

POLICE FEDERATION

(Police Act 1964)

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

NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
YEAR ENDED 31ST DECEMBER 2015**

CHAIRMAN

*Mr. James Gray
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

SECRETARY

*Mr. Christopher Gourley
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

TREASURER

*Ms. Lisa Mackie
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

AUDITORS

*Read, Milburn & Co.
Chartered Accountants & Statutory Auditors
71, Howard Street, North Shields
Tyne and Wear, NE30 1AF*

TRUSTEES

*Mr. Gary Collinson, Mr. Paul Hamilton and Mr. Mark Sutcliffe
11-14, Apex Business Village, Annitsford
Cramlington, Northumberland, NE23 7BF*

NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of the Northumbria Police Joint Branch Board Fund for the year ended 31st December 2015, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial statements have been prepared under the requirements of the Police Federation Regulations and Fund Rules.

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 financial statements and for being satisfied that they fairly reflect the state of the Fund's affairs as at 31st December 2015 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 the financial statements

In our opinion the financial statements:

- Fairly reflect the state of the Fund's affairs as at 31st December 2015 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 2015 includes all funds raised for the purpose of the Joint Branch Board Fund in accordance with Regulation 2 Police Federation (Amendment) Regulations 2015

Signed:



David Hodgson, FCA, ACIB
for and on behalf of Read, Milburn & Co.
Chartered Accountants & Statutory Auditors
71, Howard Street, North Shields
Tyne and Wear, NE30 1AF

Dated 22 January 2016

**NORTHUMBRIA POLICE FEDERATION
JOINT BRANCH BOARD FUND**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2015**

INCOME	<u>(01.01.15 - 31.03.15)</u>	<u>(01.04.15 - 31.12.15)</u>	<u>2015</u>	<u>2014</u>
Weekly Subscriptions				
Constables	152,748	499,725	652,473	684,184
Sergeants	27,608	93,326	120,934	122,906
Inspectors	10,996	36,653	47,649	48,027
	<u>191,352</u>	<u>629,704</u>	<u>821,056</u>	<u>855,117</u>
Less: Payable to Central Committees				
Constables	106,924	349,807	456,731	478,929
Sergeants	19,326	65,328	84,654	86,034
Inspectors	7,697	25,657	33,354	33,619
	<u>133,947</u>	<u>440,792</u>		
	<u>57,405</u>	<u>188,912</u>	<u>246,317</u>	<u>256,535</u>
Less: ADMINISTRATIVE EXPENSES (Note 1)			1,338,650	1,288,314
DEFICIT OF SUBSCRIPTION INCOME OVER EXPENDITURE			<u>(1,092,333)</u>	<u>(1,031,779)</u>
Add: Other Income				
Healthcare Scheme Subscriptions			996,840	1,025,596
Insurance Commission			246,718	305,638
Donations Received			7,716	8,570
Bank Interest Received (Gross)			2,598	2,569
Dividends Received			8,391	4,722
Rental Income			8,792	9,803
Charity Fundraising			405	124
Sundry Membership Services			110	55
SURPLUS FOR THE YEAR BEFORE GAINS			<u>179,237</u>	<u>325,298</u>
Gain on Sale of Investments			1,353	-2,717
Gain on Revaluation of Investments			12,214	27,555
SURPLUS FOR THE YEAR			<u>192,804</u>	<u>350,136</u>
REVALUATION RESERVE TRANSFER			-10,262	-25,277
ACCUMULATED FUND BROUGHT FORWARD			<u>2,288,104</u>	<u>1,963,245</u>
ACCUMULATED FUND CARRIED FORWARD			<u>£ 2,470,646</u>	<u>£ 2,288,104</u>

**NORTHUMBRIA POLICE FEDERATION
JOINT BRANCH BOARD FUND**

BALANCE SHEET AS AT 31ST DECEMBER 2015

		<u>2015</u>	<u>2014</u>
FIXED ASSETS	Cost	Accumulated Depreciation	Net Book Value
Office Equipment	567,185	492,281	74,904
Office Premises	825,472	181,302	660,680
Lodge Premises	147,591	20,663	129,881
Investments, (at market value)			779,695
	<u>1,540,248</u>	<u>694,246</u>	<u>1,625,697</u>
CURRENT ASSETS			
Subscriptions Due		-	-
Cash at Bank and in Hand		968,793	1,001,538
Debtors and Prepayments		12,115	9,798
		<u>980,908</u>	<u>1,011,336</u>
LESS CURRENT LIABILITIES			
Contributions due to Central Committees (Note 4)		17,939	44,182
Corporation Tax		1,430	514
HM Customs & Excise		2,612	2,226
Sundry Accrued Expenses		50,378	58,154
		<u>72,359</u>	<u>105,076</u>
NET CURRENT LIABILITIES		£908,549	£906,260
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,534,246</u>	<u>2,341,442</u>
LESS LONG TERM CREDITORS (falling due after more than one year)		-	
NET ASSETS		<u>2,534,246</u>	<u>2,341,442</u>
REPRESENTED BY			
Accumulated Fund		2,470,646	2,288,104
Revaluation Reserve		63,600	53,338
		<u>£2,534,246</u>	<u>£2,341,442</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.

Signed  CHAIRMAN

Signed  TREASURER

Date Accounts Approved 22 January 2016

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015**

1. ADMINISTRATION EXPENSES	<u>2015</u>	<u>2014</u>
Annual Conference	-	-
Audit and Accountancy Charges	6,204	6,204
Bank Charges	500	488
Clerical Assistance and Social Security Costs	129,481	124,610
Computer Costs	34,000	15,446
Corporation Tax	1,400	556
Depreciation of Office Equipment	17,387	17,651
Donations		
Wreaths and Presentations	3718	1618
Honoraria	-	-
Insurance	2,773	2,676
Meeting Expenses	65,595	59,510
Official Publications	16,142	14,806
Out-of-Pocket Expenses	20,428	20,375
Postage, Printing and Stationery	20,302	20,363
Repairs and Maintenance	10,295	17,305
Sundry Expenses	714	5
Telephone Charges	7,673	9,806
Travelling and Subsistence	83,607	69,486
Other Expenses:-		
Fundraising Items	154	104
Function Expenses	0	3,021
General & Water Rates	21,959	21,495
Heat & Light	6,435	5,397
Investment Management Charges	7,479	5,332
Lodge Running Expenses	13,595	8,339
Medical Treatment Costs	762,007	796,217
Property Management Charges	7,138	10,049
Depreciation of Premises	19,461	19,461
Training	35,049	16,162
Legal Fees	29,670	5,151
VAT Charge	8,307	8,617
Website Costs	7,177	8,064
TOTAL AS PER INCOME AND EXPENDITURE ACCOUNT	£ 1,338,650	£ 1,288,314

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015**

2. ACCOUNTING POLICIES

A. Accounting Convention

The financial statements have been prepared under the historic cost convention.

B. Income

Income is primarily derived from subscriptions collected from the Fund's members
Other incomes includes investment income and donations from providing member services.

C. Expenditure

Expenditure is shown inclusive of Value Added Tax.

D. 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	- 10% reducing balance basis
Electronic Equipment	- 20% reducing balance basis
Federation Premises	- 2% straight line basis

E. 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 party transactions

F. Investments

Investments are shown in the financial statements at market value. No provision has been made for corporation tax in respect of potential capital gains which would arise if the investments were sold at values in excess of cost.

G. Healthcare Scheme

A self-funded Healthcare Scheme, known as Northern Police Healthcare Scheme is operated for subscribing Federation members. Whilst, all monies in relation to this scheme are included within the attached Accounts, the Trustees regard the excess of income from subscribing members over expenditure to date as being held in trust for the future medical costs of the subscribing members.

The quantum of this designated income at the Balance Sheet date was £1,094,698, of which £53,098 has been approved for which no invoices have been received as the treatment may or may not have been carried out at the Balance Sheet date. The figure of such approved expenditure is assessed by the Trustees.

**NORTHUMBRIA POLICE FEDERATION JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015**

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 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 TO CENTRAL COMMITTEES

	<u>2015</u>	<u>2014</u>
Constables	731	25,429
Sergeants	12,654	14,034
Inspectors	4,554	4,719
	<u>£17,939</u>	<u>£44,182</u>

5. CONTRIBUTING AND NON CONTRIBUTING MEMBERS AT 31ST DECEMBER 2015

	No. of Contributing Members		No. of Non Contributing Members		Others*	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cadets	-	-	-	-	-	-
Constables	2,632	2,668	173	220	26	28
Sergeants	418	453	12	15	1	0
Inspectors/Chief Inspectors	155	175	9	12	0	0
	<u>3,205</u>	<u>3,296</u>	<u>194</u>	<u>247</u>	<u>27</u>	<u>28</u>

* These columns refer 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

	Cost less Provisions		Market Value	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Fixed Interest Funds	104,937	71,976	103,176	72,512
Equities	360,253	234,513	376,601	246,762
Property	20,750	11,925	22,206	12,602
Alternative Assets	77,287	41,903	78,252	42,944
Unit Trusts	140,000	140,000	186,592	178,834
Cash	12,868	11,502	12,868	11,502
	<u>£ 716,095</u>	<u>£ 511,819</u>	<u>£ 779,695</u>	<u>£ 565,156</u>