

Treasurer's Annual Report and Accounts

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TREASURER

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SOLICITORS

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BROKERS

Rathbone Brothers Plc.
Charlotte House
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BANKERS

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United Kingdom House
180 Oxford Street
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Treasurer's Annual Report and Accounts

TREASURER'S REPORT For the year ended 31st December 2008

FOREWORD

It is my pleasure, on behalf of the Joint Central Committee, to present my first report as Treasurer of the Police Federation Joint Fund, together with the Financial Statements for the year ended 31st December 2008.

The deficit of subscription income over expenditure for the year amounted to £2,826,265 as compared to a deficit of £2,094,398 last year. The deficit has arisen as a result of an increase in Federation expenses and in particular, due to higher pay campaign and meeting expenses in the year. This year also includes Charlton House charges of £785,296, which represents the total running costs of the new hotel less income, as detailed in note 16 to the financial statements. This amount includes the associated costs (including accommodation and catering) of running Federation training courses for members. Members' legal fees have fallen compared to last year, due to provisions made in previous years now no longer required, a tighter control by the Federation on legal costs and the fact that no major cases occurred during the year. However there has been a rise in employment tribunal cases which need to be monitored.

Donations received amounted to £282,560 as detailed in note 8. Income from investments totalled to £431,564 and other income of £293,617 arose from the agreed liquidated and ascertained damages from Dean & Dyball Construction Limited. After accounting for the above, the deficit before capital gains was £1,818,577.

During the year the Federation changed its stockbroker to Rathbone Brothers plc. The Federation realised a capital gain of £3,715,600 as a result of selling stocks held with its previous brokers.

Due to the general decline in stock markets, a provision for impairment has been charged against the investments, which amounted to £420,727.

After taxation the retained surplus for the year amounted to £995,057 (2007: £156,980 deficit). This is mainly due to the one off realised capital gain in the year as mentioned above.

BALANCE SHEET

Page 5 details the Federation's assets and liabilities and I am pleased to say that the net assets now total £22,582,707 (2007: £21,587,650). During the year we relocated to the new headquarters at Leatherhead, and our fixed assets now stand at £29,865,019 after depreciation. The funds held in investments were £2,700,673, which reflect the market value of these investments which has fallen below cost.

In current assets, loans to Joint Branch Boards have increased to £466,510 compared to £219,935 last year, as two further loans were granted in the year.

Stock items have increased as compared to the previous year mainly due to the inclusion of hotel stocks for provisions and beverages.

The deposit held by the stockbroker has increased due to the sale of investments as mentioned above and the retention of funds until it is deemed appropriate to invest further in the markets.

Included in current liabilities is the amount of £2,710,613, which consists of a provision for the final payment in respect of the new headquarters along with the liquidated and ascertained damages awarded to Dean & Dyball Constructions Limited.

During the year the draw down loan facility of £12,327,370 was partially repaid and converted into a £11,075,000 mortgage secured on the property. This includes a £75,000 arrangement fee. The mortgage now stands at £11,012,692 after capital repayments at the end of the year.

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TREASURER'S REPORT **For the year ended 31st December 2008 (continued)**

INCOME

In addition to subscription income, investment income amounted to £154,387 (2007: £216,197), deposit and other interest amounted to £277,177 (2007: £253,196) and an amount of £293,617 in respect of liquidated and ascertained damages. Commissions received during the year fell as no credit card commission were received.

My sincere thanks to the Constables Central Committee, Sergeants Central Committee and Inspectors Central Committee for their donations towards the Research Project and towards the acquisition of furniture and equipment purchased during the year. I would also like to thank the Police Federation for Northern Ireland, Metropolitan Police Inspectors Branch Board, Civil Nuclear Police Federation and Wiltshire Joint Branch Board for their donations towards the pay campaign, and finally Isle of Man Police Federation for their generous donations and continued support.

EXPENDITURE

The legal fees were lower due to a provision made in 2007 now no longer required and ongoing financial control on the legal costs. Charlton House charges amounted to £785,296 net of income during its first year of trading. I am confident that future income from the hotel business will gradually absorb the running costs of the hotel.

Federation expenditure amounted to £9,490,425 (2007: £7,216,861), an increase of £2,273,564, details of which appear in note 10 on page 12.

THE FUTURE

The Federation has now relocated to new headquarters at Leatherhead and we must ensure that costs are controlled. We need to ensure that we have sufficient means to continue to provide our members with a premium service.

CONCLUSION

May I express my thanks to all of our staff in the Treasurer's Department and in particular Martyn Mordecai without whom I would find it very difficult to perform my function as Treasurer. They deal with an enormous workload in a very efficient manner and no Treasurer could operate without them.

David Moore
Treasurer

Dated: 2nd April 2009

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLICE FEDERATION JOINT FUND

We have audited the financial statements of the Police Federation Joint Fund for the year ended 31st December 2008, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Fund's members, as a body. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of the Committee and Auditors

The Committee's responsibilities for the preparing of financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you if, in our opinion the Treasurer's Report is not consistent with the financial statements, if in our opinion, the Fund has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Treasurers' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Fund's affairs as at 31st December 2008 and of its results for the year then ended;
- the financial statements have been properly prepared in accordance with the Police Federation Regulations and Fund Rules.
- the information provided in the Treasurers' Report is consistent with the financial statements.

George Hay & Company
Registered Auditors,
Chartered Accountants,
83, Cambridge Street,
Pimlico, London, SW1V 4PS.

2nd April 2009

Treasurer's Annual Report and Accounts

BALANCE SHEET As at 31st December 2008

		As at 31st December 2008	As at 31st December 2007
FIXED ASSETS	(note 3)	29,865,019	25,126,392
INVESTMENTS	(note 3)	2,700,673	5,112,048
		<u>32,565,692</u>	<u>30,238,440</u>
CURRENT ASSETS			
Loans	(note 4)	466,510	219,935
Stocks		101,812	28,732
Amounts Due from Central Committees		4,706,553	4,856,912
Debtors and Prepaid Expenses		853,422	4,160,880
Deposit with Stockbrokers		4,751,058	1,431,821
Cash at Bank and in Hand		908,772	1,939,782
		<u>11,788,127</u>	<u>12,638,062</u>
LESS			
CURRENT LIABILITIES: falling due within one year			
Creditors and Accrued Expenses	(note 5)	(10,758,420)	(8,961,482)
NET CURRENT ASSETS		<u>1,029,707</u>	<u>3,676,580</u>
LESS			
LIABILITIES: falling due after one year			
Loan	(note 6)	(11,012,692)	(12,327,370)
NET ASSETS		<u><u>£22,582,707</u></u>	<u><u>£21,587,650</u></u>
REPRESENTED BY			
Accumulated Fund	(note 17)	<u><u>£22,582,707</u></u>	<u><u>£21,587,650</u></u>

(signed) **PAUL McKEEVER**

Chairman

DAVID MOORE

Treasurer

Dated: 2nd April 2009

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INCOME AND EXPENDITURE ACCOUNT For the year ended 31st December 2008

	2008	2007
INCOME		
Amounts Receivable from Central Committees:		
Constables	14,154,375	13,783,333
Sergeants	2,840,217	2,725,986
Inspectors	1,086,369	1,039,299
	<hr/>	<hr/>
	18,080,961	17,548,618
EXPENDITURE		
Members Legal Fees (note 9)	10,631,505	12,426,155
Federation Expenditure (note 10)	9,490,425	7,216,861
Charlton House Charges (note 16)	785,296	-
	<hr/>	<hr/>
	20,907,226	19,643,016
(Deficit) of Subscription Income over Expenditure	(2,826,265)	(2,094,398)
Donations Received (note 8)	282,560	163,500
INCOME FROM INVESTMENTS:		
Securities	154,387	216,197
Deposit and Other Interest	277,177	253,196
	<hr/>	<hr/>
	431,564	469,393
Deficit from Seminars	(8,618)	(4,379)
Commissions Received	8,565	43,659
Other Income	293,617	-
	<hr/>	<hr/>
(DEFICIT) FOR YEAR BEFORE GAINS / (LOSSES)	(1,818,577)	(1,422,225)
GAINS / (LOSSES) FOR YEAR BEFORE TAXATION		
Provision for Impairment on Investments	(420,727)	-
Profit on Disposal of Securities	3,715,600	-
Loss on Disposal of Fixed Assets	(33,897)	1,222,844
	<hr/>	<hr/>
SURPLUS/ (DEFICIT) FOR YEAR BEFORE TAXATION	1,442,399	(199,381)
TAXATION	(447,342)	42,401
	<hr/>	<hr/>
RETAINED SURPLUS / (DEFICIT) FOR YEAR	<u>£995,057</u>	<u>£(156,980)</u>

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CASH FLOW STATEMENT For the year ended 31st December 2008

		2008	2007 as restated
Net Cash Inflow from Operating Activities	(note 13)	2,821,792	6,243,963
Returns on Investments and Servicing of Finance:			
Income from Securities		154,387	216,197
Interest Received		277,177	253,196
Net Inflow from Returns on Investments and Servicing of Finance		431,564	469,393
Investing Activities:			
Purchase of Tangible Fixed Assets		(5,343,949)	(8,125,110)
Purchase of Securities		(2,770,483)	(232,085)
Sale of Tangible Fixed Assets		233,825	649,120
Sale of Securities		8,476,731	-
Net Cash Inflow / (Outflow) from Investing Activities		596,124	(7,708,075)
Net Cash Inflow / (Outflow) before Financing		3,849,480	(994,719)
Financing:			
Loans Granted in the Year		(300,000)	-
Repayment of Loans Granted		53,425	49,032
Long Term Loan / Mortgage Repayments		(1,239,678)	-
Mortgage Arrangement Fee		(75,000)	-
Increase / (Decrease) in Cash Equivalents	(note 15)	2,288,227	(945,687)

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Fixed Assets

Tangible fixed assets are stated at cost less depreciation. No depreciation is charged on freehold land and buildings. Depreciation has been calculated at rates required to write off the relevant assets over their anticipated useful lives. It is the Federation's policy to provide depreciation on assets when disposed of in the year of disposal so as to recognise the consumption of the fixed asset up until the date sold. The applicable annual rates are:

Plant & Machinery	15 years straight line basis
Computer and Office Equipment	5 years straight line basis
Furniture and Fittings	8 years straight line basis
Motor Vehicles	25% reducing balance basis
Leasehold Premises	Term of the lease
Freehold Land and Buildings	No depreciation has been charged, as it is the Committee's policy to maintain the buildings in a continual state of sound repair. The Committee considers that the lives of these assets are so long and the residual values so high that there depreciation is insignificant.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Federation is liable to Corporation Tax on the excess of its non-contribution income, chargeable gains and investment income over provident benefit payments.

Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Income and Expenditure Account

Expenditure is shown inclusive of irrecoverable Value Added Tax, where applicable, and is reported as part of the expenditure to which it relates.

Investments

The investments are stated at cost unless their market value is significantly less than the cost.

Derivative financial instruments and hedge accounting

The Fund is currently exposed to financial risk of interest rate fluctuations. The Fund manages this risk by using a risk management programme that seeks to limit the adverse effects on the financial performance of the Fund. The Fund manages its interest rate exposure and uses a combination of fixed rate debt and interest rate swaps. The fund does not undertake any trading activity in financial instruments. The interest rate exposure to the Fund is hedged to movements in interest rates associated with its borrowings primarily by means of interest rate swap and fixed rate agreements on financing. Interest payable and receivable are included within net interest payable.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Fund in an independently administered fund. The pension charges represent amounts payable by the Fund in respect of the year. Any unpaid contributions are included in creditors.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

2. STATEMENT OF COMMITTEE'S RESPONSIBILITIES

Regulation 18(2) of the Police Federation Regulations requires the Police Federation Joint Fund, in relation to Federation funds held by it to keep accounts showing all monies received or paid out and to cause the accounts for each year to be audited by an independent auditor. In causing the accounts to be prepared, the Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that the accounts are prepared on the going concern basis unless it is appropriate to presume otherwise.

The Committee is responsible for keeping proper accounting records and for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. FIXED ASSETS

	Payments on Account £	Land & Building £	Plant & Equipment £	Fittings & Equipment £	Leasehold Premises £	Computer Office Equip. £	Motor Vehicles £	Total £
Cost:								
At 01.01.08	18,033,125	5,060,219	-	-	1,653,123	1,198,237	34,223	25,978,927
Additions	-	3,453,735	183,037	1,003,577	5,038	698,562	-	5,343,949
Disposals	-	-	-	(3,947)	-	(229,878)	-	(233,825)
Transfers	(18,033,125)	14,878,385	2,697,608	396,400	-	60,732	-	-
At 31.12.08	-	23,392,339	2,880,645	1,396,030	1,658,161	1,727,653	34,223	31,089,051
Depreciation:								
At 01.01.08	-	-	-	-	9,918	821,341	21,276	852,535
Charge	-	-	136,030	123,956	15,559	292,643	3,237	571,425
Disposal	-	-	-	-	-	(199,928)	-	(199,928)
At 31.12.08	-	-	136,030	123,956	25,477	914,056	24,513	1,224,032
Net Book Value:								
At 31.12.07	18,033,125	5,060,219	-	-	1,643,205	376,896	12,947	25,126,392
At 31.12.08	-	23,392,339	2,744,615	1,272,074	1,632,684	813,597	9,710	29,865,019

NOTES:

The Federation holds 125-year leases on six leasehold premises acquired in August 2006.

Included within Land and Buildings is the cost of the land of £5,060,219.

The cost of investments as at 31st December 2008 was £3,121,400 and the market value was stated at £2,700,673. An impairment provision against investments has been charged at £420,727 leaving the cost in the financial statements at £2,700,673 due to the global downturn in world stock markets.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

4. LOANS

	2008 £	2007 £
Secured on four Freehold and one Leasehold Joint Branch Board properties	466,510	219,935
	<u>466,510</u>	<u>219,935</u>

Secured loans due within one year amounted to £76,662 (2007: £43,697) and amounts due after more than one year were £389,848 (2007: £176,238).

5. CREDITORS: falling due within one year

	2008 £	2007 £
Trade Creditors	2,077,836	3,118,796
Other Creditors and Accruals	8,680,584	5,842,686
	<u>10,758,420</u>	<u>8,961,482</u>

6. CREDITORS: falling due after more than one year

	2008 £	2007 £
Bank Loan	-	12,327,370
Mortgage	11,012,692	-
	<u>11,012,692</u>	<u>12,327,370</u>

During the year the Federation converted its loan facility into a 25-year term mortgage facility. The new mortgage facility is repayable in 300 consecutive instalments and interest is charged at a variable rate of 1.3% plus the bank's base rate.

The Federation has entered into and has existing interest rate swap arrangements in place in an attempt to limit its exposure to interest rate risk

The mortgage facility is secured by way of fixed and floating charge over the Federations assets.

The Federation is subject to mortgage covenants attached to the mortgage facility, which stipulate that the Federations should maintain accumulated reserves of £18,000,000.

7. CONTRIBUTIONS TOWARDS EXPENSES

	2008 £	2006 £
Contributions were received from the Home Office (Grant in Aid) towards the following expenses:		
Meetings and PFWA Elected Officers Salaries	156,155	156,153
Police Negotiating Board	131,566	131,567
	<u>287,721</u>	<u>287,720</u>

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

8. DONATIONS RECEIVED

	2008 £	2007 £
British Transport Police Federation	-	14,000
Constables Central Committee	166,102	147,000
Sergeants Central Committee	51,656	-
Inspectors Central Committee	41,464	-
Isle of Man Police Federation	2,500	2,500
Wiltshire Joint Branch Board	4,000	-
Civil Nuclear Police Federation	1,000	-
Met Inspectors Branch Board	5,000	-
Police Federation for Northern Ireland	10,000	-
Russell Jones & Walker	838	-
	<u>282,560</u>	<u>163,500</u>

The collection for charity at the 2008 conference amounted to £5,939 (2007: £6,350).

9. MEMBERS LEGAL FEES

	2008 £	2007 £
CICA Claims	612,742	640,346
Civil Claims	(42,860)	434,497
Criminal Cases	1,852,794	1,301,695
Defamation	226,607	1,262,874
Discipline	2,910,996	3,759,859
Employment Tribunals	2,750,125	2,334,107
General Legal Fees	2,185,819	2,548,670
Inquests	195,793	165,222
Judicial Review	508	35,291
Disbursements on Cases not Concluded	(61,019)	(26,406)
	<u>10,631,505</u>	<u>12,426,155</u>

Included in the members legal fees above are the two negative balances due to provisions in the previous year being no longer required.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

10. FEDERATION EXPENDITURE

	2008 £	2007 £
Amalgamations	-	1,767
Annual Report	2,266	1,163
Audit Fees	26,550	25,750
Bank Charges	77,399	1,410
Clerical Assistance (note 11)	2,699,190	2,557,565
Computer Costs	684,929	517,034
Death Benefits	214,330	184,965
Depreciation: (note 3)		
Computer and Office Equipment depreciation	292,643	65,177
Fittings and Equipment depreciation	123,956	-
Motor depreciation	3,237	4,316
Plant and equipment depreciation	136,030	-
Elected Officers Enhancements	59,804	91,513
Federation Training	517,303	536,175
Hospitality	17,277	22,615
Insurances	175,058	130,418
Interest Payable	669,706	618,087
Leasehold Amortisation	15,559	11,905
Meetings (note 12)	1,262,592	1,012,362
Motor Expenses	3,136	2,231
National Police Memorial Upkeep	33,034	21,509
Office Equipment Repairs and Renewals	6,332	4,506
Pay Campaign	508,520	262,400
POLICE Magazine	108,314	72,261
Premises Expenses	645,556	253,154
Presentations and Donations	26,684	16,698
Printing Costs	80,014	76,513
Professional Fees	692,614	285,977
Publicity and Promotions	187,341	254,021
Research and Publications	21,394	19,382
Stationery and Postage	29,985	33,867
Sundry Expenses	5,582	4,040
Telephone	117,728	50,451
Working Parties	46,362	78,089
	9,490,425	7,216,861

11. CLERICAL ASSISTANCE

	2008 £	2007 £
Civilian Assistance and Clerical Staff	1,983,557	1,960,729
Federation Contributions for:		
Superannuation	529,378	415,109
Social Security	186,255	181,727
	2,699,190	2,557,565

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31st December 2008

12. MEETINGS (Statutory and Non Statutory)

	2008 £	2007 £
Annual Conference	711,027	463,501
Joint Central Committee - Statutory	43,128	35,704
Police Negotiating Board	613	517
Non Statutory	490,488	499,265
Overseas Conferences	17,336	13,375
	<u>1,262,592</u>	<u>1,012,362</u>

13. RECONCILIATION OF SURPLUS FOR YEAR AFTER TAXATION TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2008 £	2007 as restated £
Surplus / (Deficit) for the year after Taxation	995,057	(156,980)
Income from Investments	(431,564)	(469,393)
Depreciation Charges	571,425	81,398
Depreciation on Disposals	(199,928)	(278,148)
Disposal of Securities after Provisions	(3,294,873)	-
(Increase) / Decrease in Stocks	(73,080)	2,751
Decrease in Debtors and Prepaid Expenses	3,307,458	303,767
Decrease / (Increase) in Amounts Due from Central Committees	150,359	(37,656)
Increase in Creditors	1,796,938	6,798,224
	<u>2,821,792</u>	<u>6,243,963</u>

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH AND CASH EQUIVALENTS (Note 15)

	2008 £
Increase in Cash for the Year	2,288,227
Net Balance at 1st January 2008	3,371,603
	<u>5,659,830</u>

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15. ANALYSIS OF CHANGES IN NET CASH AND CASH EQUIVALENTS

	1st January 2008 £	Change £	31st December 2008 £
Deposit with Stockbrokers	1,431,821	3,319,237	4,751,058
Cash at Bank and in Hand	1,939,782	(1,031,010)	908,772
	<u>3,371,603</u>	<u>2,288,227</u>	<u>5,659,830</u>

16. CHARLTON HOUSE CHARGES

	2008	2007
Turnover	173,435	-
Cost of Sales		
Food, Beverage, Liquor and Other Purchases	168,367	-
Closing Stock	(15,608)	-
	<u>152,759</u>	<u>-</u>
Gross profit	20,676	-
Administration Expenses		
Advertising and Marketing	12,898	-
Audit	5,250	-
Bank and Credit Card Charges	1,020	-
Casual Labour	62,463	-
Cleaning	18,362	-
Computer	438	-
Computer	2,377	-
Equipment Hire	7,293	-
Insurance	488	-
Laundry	68,466	-
Management Charge	52,177	-
Pension	1,580	-
Printings, Postage and Stationery	782	-
Professional Fees	4,668	-
Repairs and Maintenance	34,633	-
Salaries (inc National Insurance)	488,684	-
Security Expenses	108	-
Sundry Expenses	20,780	-
Training	13,399	-
Travel Expenses	10,108	-
	<u>805,972</u>	<u>-</u>
Net Loss	<u>785,296</u>	<u>-</u>

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17. RESERVES

	2008 £	2007 £
Balance as at 1st January 2008	21,587,650	20,020,246
Prior Year Adjustment	-	1,724,384
	<hr/>	<hr/>
Balance as at 1st January 2008	21,587,650	21,744,630
Surplus / (Deficit) for the Year	995,057	(156,980)
	<hr/>	<hr/>
	<u>22,587,707</u>	<u>21,587,650</u>

18. CONTINGENT LIABILITIES

There are a number of legal cases pending which could result in a significant charge to the Federation. It is impossible at this stage to assess the outcome of these cases and therefore the potential charge cannot be quantified.

Treasurer's Annual Report and Accounts

SUMMARY OF SECURITIES HELD BY THE TRUSTEES OF THE POLICE FEDERATION For the year ended 31st December 2008

TRUSTEES

The trustees during the year ended 31st December 2008 were:

Constable M. Sutcliffe
Sergeant M. Nurthen
Inspector A. Stevens

INVESTMENTS

The investments are stated at cost unless their market value is significantly less than cost. At 31st December 2008 the market value was significantly lower than cost hence a provision for the impairment of investments has been provided. The cost of investments less the provision amounted to £2,700,673 (2007: £5,112,048).

During the year the Federation changed its stockbroker to Rathbone Brothers Plc. The Federation realised a capital gain of £3,715,600 as a result of selling stocks held with its previous brokers.

All the monies from the proceeds of the sale of the investments from the previous brokers were transferred to Rathbone Brothers Plc, which will be utilised by the brokers as and when they see opportunities arising within the appropriate investing markets.

	Cost Less Provision		Market Value	
	2008	2007	2008	2007
	£	£	£	£
<u>Fixed Interest Funds:</u>				
Fixed Interest Government Funds	431,720	429,760	463,227	449,872
Other Fixed Interest Funds	217,515	578,645	216,255	577,590
Listed Shares and Unit Trusts	2,472,165	4,103,643	2,021,191	8,194,359
Provision for Impairment on Investments	(420,727)	-	-	-
	<u>2,700,673</u>	<u>5,112,048</u>	<u>2,700,673</u>	<u>9,221,821</u>