

POLICE FEDERATION INSPECTORS' FUND

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2016**

POLICE FEDERATION INSPECTORS' FUND

FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

CHAIRMAN	B Fletcher Federation House Highbury Drive Leatherhead Surrey, KT22 7UY
SECRETARY	G Stuttaford Federation House Highbury Drive Leatherhead Surrey, KT22 7UY
TREASURER	T Packham - appointed 30 June 2016 Federation House Highbury Drive Leatherhead Surrey, KT22 7UY
TRUSTEES	S Roberts J Partington N Bowles – retired October 2016
OTHER COMMITTEE MEMBERS	P Ford S White V Martin J Murphy J Kwee R Jones – retired 30 June 2016 C Davies – retired 29 September 2016

The Chairman, Secretary and Treasurer are members of the Inspectors' Central Committee.

Trustees are members of IBBs and delegates to conference.

POLICE FEDERATION INSPECTORS' FUND

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

AUDITORS	Hartley Fowler LLP Chartered Accountants Statutory Auditors 4 th Floor Tuition House 27/37 St George's Road Wimbledon London, SW19 4EU
BANKERS	National Westminster Bank Plc 10 Victoria Road Surbiton Surrey, KT6 4JY
SOLICITORS	Slater & Gordon Lawyers 50-52 Chancery Lane London WC2A 1HL

POLICE FEDERATION INSPECTORS' FUND

TREASURER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

On behalf of the Inspectors' Central Committee, I present the report and financial statements of the Police Federation Inspectors' Fund for the year ended 31 December 2016.

During the year the Fund's investment portfolio was transferred to the Joint Central Committee (JCC). The JCC assumed responsibility for any balances due to or from the Joint Branch Boards. In the year to 31 December 2016 no subscription income was received following the decision that joint brand board subscriptions are paid directly to the Joint Central Committee. We continue the process of transferring the remaining assets to the JCC as we move towards a joint fund in line with the recommendations of the independent review.

The decision by conference in 2006 to introduce Trustees from around the Country continues to be a great success and to the Trustees' credit they have taken to their duties in a very constructive and enthusiastic manner. So on behalf of the I.C.C. and the membership I thank them for that.

I would also like to thank all the treasurers of the Branch Boards for their work on the accounts this year and their assistance generally.

T Packham

Treasurer

 2017

14 March 2017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF POLICE FEDERATION INSPECTORS' FUND

We have audited the financial statements of the Police Federation Inspectors' Fund for the year ended 31 December 2016 on pages five to twelve. The financial statements have been prepared under the requirements of The Police Federation Regulations and Fund rules and adopting the measurement principles of FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Fund's members, as a body, in accordance with the Police Federation Regulations. 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 a Report of the Auditors 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 INSPECTORS' CENTRAL COMMITTEE AND AUDITORS

As explained more fully in the Statement of Responsibilities set out on page eight, the committee is responsible for the preparation of the financial statements in accordance with Regulation 18(2) of the Police Federation Regulations 1969 and Fund Rules and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.


SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 December 2016 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Regulation 18(2) of the Police Federation Regulations 1969 and Fund Rules.


Hartley Fowler LLP
Chartered Accountants &
Statutory Auditors
4th Floor Tuition House
27/37 St George's Road
Wimbledon
London SW19 4EU
..... 16/5/17 2017

POLICE FEDERATION INSPECTORS' FUND
INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		<u>2016</u>		<u>2015</u>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>Restated</u>
					<u>£</u>
INCOME					
Amounts Receivable from Branch Boards:					
January to March			-		336,972
April to December			-		986,364
Less: Payable to Police Federation Joint Fund – 0% (2015:96%):					
January to March			(-)		(323,493)
April to December			(-)		(946,910)
					<u>52,933</u>
EXPENDITURE					
Audit and accountancy		5,100		5,400	
Corporation tax		36		143	
Depreciation		3,014		3,014	
Donations	3.1	250,050		80	
Leasehold flat expenses		2,703		5,634	
Legal and professional fees		1,200		2,658	
Projects – Research Project		58,874		97,120	
Retirement gifts/functions		957		-	
Sundry expenses		210		370	
Travelling and subsistence		2,670		-	
					<u>(114,419)</u>
TOTAL EXPENDITURE			(324,814)		(114,419)
(DEFICIT)/SURPLUS FROM SUBSCRIPTIONS					
			(324,814)		(61,486)
Donation – Other	3.1		-		-
Sponsorship			-		-
Sundry income			141		-
Bank Deposit Interest			181		714
Unit Trust income	6		14,290		12,732
Provision for gain on valuation of investments	6		37,118		49,295
Deferred tax			9,859		(9,859)
Exceptional item	3.2/6		(531,611)		-
					<u>(8,604)</u>
SURPLUS/(DEFICIT) FOR THE YEAR			(794,836)		(8,604)

POLICE FEDERATION INSPECTORS' FUND

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u>		<u>2015</u> <u>Restated</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		233,561		236,575
Investments	6		-		480,203
CURRENT ASSETS					
Amounts due from Branch Boards	7	-		-	
Debtors	8	1,629		328	
Cash at bank and in hand		28,814		390,996	
		<u>30,443</u>		<u>391,324</u>	
CURRENT LIABILITIES					
Creditors – amounts falling due within one year	9	43,146		92,408	
		<u>43,146</u>		<u>92,408</u>	
NET CURRENT ASSETS			<u>(12,703)</u>		<u>298,916</u>
TOTAL NET ASSETS			<u>220,858</u>		<u>1,015,694</u>
REPRESENTED BY					
Accumulated Fund:					
Balance at 1 January 2016			1,015,694		1,024,298
Surplus/(Deficit) for the year			(794,836)		(8,604)
			<u>220,858</u>		<u>1,015,694</u>

Signed on behalf of the Inspectors' Central Committee
on 14 MARCH 2017

T Packham  Treasurer

B Fletcher  Chairman

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparing the financial statements

The financial statements have been prepared under the requirements of the Police Federation Regulations and Fund Rules and adopting the measurement principles of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

This is the first year in which the Financial Statements have been prepared in accordance with FRS 102. Refer to note 11 for the transition. The date of transition is 1st January 2015, The transition to FRS 102 has resulted in a small number of changes in the accounting policies to those used previously.

1.2 Accounting conventions

The financial statements are prepared under the historical cost convention except investments and investment properties which are stated at market value.

1.3 Property

Property is held for the fund's own use and is therefore not investment property. It is therefore held at cost less accumulated depreciation.

1.4 Depreciation of tangible assets

Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold flat: - evenly over the lease term

Fixtures and fittings (flat): - 10% per annum on cost

Computer equipment: - 33% per annum on cost

Office furniture and equipment: - 20% per annum on cost

1.5 Taxation

Provision is made for corporation tax in respect of the Fund's liability to taxation on investment income.

1.6 Investments

Investments are shown in the Financial Statements at market value.

1.7 Deferred taxation

Deferred taxation is provided on the liability method to take account of timing difference between the treatment of certain items for accounts purposes and their treatment for tax purposes.

2. STATEMENT OF RESPONSIBILITIES

Regulation 18(2) of the Police Federation Regulations 1969 requires the Committee, in relation to Federation funds held by it, to keep accounts showing all monies received or paid out and to cause the financial statements for each year to be audited by an independent auditor. In causing the financial statements 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 financial statements are prepared on the going concern basis unless it is appropriate to presume otherwise.

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

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

3. INCOME AND EXPENDITURE – continued

3.1 Donations

	Received	Paid
	£	£
JCC	-	250,000
Cumbrian Flood Appeal	-	50
Total	<u>nil</u>	<u>250,050</u>

During the year, a donation to JCC was made as a contribution towards legal costs.

3.2 Exceptional item

During the year, the ICC transferred the investment portfolio to the JCC resulting in an exceptional loss of £531,611.

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

4. TAX ON PROFIT ON ORDINARY				2016	2015
				£	£
UK corporation tax at 20% (2015 – 20%)				36	143
				<u>36</u>	<u>143</u>
				<u><u>36</u></u>	<u><u>143</u></u>
5. TANGIBLE FIXED ASSETS					
	Leasehold	Leasehold	Office and		
	Flat	fixtures	Computer		
	£	and	Equipment		Total
	£	fittings	£		£
Cost:					
At 1 January 2016	254,230	9,469	45,055		308,754
Additions	-	-	-		-
Disposals	-	-	-		-
	<u>254,230</u>	<u>9,469</u>	<u>45,055</u>		<u>308,754</u>
At 31 December 2016	254,230	9,469	45,055		308,754
Depreciation:					
At 1 January 2016	18,602	8,522	45,055		72,179
Disposals	-	-	-		-
Charge for the year	2,067	947	-		3,014
	<u>20,669</u>	<u>9,469</u>	<u>45,055</u>		<u>75,193</u>
At 31 December 2016	20,669	9,469	45,055		75,193
Net book value at 31 December 2016	<u>233,561</u>	<u>-</u>	<u>-</u>		<u>233,561</u>
Net book value at 31 December 2015	<u>235,628</u>	<u>947</u>	<u>-</u>		<u>236,575</u>
6. INVESTMENTS				2016	2015
				£	£
Valuation:					Restated
At 1 January 2016				480,203	418,176
Reinvested income				14,290	12,732
Provision for unrealised gains				37,118	49,295
Disposals				(531,611)	-
				<u>-</u>	<u>480,203</u>
At 31 December 2016				-	480,203
Market Value at 31 December 2016				<u>-</u>	<u>480,203</u>
Market Value at 31 December 2015				<u>480,203</u>	<u>466,261</u>

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

7. AMOUNTS DUE FROM/(TO) BRANCH BOARDS	2016 £	2015 £
Avon and Somerset	-	-
Bedfordshire	-	(1,609)
Cambridgeshire	-	(3,512)
Cheshire	-	369*
City of London	-	(3,813)
Cleveland	-	2,379
Cumbria	-	-
Derbyshire	-	-
Devon and Cornwall	-	(7,644)
Dorset	-	(1,375)
Durham	-	-
Dyfed Powys	-	-
Essex	-	2,358
Gloucestershire	-	-
Greater Manchester	-	-
Gwent	-	906
Hampshire	-	2,349
Hertfordshire	-	3,867
Humberside	-	(45)*
Kent	-	(7,486)*
Lancashire	-	(117)
Leicestershire	-	-
Lincolnshire	-	-
Merseyside	-	-
Metropolitan	-	(25,564)
Norfolk	-	(551)
North Wales	-	-
North Yorkshire	-	-
Northamptonshire	-	-
Northumbria	-	-
Nottinghamshire	-	-
South Wales	-	(12,753)
South Yorkshire	-	341*
Staffordshire	-	357
Suffolk	-	-
Surrey	-	-
Sussex	-	(754)
Thames Valley	-	-
Warwickshire	-	(857)
West Mercia	-	1,117
West Midlands	-	5,597*
West Yorkshire	-	(4,401)
Wiltshire	-	1,208
	<u>-</u>	<u>(49,633)</u>
	<u>-</u>	<u>-</u>

The above figures are extracted from the F45s submitted by each branch board and adjusted for by any cash in transit.*Immaterial differences identified between the F45 and the actual figure per the ICC records. In 2016 any balances with Branch Boards have been assumed by the JCC.

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

8. DEBTORS

	2016	2015
	£	£
Prepayments	1,629	328
	<u>1,629</u>	<u>328</u>
	<u><u>1,629</u></u>	<u><u>328</u></u>

9. CREDITORS – amounts falling due within one year

	2016	2015
	£	£
Amounts due to Police Federation Joint Central Committee	35,602	26,663
Corporation tax due	37	143
Sundry creditors	-	-
Accruals	7,507	6,110
Amounts due to Joint Branch Boards	-	49,633
Deferred tax	-	9,859
	<u>43,146</u>	<u>92,408</u>
	<u><u>43,146</u></u>	<u><u>92,408</u></u>

10. POST BALANCE SHEET EVENTS

During the year it was agreed to transfer all the assets of the ICC to the JCC. As at the year end this was yet to be completed.

POLICE FEDERATION INSPECTORS' FUND
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

11. TRANSITION TO FRS 102

This is the first year that the entity has presented Financial Statements complying with the measurement principles of FRS 102. The entity has restated the comparative prior year amounts (where applicable) in accordance with FRS 102 requirements.

CHANGES UNDER FRS 102

1. Investments and investment properties are now measured at market value rather than at historic cost.
2. Deferred tax on change in measurement of investments from historic cost to market value.

Restated Statement of Financial Position

	Explanation	£
Original Retained Earnings at 31 December 2015		976,258
Restatement of Investments	1	49,295
Deferred Tax on Restatement of Investments	2	<u>(9,859)</u>
Restated Retained Earnings at 31 December 2015		<u>1,015,694</u>

Restated Statement of Income and Retained Earnings

	Explanation	£
Original Surplus / (Deficit) for the Year Ended 31 December 2015		(48,040)
Restatement of Investments	1	49,295
Deferred Tax on Restatement of Investments	2	<u>(9,859)</u>
Restated Surplus / (Deficit) for the Year Ended 31 December 2015		<u>(8,604)</u>