

# **POLICE FEDERATION**

Police Act 1964

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

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND**

## **FINANCIAL STATEMENTS**

**for the year ended 31 December 2016**

**F45**

**MM / 2016**

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND**

**YEAR ENDED 31 DECEMBER 2016**

**CHAIRMAN**

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**SECRETARY**

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**AUDITORS**

D Velda & Co  
Registered Auditors  
Chartered Accountants  
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**SHOW NAMES AND ADDRESSES OF ABOVE OFFICIALS AND QUALIFICATIONS OF AUDITORS**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND**

We have audited the financial statements of the Hampshire Constabulary Joint Branch Board Fund for the year ended 31 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 31 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 31 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 31 December 2016 includes all funds raised for the purpose of the Joint Branch Board Fund in accordance with Regulation 2 Police Federation (Amendment) Regulations 2015.

### **Matters on which we are Required to Report by Exception**

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Signed.....

Don Velida  
Statutory Auditor  
D. Velida & Co  
Chartered Accountants & Registered Auditors  
Centurion House, Central Way  
Andover, Hampshire, SP10 5AN

Date: 8 February 2017

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND**

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

	<b>2016</b>	<b>2015</b>
	£	£
<b>INCOME</b>		
Weekly Subscriptions		
Constables	549,717	577,680
Sergeants	117,784	126,674
Inspectors	47,023	50,002
	<u>714,524</u>	<u>754,356</u>
Less: Payable to Joint Central Committee 70%		
Constables	384,802	404,376
Sergeants	82,449	88,672
Inspectors	32,916	35,001
	<u>500,167</u>	<u>528,049</u>
<b>TOTAL INCOME</b>	<b>214,357</b>	<b>226,307</b>
Less: <b>ADMINISTRATIVE EXPENSES</b> (Note 1)	<u>237,448</u>	<u>314,244</u>
<b>SURPLUS/(DEFICIT) OF SUBSCRIPTION INCOME OVER EXPENDITURE</b>	<b>(23,091)</b>	<b>(87,937)</b>
Add: Other Income – (Note 1.1)	81,250	68,152
To include all income as specified in Regulation 2c in the Police Federation (Amendments) Regulation 2015		
<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GAINS/(LOSSES)</b>	<b>58,159</b>	<b>(19,785)</b>
Gains/(Losses) – (Note 1.2)	0	0
Value Adjustments on Investments	24,700	83,909
Value Adjustments on Investment Properties	0	0
Deferred Tax on Value Adjustments	<u>(4,940)</u>	<u>(16,782)</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>77,919</b>	<b>47,342</b>
<b>RETAINED EARNINGS BROUGHT FORWARD</b>	<u>1,192,100</u>	<u>1,144,758</u>
<b>RETAINED EARNINGS CARRIED FORWARD</b>	£ <u>1,270,019</u>	£ <u>1,192,100</u>

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	2016 Cost	Accumulated Depreciation/ Revaluation/Impairment	2016 Net Book Value	2015 Net Book Value
<b>TANGIBLE FIXED ASSETS</b>	£	£	£	£
Office Equipment	15,963	6,650	9,313	10,956
Computer Equipment	14,308	11,966	2,342	5,000
Others – (Specify)				
Welfare Chalets	447,344	35,884	411,460	202,170
Welfare Chalets Fixtures & Fittings	16,242	1,250	14,992	6,729
Exhibition Equipment	3,330	3,329	1	1
Property	235,274	15,684	219,590	224,295
	<u>732,461</u>	<u>74,763</u>	<u>657,698</u>	<u>449,151</u>
	<b>2016 Cost</b>	<b>2015 Cost</b>	<b>2016 Market Value</b>	<b>2015 Market Value</b>
	£	£	£	£
<b>INVESTMENTS</b>				
Investments	383,038	370,388	491,647	454,297
Investment Properties	0	0	0	0
Others – (Specify)	0	0	0	0
	<u>383,038</u>	<u>370,388</u>	<u>491,647</u>	<u>454,297</u>
<b>CURRENT ASSETS</b>				
Contributions due from Joint Central Committee (Note 4)			0	0
Subscriptions Due			0	0
Cash at Bank and in Hand			391,155	402,724
Others – (Specify)				
Sundry Debtors			31,765	22,472
			<u>422,920</u>	<u>425,196</u>
<b>CURRENT LIABILITIES</b>				
Contributions due to Joint Central Committee (Note 4)			114,976	1,502
Corporation Tax			1,220	1,390
Deferred Tax			21,722	16,782
Sundry Accrued Expenses			72,759	25,301
			<u>210,677</u>	<u>44,975</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>212,243</u>	<u>380,221</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,361,588	1,283,669
<b>CREDITORS: Amounts Falling Due After More Than One Year (Specify)</b>			0	0
<b>NET ASSETS</b>			<u>1,361,588</u>	<u>1,283,669</u>
<b>REPRESENTED BY</b>				
Retained Earnings			1,270,019	1,192,100
Other Reserves – (Specify)				
Accumulated Fund of Business Income Account at 1 January 2011 (see notes on page 9)			91,569	91,569
			<u>1,361,588</u>	<u>1,283,669</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.....  ..... CHAIRMAN

Signed.....  ..... TREASURER

Date Financial Statements approved 8 February 2017

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND**

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

<b>1. ADMINISTRATIVE EXPENSES</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Annual Conference	3,195	2,785
Audit and Accountancy Charges (See Notes on page 9)	9,814	9,389
Bank Charges	206	91
Clerical Assistance	39,306	41,251
Corporation Tax	2,007	2,104
Depreciation	33,852	21,957
Donations ( <i>Specify</i> ) (See Notes on page 9)	2,370	72,948
Honoraria	16,492	16,492
Insurance	2,464	2,520
Meeting Expenses	14,040	13,148
Official Publications	0	1,155
Out-of-Pocket Expenses	2,986	2,743
Postage, Printing and Stationery	2,600	1,704
Repairs and Maintenance	154	0
Social Security Costs	887	1,465
Sundry Expenses (See Notes on page 10)	6,367	9,238
Telephone Charges	4,277	3,518
Travelling and Subsistence	10,833	11,644
<i>Other Expenses (Specify)</i>		
Open Meeting	5,559	5,195
Training Costs/Conferences	6,304	8,724
Legal and Professional Fees (See Notes on page 9)	408	1,500
Irrecoverable Tax on Dividends	192	967
Welfare Home Expenses	22,199	12,883
Annual Conference Out Of Pocket Expenses	1,575	1,685
(Profit)/Loss on Sale of Fixed Assets	0	(1,928)
Retirement Gifts and Presentation Items	8,039	8,624
NARPO Subscriptions	1,228	1,436
Joint Branch Board Dinner	0	4,733
Website Costs	4,320	4,320
Production of Federation Times	3,351	720
Rates	1,334	1,230
Fees Paid to Property Management Company	700	700
Other Property Expenses (See Notes on page 10)	8,103	7,754
Staff Pension Costs	1,565	830
Pension Scheme Admin Fees	1,200	600
Social Media Expenses	10,716	8,927
Cuts Have Consequences Campaign	0	18,707
Promotional Video	0	5,724
GIS Trustees Approved Goodwill Payments	(800)	5,800
Group Insurance Refunds	378	956
HMRC Interest Payable	0	5
Contribution towards memorial garden granite plaque	6,920	0
Promotional mugs and pens	<u>2,307</u>	<u>0</u>
<b>TOTAL AS PER INCOME AND EXPENDITURE ACCOUNT</b>	<b>£ <u>237,448</u></b>	<b>£ <u>314,244</u></b>

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
<b>1.1 OTHER INCOME</b>	£	£
Bank Interest (Gross)	4,287	4,759
Dividends Received	9,691	9,666
Donations Received	96	0
Profits/(Loss) from mailshots and commissions	2,325	2,095
Regulation 2c income		
- Surplus on Insurance Premiums	25,621	25,179
- Advertising Income	6,300	6,550
- Welfare Home Income	20,930	7,900
- Contribution Towards Overheads	12,000	12,000
- HMRC Interest Supplement	0	3
<b>TOTAL AS PER INCOME AND EXPENDITURE ACCOUNT</b>	£ <u>81,250</u>	£ <u>68,152</u>
<b>1.2 GAINS/(LOSSES)</b>	2016	2015
	£	£
Gains/(loss) on investments	<u>0</u>	<u>0</u>
<b>TOTAL AS PER STATEMENT OF INCOME AND RETAINED EARNINGS</b>	<u>0</u>	<u>0</u>

**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 7 for an explanation of the transition.

The date of the transition is 1 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 subscriptions collected from the Funds members.

Other income sources may include 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
Exhibition Equipment	- 20% straight line basis
Property	- 2% straight line basis
Welfare Chalets	- straight line over 15/20 years

**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.

**G. Investments (if applicable)**

Investments and investment properties are shown in the financial statements at market value.

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**H. Deferred Taxation (if applicable)**

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

**I. Other Policies (Specify)**

**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 the financial statements 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 proper accounting records and also is responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**4. CONTRIBUTIONS DUE FROM/(TO) JOINT CENTRAL COMMITTEE**

	2016 £	2015 £
Constables	(110,782)	11,774
Sergeants	(396)	4,534
Inspectors	<u>(3,798)</u>	<u>(1,502)</u>
	<u>(114,976)</u>	<u>14,806</u>

**5. CONTRIBUTING AND NON-CONTRIBUTING MEMBERS AT 31 DECEMBER 2016**

	2016 No. of Contributing Members	2015 No. of Contributing Members	2016 No. of Non Contributing Members	2015 No. of Non Contributing Members	2016 Others*	2015 Others*
Cadets	0	0	0	0	0	0
Constables	2,133	2,174	181	181	42	64
Sergeants	456	460	19	19	8	6
Inspectors/Chief Inspectors	183	184	6	6	0	0
	<u>2,772</u>	<u>2,818</u>	<u>206</u>	<u>206</u>	<u>50</u>	<u>70</u>

\*This column refers to those members who are non contributors by virtue of receiving no pay, being on unpaid maternity leave or serving officers on career breaks. (JBB Circular 53/96 refers).

**6. INVESTMENTS (if applicable)**

	2016 Market Value £	2015 Market Value £
Equities	0	0
Fixed Interest Funds	0	0
Unit Trusts	491,647	454,297
Others – (Specify)	0	0
	<u>491,647</u>	<u>454,297</u>



**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. 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.

<u>Restated Statement of Financial Position</u>	Explanation	£
Original Retained Earnings at 31 December 2015		1,124,973
Restatement of Investments and Investment Properties	1	83,909
Deferred Tax on Restatement of Investments and Investment Properties	2	<u>(16,782)</u>
Restated Retained Earnings at 31 December 2015		<u>1,192,100</u>

<u>Restated Statement of Income and Retained Earnings</u>	Explanation	£
Original Surplus/(Deficit) for the Year Ended 31 December 2015		(19,785)
Restatement of Investments and Investment Properties	1	83,909
Deferred Tax on Restatement of Investments and Investment Properties	2	<u>(16,782)</u>
Restated Surplus/(Deficit) for the Year Ended 31 December 2015		<u>47,342</u>

**AUDIT AND ACCOUNTANCY**

	2016	2015
	£	£
Charged during the year	1,187	1,753
Current year provision	8,160	7,680
Prior year under/(over)provision	<u>467</u>	<u>(44)</u>
	<u>9,814</u>	<u>9,389</u>

**LEGAL AND PROFESSIONAL FEES**

	2016	2015
	£	£
Barristers Fees		
Solicitors Fees in Connection with JBB Trust Fund	360	-
Set Up Fee for Auto Enrolment Pension Scheme	48	-
	<u>-</u>	<u>1,500</u>
	<u>408</u>	<u>1,500</u>

**DONATIONS**

	2016	2015
	£	£
Lejog4Us	-	350
Gurney Fund	-	50
Hampshire Constabulary (Running machines for Force gyms)	-	70,000
Donation Re Road Death Memorial Fund	-	150
Southampton Hospice Charity	-	20
Samaritans of Portsmouth & Eastleigh	100	0
Flutterby Fund	100	0
National Police Memorial Day	20	0
Nev Stokes Fundraising Appeal	1,500	0
Donation towards care costs of injured officer	100	0
Pension 4 Paws	550	614
Team BEX	0	100
Simon Says	0	50
David Phillips Memorial Fund	0	1,000
Hampshire Constabulary Welfare Fund (money collected on family day)	<u>0</u>	<u>614</u>
	<u>2,370</u>	<u>72,948</u>

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>SUNDRY EXPENSES</b>	<b>2016</b>	<b>2015</b>
	£	£
Subscriptions	336	299
Computer Consumables, Software Assistance and Programming	4,740	4,924
Federation Diaries	-	1,883
Family Day (net)	(1,057)	(559)
Bravery Awards	896	872
Memorial Day	450	540
Other Sundry Expenses	<u>1,002</u>	<u>1,279</u>
	<u><u>6,367</u></u>	<u><u>9,238</u></u>
 <b>PROPERTY EXPENSES</b>	 <b>2016</b>	 <b>2015</b>
	£	£
Alarm/Alarm Maintenance	797	1,389
Light and Heat	2,431	2,685
Storage Costs	1,266	1,246
Water Rates	69	98
Fire Extinguisher Service	42	42
General Repairs/Maintenance	979	101
Office Cleaning	<u>2,519</u>	<u>2,193</u>
	<u><u>8,103</u></u>	<u><u>7,754</u></u>

**BUSINESS INCOME ACCOUNT**

On 18 January 2011 the Board agreed to the disbandment of the Business Income Account, the accumulated funds of which and ongoing activities were taken over by the Joint Branch Board Fund.

**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).