**	**130,500**	**192,095**

11.11.3.2 ANALYSIS OF INVESTMENT PORTFOLIO AT MATURITY VALUE BY CREDIT EXPOSURE AND BY MATURITY PROFILE AT 31 MARCH 2025

Due for Realisation Within:	1 to 2 Years £'000	2 to 5 Years £'000	5 to 10 Years £'000	Total 2024-25 £'000
Specified Investments (duration when made less than 364 days)				
Banks & Building Societies	5,000	-	-	**5,000**
Total	**5,000**	**-**	**-**	**5,000**
Fixed rate	5,000	-	-	**5,000**
Variable rate (Call Accounts/MMF)	-	-	-	**-**
Total	**5,000**	**-**	**-**	**5,000**

11.11.4 ACCUMULATED ABSENCES ACCOUNT

This account represents the cost of paid absence entitlement due but not taken at 31 March which is charged to the cost of services in the Comprehensive Income and Expenditure Statement and is reversed out in the Movement in Reserves Statement and charged to this account to comply with statutory requirements.

	2023-24 £'000	2024-25 £'000
Balance 1 April	**3,721**	**2,650**
Settlement or cancellation of preceding year's accrual	(3,721)	(2,650)
Accrual for current year	2,650	3,612
Balance 31 March	**2,650**	**3,612**

11.11.5 PENSIONS RESERVE

The Pensions Reserve relates to the Dyfed Pension Scheme (see note 9.4) and 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 credit balance on the Pensions Reserve reflects the excess at a point in time between the benefits earned by past and current employees and the resources in terms of pension fund assets required to meet them. The statutory arrangements for managing the Fund should ensure that funding will have been set aside by the time the benefits come to be paid.

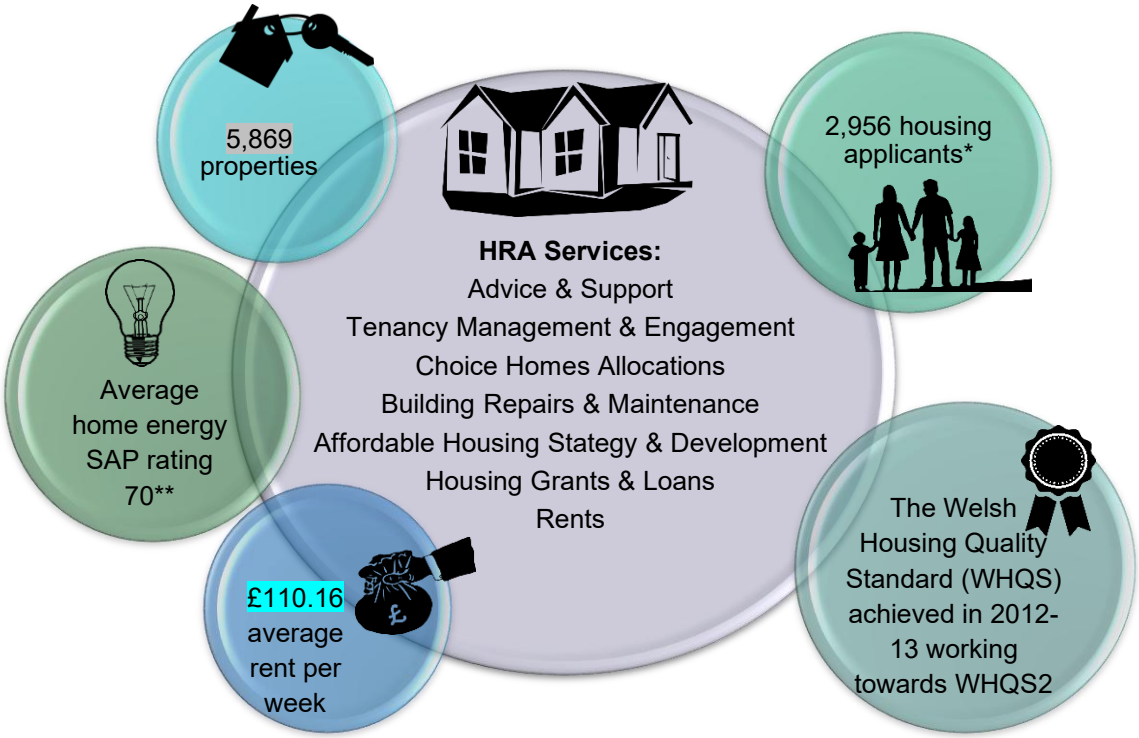
	2023-24 £'000	2024-25 £'000
Balance 31 March	**(51,040)**	**7,661**
Remeasurements of Pension Liabilities and Assets	(60,914)	(84,757)
Asset Ceiling Adjustment	119,561	82,232
Reversal of items chargeable to the surplus/ deficit on the provision of services in the Comprehensive Income and Expenditure Statement	17,939	20,315
Employers pension contributions and other direct payments in the year	(17,885)	(18,755)
Balance 31 March	**7,661**	**6,696**



12.0 HOUSING REVENUE ACCOUNT (HRA)

12.0 HOUSING REVENUE ACCOUNT (HRA)

Transactions relating to Council Housing are shown below in accordance with the Code requirements.



* A review of the Housing Applicants waiting list by partner organisations have resulted in the reduction of applicants waiting to be housed.

** Following revision to the SAP standard, the housing stock has been re-evaluated and has led to a decrease in the overall energy rating.

12.1 MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

This Statement shows the adjustment made to the (Surplus)/Deficit on the HRA Income and Expenditure Statement, as measured under IFRS, to ensure that only the costs required by statute are charged to tenants.

	2023-24		2024-25	
	HRA Working Balance £'000	Earmarked HRA Reserves £'000	HRA Working Balance £'000	Earmarked HRA Reserves £'000
Balance 1 April	**(752)**	**(13,383)**	**(752)**	**(8,194)**
(Surplus) / Deficit On HRA Services	**3,658**	**-**	**1,125**	**-**
Adjustments between Accounting Basis and Regulatory Funding Basis. Amounts included in HRA Income and Expenditure required by regulation to be excluded to arrive at the funding position				
- Depreciation, impairment & revaluation of Council dwellings & infrastructure	(23,213)	-	(24,408)	-
- Capital Grants treated as revenue income	10,541	-	13,871	-
- Net gain or loss on disposal of non-current assets	51	-	11	-
- Pension Cost Adjustment	(701)	-	(529)	-
Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position:				
- Provision for repayment of debt	1,545	-	1,545	-
- Revenue contribution to finance capital	12,158	-	12,033	-
- Employer's contribution to the Dyfed Pension Fund	713	-	685	-
Net (Increase) / Decrease Before Transfers (To) / From Reserves	**1,094**	**-**	**3,208**	**-**
Transfers (To)/ From Reserves	(4,752)	5,189	(4,333)	4,811
(Increase) / Decrease In Year	**(3,658)**	**5,189**	**(1,125)**	**4,811**
Balance 31 March	**(752)**	**(8,194)**	**(752)**	**(3,383)**

12.2 HRA INCOME AND EXPENDITURE STATEMENT

This statement shows the adjustments from the account used for resource allocation and rent setting purposes to that showing the economic cost, as defined by International Financial Reporting Standards, of providing the Council Housing Services administered by the Council.

	2023-24			2024-25		
	Rent Setting £'000	Adjusts £'000	IFRS Report £'000	Rent Setting £'000	Adjusts £'000	IFRS Report £'000
Income						
Rents: Dwellings (gross)	(27,497)	-	(27,497)	(29,622)	-	(29,622)
Other	(374)	-	(374)	(453)	-	(453)
Charges for services and facilities	(412)	-	(412)	(443)	-	(443)
Contributions towards expenditure	(241)	(51)	(292)	(317)	-	(317)
Total Income	**(28,524)**	**(51)**	**(28,575)**	**(30,835)**	**-**	**(30,835)**
Expenditure						
Repairs and maintenance (Pensions IAS19 adj)	10,847	53	10,900	12,428	32	12,460
Supervision and management (Pensions IAS19 adj)	5,670	55	5,725	5,720	40	5,760
Rents, rates, taxes & other charges	279	-	279	376	-	376
Bad debt provision	328	-	328	503	-	503
Depreciation, impairment & revaluation movements of non-current assets	-	23,213	23,213	-	24,408	24,408
Debt management costs	10	-	10	10	-	10
Sums Directed by the Welsh Government that are expenditure in accordance with the Code	-	-	-	1	-	1
Total Expenditure	**17,134**	**23,321**	**40,455**	**19,038**	**24,480**	**43,518**
HRA services share of corporate and democratic core	83	-	83	86	-	86
Net Cost / (Income) of HRA Services	**(11,307)**	**23,270**	**11,963**	**(11,711)**	**24,480**	**12,769**
HRA Share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement						
Interest receivable	(705)	-	(705)	(417)	-	(417)
Minimum Revenue Provision	1,545	(1,545)	-	1,545	(1,545)	-
Interest payable (including debt redemption premiums and discounts)	3,061	-	3,061	2,883	-	2,883
Appropriations to Reserves	7,406	(7,406)	-	7,700	(7,700)	-
(Gains)/Loss on HRA assets	-	-	-	-	(11)	(11)
Major Repairs Allowance & Other Grants	-	(10,541)	(10,541)	-	(13,871)	(13,871)
Pensions interest costs and expected rate of return	-	(120)	(120)	-	(228)	(228)
(Surplus) / Deficit for Year on HRA Services	**-**	**3,658**	**3,658**	**-**	**1,125**	**1,125**

12.3 NOTES TO THE HRA STATEMENTS

12.3.1 HOUSING STOCK

The Council was responsible for the maintenance and management of an average stock of 5,821 dwellings and 1,041 shops and garages in 2024-25.

	Stock at 31 March 2024	Opening Adjustment	Stock at 1 April 2024	Additions	Transfers	Sales / Demolitions / Reconfigurations	Stock at 31 March 2025
Houses / Bungalows	4,459	(13)	4,446	64	-	-	4,510
Bedsits and Flats	1,341	(14)	1,327	32	-	-	1,359
Shops and Garages	1,075	(33)	1,042	-	-	(1)	1,041
Pumping Stations & Treatment Works	27	-	27	-	-	-	27
Total Stock	**6,902**	**(60)**	**6,842**	**96**	**-**	**(1)**	**6,937**

Note: HRA disposals are transferred to Held for Sale prior to sale but are shown as Sales in this note.

12.3.2 RENTS – DWELLINGS

This is the total rent income due for the year after an allowance has been made for empty properties etc.

Council House rents were increased by 6.7% plus increased up to £2.00 per week (as shown in the table above) (53 weeks) where properties are not at target rent levels, collected over 48 weeks, with effect from 5th April 2024.

For new build / acquisitions of general needs houses and void properties where significant energy efficiency improvement measures have been made, a Living Rent level has been charged to align with rent levels in equivalent general needs RSL properties in the county.

The average opening un-rebated rent collectable being £110.16 for 2024-25. Individual rent increases applied varied between £5.33 and £10.58 per week (53 weeks). In addition to annual rent increases, properties which become void are re-let at target rent levels, which has a considerable impact on average rent level calculations, due to the high number of voids each year, and should be taken into consideration when looking at the comparative figures for 2023-24 which were a 5.2% inflation increase plus transitional variable increases of up to 2.5% per week (52 weeks) and £105.76* respectively. (*this value differs due to a restatement of 2023-24 calculation which now omits void properties)

Current Tenants & Former Tenants	2023-24 £'000	2024-25 £'000
Gross Arrears	3,862	4,742
Bad Debt Provision	(3,211)	(3,694)
Net Arrears at 31 March	**651**	**1,048**

12.3.3 SERVICES CHARGES

Welsh Government require Service Charges to be de-pooled from rents. During 2024-25 tenants were charged for all services received with the exception of Grounds maintenance services. Individual tenants were charged between £0.30 and £59.90 per week (52 weeks). 1,116 PCC tenants were charged for services with the average weekly charge being £7.21 per week (52 weeks). In 2023-24 the average weekly charge was £7.52, the decrease in the average cost is due to the reduction in utility costs.

12.3.4 VALUATION OF HRA ASSETS

Council Housing is included in the Balance Sheet on the basis of existing use for social housing which shall be derived by discounting the market value by a factor reflecting the difference between commercial and social rents.

12.3.4.1 HRA ASSET PURCHASE

In 2024-25 there was no HRA Land purchased. The HRA did purchase 80 properties to supplement the existing stock holding of Council Houses to meet housing needs.

Property Plant & Equipment

Owned Assets	**Council Housing** £'000	**Other HRA Land & Buildings** £'000	**Total Council Housing Assets** £'000	**HRA AUC** £'000
Cost or Valuation				
At 31 March 2024	**276,153**	**11,625**	**287,778**	**8,119**
Opening Balance Adjustment	2,674	(2,676)	(2)	(386)
At 1st April 2024	**278,827**	**8,949**	**287,776**	**7,733**
Additions	26,201	2,653	28,854	1,753
Derecognition – disposals	-	-	-	-
Derecognition – other	(18,184)	(215)	(18,399)	(1,284)
Revaluation Acc Dep & Imp w/o to GCA	(15,017)	(905)	(15,922)	(101)
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	18,347	1,118	19,465	82
Revaluation Increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	7,936	-	7,936	(4,484)
Reclassifications – Other	(40)	-	(40)	-
Other Movements	2,250	(6,834)	(4,584)	4,626
At 31st March 2025	**300,320**	**4,766**	**305,086**	**8,325**
Depreciation & Impairments				
Depreciation	(9,167)	(717)	(9,884)	-
Impairment	(905)	(240)	(1,145)	(418)
At 31 March 2024	**(10,072)**	**(957)**	**(11,029)**	**(418)**
Opening Balance Adjustment Depreciation	(594)	39	(555)	-
Opening Balance Adjustment Impairment	560	(1)	559	-
At 1st April 2024	**(10,106)**	**(919)**	**(11,025)**	**(418)**
Depreciation Charge for 2024-25	(4,942)	(226)	(5,168)	(101)
Revaluation Acc Dep w/o to GCA	14,679	905	15,584	101
Revaluation Acc Imp w/o to GCA	338	-	338	-
Reclassifications ~ Transfer Accumulated Depreciation b/fwd	(514)	625	111	(111)
At 31st March 2025	**(545)**	**385**	**(160)**	**(529)**
Balance Sheet Amount at 31st March 2025	**299,775**	**5,151**	**304,926**	**7,796**

Restated in accordance with the Temporary Relief offered by the update to the Code on Infrastructure Assets. HRA infrastructure assets are shown in the table below.

Owned Assets	**HRA Infrastructure £'000**
Cost or Valuation	
Net Book Value as at 31 March 2024	**14,542**
Opening Balance Adj.	386
Net Book Value as at 1 April 2024	**14,928**
Additions	1,912
Derecognition – disposals	-
Derecognition – other	-
Depreciation Charge for 2024-25	(416)
Balance Sheet Amount at 31st March 2025	**16,424**

12.3.5 HRA CAPITAL EXPENDITURE AND RECEIPTS

Total Capital Expenditure Funded by:	**2023-24 £'000**	**2024-25 £'000**
Major Repairs Allowance Grant	4,000	5,254
Capital Grants & Contributions	6,858	9,132
Borrowing	-	6,204
Capital Receipts	-	-
Capital Fund	12,158	12,033
Total	**23,016**	**32,623**
Receipts From Asset Disposals / Easements	**(6)**	**(50)**

12.3.6 HRA PENSION COSTS

HRA pension contributions of £0.072m from the Pension Reserve (£0.108m in 2023-24) were made in accordance with Accounting Policy 7.6 as set out in the Statement of Accounting Policies.



13.0 OTHER ACCOUNTS PREPARED OR CONTROLLED BY THE COUNCIL

13.0 OTHER ACCOUNTS PREPARED OR CONTROLLED BY THE COUNCIL

The Council operates trust funds for Education & Children's Services, Social Care, Tenby Swimming Pool and Welsh Church Act Fund representing total accumulated funds of £5.9m* in 2023-24 and £6.2m in 2024-25. Included within the 2024-25 balance is £1.6m in relation to Direct Payments which refers to accumulated funds held on behalf of the recipients' accounts that are directly controlled by the Council.

*2023-24 figure restated