

POLICE FEDERATION
(Police Act 1964)
Police Federation Regulations 1969, Part III
(As Amended)

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

D. VELIDA & CO

Registered Auditors
Chartered Accountants

Centurion House
Central Way
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SP10 5AN

HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND

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REPORT OF THE INDEPENDENT AUDITORS 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, the Statement of Financial Position and the related notes. 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 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 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.

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

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.

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**

INCOME	Gross Income £	Payable to Central Committees £	2016 £ Net	2015 £ Net
Weekly Subscriptions:				
Constables	549,717	384,802	164,915	173,304
Sergeants	117,784	82,449	35,335	38,002
Inspectors	47,023	32,916	14,107	15,001
	<u>714,524</u>	<u>500,167</u>	<u>214,357</u>	<u>226,307</u>
EXPENDITURE				
Annual Conference			3,195	2,785
Annual Conference Out of Pocket Expenses			1,575	1,685
Audit and Accountancy Charges				
- charged during the year			1,187	1,753
- current year provision			8,160	7,680
- prior year under/(over)provision			467	(44)
Legal and Professional Fees (Note 5)			408	1,500
Clerical Assistance and Social Security Costs			40,193	42,716
Staff Pension Costs			1,565	830
Corporation Tax			2,007	2,104
Irrecoverable Tax on Dividends			192	967
Depreciation			33,852	21,957
(Profit)/loss on Disposal of Fixed Assets			-	(1,928)
Donations (Note 6)			2,370	72,948
Honoraria			16,492	16,492
Insurance			2,464	2,520
Meeting Expenses			14,040	13,148
Joint Branch Board Dinner			-	4,733
Official Publications			-	1,155
Open Meeting			5,559	5,195
Out of Pocket Expenses			2,986	2,743
Production of Federation Times			3,351	720
Postage, Printing and Stationery			2,600	1,704
Repairs and Maintenance			154	-
Website Costs			4,320	4,320
Welfare Home Expenses				
Less Income (Note 7)			1,269	4,983
Sundry Expenses (Note 8)			6,573	9,329
Telephone			4,277	3,518
Training Costs/Conferences			6,304	8,724
Travel and Subsistence			10,833	11,644
Contribution towards memorial garden granite plaque			6,920	-
Retirement Gifts and Presentation Items			8,039	8,624
NARPO Subscriptions			1,228	1,436
Rates			1,334	1,230
Fees Paid to Property Management Company			700	700
Other Property Expenses (Note 9)			8,103	7,754

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**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016**

(Continued)

	2016	2015
	£	£
Pension Scheme Admin Fees	1,200	600
Social Media Expenses	10,716	8,927
Cuts Have Consequences Campaign	-	18,707
Promotional Video	-	5,724
GIS Trustees approved goodwill payments	(800)	5,800
Group Insurance Refunds	378	956
Promotional Mugs and Pens	2,307	-
HMRC Interest Payable	<u>-</u>	<u>5</u>
	216,518	306,344
Surplus of Expenditure over Subscription Income	<u>(2,161)</u>	<u>(80,037)</u>
OTHER INCOME		
Donations Received	96	-
Bank Interest (gross)	349	1,186
Dividends Received (gross)	9,691	9,666
Interest Received on Investments (gross)	3,938	3,573
Surplus on Insurance Premiums	25,621	25,179
HMRC Interest Supplement	-	3
Other Commission	2,325	2,095
Advertising/Website Income	6,300	6,550
Contribution Towards Overheads	<u>12,000</u>	<u>12,000</u>
	<u>60,320</u>	<u>60,252</u>
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GAINS/(LOSSES)	58,159	(19,785)
Value adjustments on investments	24,700	83,909
Deferred tax on value adjustments	<u>(4,940)</u>	<u>(16,782)</u>
SURPLUS FOR THE YEAR	<u>77,919</u>	<u>47,342</u>

HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	2016	2015
	£	£
FIXED ASSETS		
Tangible assets (note 3)	657,698	449,151
Investments (note 4)	491,647	454,297
	<u>1,149,345</u>	<u>903,448</u>
CURRENT ASSETS		
Debtors	31,765	22,472
Cash at Bank and in Hand	391,155	402,724
	<u>422,920</u>	<u>425,196</u>
CURRENT LIABILITIES		
Contributions due to Central Committees	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>
NET CURRENT ASSETS	<u>212,243</u>	<u>380,221</u>
NET ASSETS	<u>1,361,588</u>	<u>1,283,669</u>
REPRESENTED BY		
ACCUMULATED FUND		
Balance at 1 January 2016	1,283,669	1,236,327
Surplus for Year	77,919	47,342
	<u>1,361,588</u>	<u>1,283,669</u>

Accounts approved on 8 February 2017

J. Apter Esq
Chairman

P. Callard Esq
Treasurer

**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS AT 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 10 for an explanation of the transition.

The date of 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.

1.2 Accounting Convention

The financial statements have been prepared under the historical cost convention except investments which are stated at market value.

1.3 Income

Income is primarily derived from subscriptions collected from the Fund’s members.

Other Income

Other income sources may include rental/investment income generated from providing member services.

1.4 Expenditure

Expenditure is shown inclusive of Value Added Tax.

1.5 Depreciation

Depreciation has been calculated at rates required to write off the relevant assets over their anticipated useful lives. The applicable annual rates are:

Leasehold Property	2% straight line basis
Welfare Chalets	Straight line over 15/20 years
Computers	25% straight line
Office Equipment	15% reducing balance
Exhibition Equipment	20% straight line basis

1.6 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.

1.7 Investments

Investments are shown in the financial statements at market value.

1.8 Deferred Taxation

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.

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**HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016**

(Continued)

2. STATEMENT OF RESPONSIBILITIES

Regulation 18(2) of the Police Federation Regulations (as amended) requires the Board, in relation to Federation funds held by it to keep financial statements showing all monies received or paid out and to cause the financial statements each year to be audited by an independent auditor. In causing the financial statements to be prepared, the Board 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 Board 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.

HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016

3. TANGIBLE FIXED ASSETS

	Property The Grange £	Welfare Chalets £	Welfare Chalets Fixtures Fittings & Equipment £	Computers £	Office Equipment £	Exhibition Equipment £	Total £
Cost:							
At 1 January 2016	235,274	214,063	7,124	14,308	15,963	3,330	490,062
Additions	-	233,281	9,118	-	-	-	242,399
Disposals	-	-	-	-	-	-	-
At 31 December 2016	<u>235,274</u>	<u>447,344</u>	<u>16,242</u>	<u>14,308</u>	<u>15,963</u>	<u>3,330</u>	<u>732,461</u>
Depreciation:							
At 1 January 2016	10,979	11,893	395	9,308	5,007	3,329	40,911
Charge for the Year	4,705	23,991	855	2,658	1,643	-	33,852
Disposals	-	-	-	-	-	-	-
At 31 December 2016	<u>15,684</u>	<u>35,884</u>	<u>1,250</u>	<u>11,966</u>	<u>6,650</u>	<u>3,329</u>	<u>74,763</u>
Net Book Value:							
At 31 December 2016	<u>219,590</u>	<u>411,460</u>	<u>14,992</u>	<u>2,342</u>	<u>9,313</u>	<u>1</u>	<u>657,698</u>
At 31 December 2015	<u>224,295</u>	<u>202,170</u>	<u>6,729</u>	<u>5,000</u>	<u>10,956</u>	<u>1</u>	<u>449,151</u>

4. FIXED ASSET INVESTMENTS

Listed Investments	£
Market value	
At 1 January 2016	454,297
Additions – Reinvestments	12,650
Increase in market value	<u>24,700</u>
At 31 December 2016	<u>491,647</u>

Original cost of listed investments at 31 December 2016 - £383,038 (2015: £370,388)

5. LEGAL AND PROFESSIONAL FEES

	2016	2015
	£	£
Barristers Fees	360	0
Solicitors Fees in Connection with JBB Trust Fund	48	0
Set Up Fee for Auto Enrolment Pension Scheme	-	1,500
	<u>408</u>	<u>1,500</u>

HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016

6. 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
Pensions 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)	0	614
	<u>2,370</u>	<u>72,948</u>

7. WELFARE HOME EXPENSES/INCOME

	Lodge 85 Sandy Balls Holiday Village	Lodge 35 Sandy Balls Holiday Village	Honicombe Manor
	£	£	£
Rental Income	<u>11,000</u>	<u>9,930</u>	<u>0</u>
Expenditure:-			
Annual Service Charge	11,016	7,891	0
Insurance	992	1,120	0
Sundry Repairs & Maintenance	1,242	91	0
Rates	<u>0</u>	<u>0</u>	<u>(153)</u>
	<u>13,250</u>	<u>9,102</u>	<u>(153)</u>
Excess of Expenditure Over Income/(Income) Over Expenditure	<u>2,250</u>	<u>(828)</u>	<u>(153)</u>

The Board has an annual commitment of £10,800 in respect of the Annual Service charge for Lodge 85 Sandy Balls Holiday Village and £9,600 in respect of the Annual Service charge for Lodge 35 Sandy Balls Holiday Village – both subject to annual inflation.

HAMPSHIRE CONSTABULARY JOINT BRANCH BOARD FUND
NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2016

8. SUNDRY EXPENSES	2016	2015
	£	£
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>1,208</u>	<u>1,370</u>
	<u><u>6,573</u></u>	<u><u>9,329</u></u>

9. PROPERTY EXPENSES	2016	2015
	£	£
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>

10. 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		1,216,542
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><u>1,283,669</u></u>

Restated Statement of Income and Retained Earnings

	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><u>47,342</u></u>