

**POLICE FEDERATION INSPECTORS' FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2015**

**POLICE FEDERATION INSPECTORS' FUND  
FOR THE YEAR ENDED 31ST DECEMBER 2015**

**CHAIRMAN**

B Fletcher  
Federation House  
Highbury Drive  
Leatherhead  
Surrey KT22 7UY

**SECRETARY**

G Stuttaford  
Federation House  
Highbury Drive  
Leatherhead  
Surrey KT22 7UY

**TREASURER**

R Jones  
Federation House  
Highbury Drive  
Leatherhead  
Surrey KT22 7UY

**TRUSTEES**

S Roberts  
J Partington  
N Bowles

**OTHER COMMITTEE MEMBERS**

C Davies (Vice Chairman)  
P Ford  
S White  
V Martin  
J Murphy  
I Trueman (returned to force 28 February 2015)  
J Kwee (joined 5 January 2015)  
T Packham (joined 5 March 2015)

The Chairman, Secretary and Treasurer are members of the Inspectors' Central Committee. Trustees are members of IBBs and delegates to conference.

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**AUDITORS**

Hartley Fowler LLP  
Chartered Accountants  
Statutory Auditors  
4th 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

**MANAGERS OF UNIT  
TRUST INVESTMENTS**

Axis Financial Planning Limited  
Hargam House  
40 Sandhurst Road  
Wokingham  
Berks, RG40 3JD

**POLICE FEDERATION INSPECTORS' FUND  
TREASURER'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015.

In my review of this year's accounts the Fund's financial position has changed this year due to significant changes in the financial structure. After allowing for the deduction of the proportion of 96% (2014: 82.75%) due to the Police Federation Joint Fund, the Inspectors' Fund share of subscriptions income from members was £52,933, compared to last year's figure of £237,015. This was a decrease of 78% due to the increase in the percentage paid to the Police Federation Joint Fund and a fall in the number of contributing members.

General expenditure this year decreased from £138,395 to £114,419, this decrease in general expenditure can be explained below:

- ◆ Some costs were borne by the Joint Fund this year, this directly related to the decrease in the contribution received from the Joint Fund for the year. Such costs included staff salaries, meeting expense and office premises.
- ◆ Leasehold flat expenses decreased from £6,789 to £5,634, this was due to refurbishment, decoration and maintenance required last year.
- ◆ £97,120 was spent on special projects in the year, the figure last year was £685. The high figure in 2015 was due to various projects including: Support Programme Film (Tinker Taylor), a Survey of working time, workload and wellbeing of the inspecting ranks, DSI Support programme and a Parliamentary working group.

Other income has decreased from £75,980 last year to £13,446 this year. This decrease relates to the exceptional item in 2014 of £59,426 being the overprovision relating to the settlement of the HMRC inquiry.

We continued raising funds during conference on behalf of Julia's House, a local charity in Bournemouth. A joint event was held with Constables Central Committee and all donations were administered by the JCC accounts.

Unit trust income of £12,732 and bank deposit interest received during the year are also included in other income. Despite the uncertain economic climate the Fund's unit trust investments improved during the year, increasing in market value by £13,942 from the previous year. The market value continues to be greater than cost.

The overall deficit for the year was £48,040, compared to the previous year's surplus of £174,600. This was mainly due to the reduction in income, an increase in the contribution due to the Joint Central Committee and significant expenditure on projects during the year.

**POLICE FEDERATION INSPECTORS' FUND  
TREASURER'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

As for the Fund's balance sheet on page seven, the following variances are noted:

- ◆ The investments are still showing an increase in market value from £466,261 to £480,203. As mentioned above, this value includes reinvested unit trust income of £12,732 in the year (2014: £12,091).
- ◆ Cash at bank and in hand decreased from £506,349 to £390,996 which equates to a 22.8% decrease. This is due to a reduction in the income receivable as a result in the reduction of the contribution from the Joint Fund.
- ◆ Amounts due to Branch Boards changed this year from £52,779 to £49,633. As last year there were significant overpayments in the year. A schedule of these amounts can be seen in note 7 to the accounts.
- ◆ Within creditors, amounts due to the Police Federation Joint Fund decreased from £66,584 to £26,663, a decrease of 60%, full breakdown of creditors can be found in note 9 in the accounts.
- ◆ Net assets totalled £976,258 compared to £1,024,298 at the end of 2014.

As for the future, the Inspectors' Central Committee funds remain healthy. Your Inspectors' Central Committee will continue to ensure that careful budgeting of our funds and regular monitoring of our costs as they occur during the year will best serve our members' interests 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.

R Jones  
Treasurer

..... 2016

## **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 2015 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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](http://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 2015 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  
..... 2016

**POLICE FEDERATION INSPECTORS' FUND  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	£	2015 £	£	2014 £
<b>INCOME</b>					
Period 1st January to 31st March					
Amounts Receivable from Branch Boards			336,972		
Less: payable to Police Federation					
Joint Fund - 96% (2014: 82.75%)			(323,493)		
			<u>13,479</u>		
Period 1st April to 31st December					
Amounts Receivable from Branch Boards			986,364		
Less: payable to Police Federation					
Joint Fund - 96% (2014: 82.75%)			(946,910)		
			<u>39,454</u>		
Total for Year					
Amounts Receivable from Branch Boards:			1,323,336		1,374,002
Less: payable to Police Federation Joint					
Fund - 96% (2014: 82.75%)			(1,270,403)		(1,136,987)
)			<u>52,933</u>		<u>237,015</u>
<b>EXPENDITURE</b>					
Audit and accountancy		5,400		5,400	
Clerical assistance including pension costs		-		49,147	
Conference and annual report costs		-		18,723	
Corporation tax		143		173	
Depreciation		3,014		3,014	
Donations	3.1	80		2,130	
Functions and presentations		-		142	
Honoraria		-		24,443	
Leasehold flat expenses		5,634		6,789	
Legal and professional fees		2,658		2,070	
Meeting expenses		-		4,123	
Office premises expenses		-		10,000	
Printing, postage and stationery		-		610	
Projects - Research Project		97,120		685	
Secretary's allowance		-		2,400	
Sundry expenses		370		430	
Telephone		-		100	
Travelling and subsistence		-		8,016	
			<u>(114,419)</u>		<u>(138,395)</u>
<b>TOTAL EXPENDITURE</b>					
<b>(DEFICIT)/SURPLUS FROM SUBSCRIPTIONS</b>					
Sponsorship			(61,486)		98,620
Bank Deposit Interest			-		3,600
Unit Trust income	6		714		863
Exceptional item	3.3		12,732		12,091
			<u>-</u>		<u>59,426</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>					
			<u>(48,040)</u>		<u>174,600</u>

**POLICE FEDERATION INSPECTORS' FUND  
BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	£	2015 £	2014 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		236,575		239,589
Investments	6		430,908		418,176
<b>CURRENT ASSETS</b>					
Amounts due from Branch Boards	7	-			-
Debtors	8	328		250	
Cash at bank and in hand		390,996		506,349	
		<u>391,324</u>		<u>506,599</u>	
<b>CURRENT LIABILITIES</b>					
Creditors - amounts falling due within one year	9	82,549		140,066	
		<u>82,549</u>		<u>140,066</u>	
<b>NET CURRENT ASSETS</b>			<u>308,775</u>		<u>366,533</u>
<b>TOTAL NET ASSETS</b>			<u><u>976,258</u></u>		<u><u>1,024,298</u></u>
<b>REPRESENTED BY</b>					
Accumulated Fund:					
Balance at 1 January 2015			1,024,298		849,698
Surplus/(Deficit) for the year			<u>(48,040)</u>		<u>174,600</u>
			<u><u>976,258</u></u>		<u><u>1,024,298</u></u>

Signed on behalf of the Inspectors' Central Committee  
on ..... 2016  
R Jones ..... Treasurer  
B Fletcher ..... Chairman



**POLICE FEDERATION INSPECTORS' FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES**

**1.1 Accounting conventions**

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

**1.2 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

**1.3 Taxation**

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

**1.4 Investments**

Investments are shown in the accounts at cost less provision for any unrealised losses. Movements on investments are shown in note 6.

**2. STATEMENT OF RESPONSIBILITIES**

The Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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 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 2015**

**3. INCOME AND EXPENDITURE - continued**

3.1 Donations	Received	Paid
	£	£
COPS	-	50
Ray Oakley	-	30
Total	<u>nil</u>	<u>80</u>

**3.2 Donations from various Branch Boards Fund**

During the year no Inspectors' Branch Boards made donations to the ICC.

**3.3 Exceptional Item**

The inquiry with HMRC was settled in 2014. A final payment on account of £nil (2014: £10,857) was made during the year against the provision and resulted in a net credit of £nil for the year ended 2015 (2014: £59,426).

**4. TAX ON PROFIT ON ORDINARY**

3.1 Donations	2015	2014
	£	£
UK corporation tax at 20% (2014 - 20%)	<u>143</u>	<u>173</u>
	<u>143</u>	<u>173</u>

**POLICE FEDERATION INSPECTORS' FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**5. TANGIBLE FIXED ASSETS**

	Leasehold Flat £	Leasehold Fixtures and Fittings £	Office and Computer Equipment £	Total £
Cost:				
At 1 January 2015	254,230	9,469	45,055	308,754
Additions	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	254,230	9,469	45,055	308,754
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 2015	16,535	7,575	45,055	69,165
Disposals	-	-	-	-
Charge for the year	2,067	947	-	3,014
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	18,602	8,522	45,055	72,179
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2015	235,628	947	-	236,575
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31 December 2014	237,695	1,894	-	239,589
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**6. INVESTMENTS**

	2015 £	2014 £
Cost/valuation:		
At 1 January 2015	418,176	406,085
Reinvested income	12,732	12,091
(Increase)/Decrease in the provision for unrealised loss	-	-
	<hr/>	<hr/>
At 31 December 2015	430,908	418,176
	<hr/> <hr/>	<hr/> <hr/>
Market Value at 31 December 2015	480,203	
	<hr/>	
Market Value at 31 December 2014	466,261	
	<hr/> <hr/>	

**POLICE FEDERATION INSPECTORS' FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Avon and Somerset	-	2,418
Bedfordshire	(1,609)	(291)
Cambridgeshire	(3,512)	(3,363)
Cheshire	369*	(565)*
City of London	(3,813)	(3,689)
Cleveland	2,379	2,352
Cumbria	-	921
Derbyshire	-	13,596
Devon and Cornwall	(7,644)	(4,705)
Dorset	(1,375)	(75)
Durham	-	-
Dyfed Powys	-	608
Essex	2,358	13,416
Gloucestershire	-	1,405*
Greater Manchester	-	-
Gwent	906	936
Hampshire	2,349	1,885
Hertfordshire	3,867	3,975
Humberside	(45)*	(504)
Kent	(7,486)*	(3,388)
Lancashire	(117)	209
Leicestershire	-	(2,525)
Lincolnshire	-	3,684
Merseyside	-	-
Metropolitan	(25,564)	(24,326)
Norfolk	(551)	(1,184)
North Wales	-	-
North Yorkshire	-	-
Northamptonshire	-	(1,374)
Northumbria	-	4,719
Nottinghamshire	-	5,594
South Wales	(12,753)	(70,443)
South Yorkshire	341*	3,117*
Staffordshire	357	704
Suffolk	-	1,071
Surrey	-	1,300
Sussex	(754)	(298)
Thames Valley	-	-
Warwickshire	(857)	(620)
West Mercia	1,117	6,246
West Midlands	5,597*	(409)*
West Yorkshire	(4,401)	(3,600)
Wiltshire	1,208	423
	<u>(49,633)</u>	<u>(52,779)</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.

**POLICE FEDERATION INSPECTORS' FUND  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**8. DEBTORS**

	2015 £	2014 £
Prepayments	328	250
	<u>328</u>	<u>250</u>

**9. CREDITORS - amounts falling due within one year**

	2015 £	2014 £
Amounts due to Police Federation Joint Central Committee	26,663	66,584
Corporation tax due	143	173
Sundry creditors	-	-
Accruals	6,110	20,530
Amounts due to Joint Branch Boards	49,633	52,779
	<u>82,549</u>	<u>140,066</u>