

POLICE FEDERATION

Police Act 1964

The Police Federation Regulations 1969, Part III (as amended)

DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT

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

DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT

YEAR ENDED 31ST DECEMBER 2016

CHAIRMAN Mark Pickard

SECRETARY Adam Galley

TREASURER Mark Parkinson

AUDITORS Cameron Hughes Ltd
Chartered Accountants
16 Jubilee Parkway
Jubilee Business Park
Derby
DE21 4BJ

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT

We have audited the Financial Statements of the DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT for the year ended 31st December 2016, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to 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 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. 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 Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities set out in the notes to the Financial Statements the management committee are responsible for the preparation of the Financial Statements and for being satisfied that they fairly reflect the state of the Fund's affairs as at 31st December 2016 and of its results for the year then ended.

Our responsibility is to audit and express an opinion on 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

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management committee; and the overall presentation of the Financial Statements.

Opinion on Financial Statements

In our opinion the Financial Statements:

- fairly reflect the state of the Fund's affairs as at 31st December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with the measurement principles of United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Police Federation Regulations and Fund Rules.

Other Matters

The Financial Statements for the year ended 31st December 2016 includes all funds raised for the purpose of the Business Account in accordance with Regulation 2 Police Federation (Amendment) Regulations 2015.

Signed: Cameron Hughes Ltd.

Cameron Hughes Ltd
Chartered Accountants & Statutory Auditors
16 Jubilee Parkway
Jubilee Business Park
Derby
DE21 4BJ

Dated: 9th February 2017

DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	2016 £	2015 £
INCOME		
Insurance premiums receivable	-	364
Insurance claims receivable on behalf of beneficiaries	-	107,500
Commissions receivable	-	-
	<hr/>	<hr/>
	-	364
		107,500
Less:		
Insurance premiums payable	-	-
Claims payable to beneficiaries	5	107,500
	<hr/>	<hr/>
	5	107,500
TOTAL INCOME	-	369
Less: ADMINISTRATIVE EXPENSES (Note 1)	158,595	211,021
	<hr/>	<hr/>
(DEFICIT) OF SUBSCRIPTION INCOME OVER EXPENDITURE	-	158,964
		-
		211,021
Add: Other Income - (Note 1.1)		
Bank interest received	205	238
Return on investments	-	1,297
Other interest received	-	-
	<hr/>	<hr/>
(DEFICIT) FOR THE YEAR BEFORE GAINS / (LOSSES)	-	158,759
		-
		212,080
Gains / (Losses) - (Note 1.2)	-	-
Value Adjustments on Investments	-	-
Value Adjustments on Investment Properties	-	-
Deferred Tax on Value Adjustments	-	-
	<hr/>	<hr/>
(DEFICIT) FOR THE YEAR	-	158,759
		-
		212,080
RETAINED EARNINGS BROUGHT FORWARD	145,326	357,406
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RETAINED EARNINGS CARRIED FORWARD	-	13,433
	<hr/>	<hr/>
		145,326

DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016

	2016 Cost	Accumulated Depreciation/ Revaluation/ Impairment	2016 Net Book Value	2015 Net Book Value
	£	£	£	£
TANGIBLE FIXED ASSETS				
Furniture and Fittings	-	-	-	-
Computer Equipment	-	-	-	-
Others - (Specify)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2016 Cost	2015 Cost	2016 Market Value	2015 Market Value
	£	£	£	£
INVESTMENTS				
Investments	-	-	-	-
Investment Properties	-	-	-	-
Others - (Specify)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CURRENT ASSETS				
Investments			-	-
Debtors and prepayments			-	-
Cash at Bank and in Hand			-	214,853
Others - (Specify)				
			<u>-</u>	<u>214,853</u>
			<u>-</u>	<u>214,853</u>
CURRENT LIABILITIES				
Bank loan				-
Creditors and accruals (Note 4)			13,433	69,527
Deferred Tax				
Sundry Accrued Expenses				
			<u>13,433</u>	<u>69,527</u>
			<u>13,433</u>	<u>69,527</u>
NET CURRENT (LIABILITIES) / ASSETS			<u>-</u>	<u>145,326</u>
			<u>-</u>	<u>145,326</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>-</u>	<u>145,326</u>
			<u>-</u>	<u>145,326</u>
CREDITORS: Amounts Falling Due After More Than One Year			<u>-</u>	<u>-</u>
			<u>-</u>	<u>-</u>
NET (LIABILITIES) / ASSETS			<u>-</u>	<u>145,326</u>
			<u>-</u>	<u>145,326</u>
REPRESENTED BY				
Retained Earnings			-	145,326
Other Reserves - (Specify)				
			<u>-</u>	<u>145,326</u>
			<u>-</u>	<u>145,326</u>

We certify that we have fully complied with the Regulation 2 Police Federation (Amendment) Regulations 2015 and disclosed in the F45 all funds of which we are a beneficiary. We understand that failure to comply with this Regulation could be deemed a criminal and/or Police Disciplinary matter.
 These Financial Statements have been prepared using the measurement principles and provisions of FRS 102.

Signed M. A. Pickard M PICKARD - CHAIRMAN
 Signed M Parkinson M PARKINSON - TREASURER

Date Financial Statements approved: 9th February 2017

DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016 £	2015 £
1. ADMINISTRATIVE EXPENSES		
Accommodation	-	-
Additional Responsibility Payments (Honoraria)	-	-
Annual Conference	-	-
Audit and Accountancy Charges	2,580	2,580
Bank Charges	-	-
Clerical Assistance and Social Security Costs	-	-
Communication	-	-
Computer Consumables	-	-
Corporation Tax	41	47
Depreciation	-	2,054
Donations	155,974	206,284
Hospitality	-	-
Incidental Overnight Expenses	-	-
Insurance	-	-
Interest payable to beneficiaries	-	4
Loan interest	-	52
Postage, Printing and Stationery	-	-
Repairs and Maintenance	-	-
Subsistence (Meal Expenses)	-	-
Sundry Expenses	-	-
Travel	-	-
Other Expenses - (<i>Specify</i>)	-	-
TOTAL AS PER STATEMENT OF INCOME AND RETAINED EARNINGS	<u>158,595</u>	<u>211,021</u>
	2016 £	2015 £
1.1 OTHER INCOME		
Bank Interest (Gross)	205	237
Dividends Received	-	-
Donations Received	-	-
Profit / (loss) from Mailshots and Commissions	-	-
Regulation 2c Income	-	-
TOTAL AS PER STATEMENT OF INCOME AND RETAINED EARNINGS	<u>205</u>	<u>237</u>
	2016 £	2015 £
1.2 GAINS / (LOSSES)		
Gain / (Loss) on Investments	-	1,297
TOTAL AS PER STATEMENT OF INCOME AND RETAINED EARNINGS	<u>-</u>	<u>1,297</u>

**DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

2. ACCOUNTING POLICIES

A. 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 8 for an explanation of the transition.

The date of the 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.

B. Accounting Convention

The Financial Statements have been prepared under the historic cost convention except investments and investment properties which are stated at market value.

C. Income

Income is primarily derived from premiums collected from the Funds members.

Other income sources may include insurance claims receivable on behalf of beneficiaries, rental / investment income and income generated from providing member services.

D. Expenditure

Expenditure is shown inclusive of Value Added Tax.

E. Depreciation

Depreciation has been calculated at rates required to write off the relevant assets over their anticipated lives.

The applicable annual rates are:

Furniture and Fittings	— 15% reducing balance basis
Computer Equipment	— 25% straight line basis
Other Assets	— 25% reducing balance basis

F. Taxation

Provision is made for Corporation Tax in respect of the Fund's liability to taxation on investment income, capital gains and income derived from third party transactions.

**DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

3. STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Regulation 18(2) of The Police Federation Regulations (as amended) 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 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 also is responsible for safe-guarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4. CREDITORS AND ACCRUALS

Creditors includes an amount due to the Derbyshire Constabulary Police Federation Joint Branch Board Fund of £4,843 (2015: £53,485).

5. DONATIONS

During the year donations totalling £155,974 (2015: £102,346) were made to Derbyshire Police Benevolent Trust.

**DERBYSHIRE CONSTABULARY POLICE FEDERATION - BUSINESS ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

8. 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		145,326
Restatement of Investments and Investment Properties	1	-
Deferred Tax on Restatement of Investments and Investment Properties	2	-
Restated Retained Earnings at 31 December 2015		<u>145,326</u>

Restated Statement of Income and Retained Earnings

	Explanation	£
Original Surplus / (Deficit) for the Year Ended 31 December 2015		- 212,080
Restatement of Investments and Investment Properties	1	-
Deferred Tax on Restatement of Investments and Investment Properties	2	-
Restated Surplus / (Deficit) for the Year Ended 31 December 2015		<u>- 212,080</u>

NOTES for the guidance of Treasurers
in completing the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements

STATEMENT OF INCOME AND RETAINED EARNINGS

1. **NAME**
The name of the force should be shown in the following places:
Cover
Statement of Financial Position
Statement of Income and Retained Earnings
Auditors Report
2. The corresponding amounts for last year should be entered in the last column of each page.
3. **DEPRECIATION**
This represents the portion of cost of the assets written off in the year due to wear and tear and should be provided at rates calculated to write off the cost of the asset over its useful life. Normally, an average of 15% for furniture and fittings and 25% for other assets on a reducing balance basis and 25% for computer equipment on a straight line basis, should be adequate. The depreciation policy with regard to property should be disclosed under note 2, if applicable.
4. **OTHER EXPENDITURE**
Any expenditure which does not fall under the headings in the Statement of Income and Retained Earnings, should be entered beneath the pre-printed list with the appropriate narrative. Please do not alter those headings already listed.
5. **OTHER INCOME**
If the Fund has any other income, such as deposit interest, dividends (including accumulation dividends), then this should be shown here with a brief description of each item received.
6. **ADDITIONAL SCHEDULES**
Where additional schedules are to be used to give breakdowns of information in the Financial Statements, these should be signed and dated by the Chairman and Treasurer of the Board and the Auditors.

STATEMENT OF FINANCIAL POSITION

7. **ACCUMULATED FUND**
This represents the accumulated surpluses for all years from inception of the Fund.
8. **CONTRIBUTIONS DUE TO CENTRAL COMMITTEES**
These represent contributions due to the Committee but not paid at the end of the year. They will also be included in the figure which appears in the Statement of Income and Retained Earnings "Payable to Central Committees". This amount should be shown in the "Notes" and analysed between the different ranks.
9. **SUNDRY ACCRUED EXPENSES**

Expenses which refer to the year under review, but which have not been paid at the end of the year, should be entered here in total. They will also, of course, be included under the appropriate headings, in the Statement of Income and Retained Earnings.
10. **FIXED ASSETS**
Purchases of assets over £1,000 should be capitalised. Purchases of assets under £1,000 should generally be written off. Assets not conforming with the standard headings should be shown separately on the Statement of Financial Position under "Others (specify)" in the Fixed Assets category.
11. **SUBSCRIPTIONS DUE**
Subscriptions which are due to the Fund at the end of the year but which have not been received are to be shown here. They will be added to the amounts received in respect of the year and included in the total as shown in the Statement of Income and Retained Earnings.

NOTES TO THE FINANCIAL STATEMENTS

12. **OTHER POLICIES/NOTES**
State any other accounting policies that are specifically adopted by the Fund, to reflect its own circumstances; for example policies on Stock, Revaluation of Properties, Other Income, Pensions, Other Fixed Assets, Loans etc. If Investments are held, the 'cost less provision for impairment in value' and 'market value' at the year end should be disclosed in note 6 in the Financial Statements.

NB. Copies of these Financial Statements must be forwarded to the Treasurers of the Rank Separate and Joint Central Committees. The copies must be signed by the officers of the Board and the Auditors (original signatures not photocopies).