

POLICE FEDERATION SERGEANTS' FUND

(Established 1st June 1955)

Police Act 1964

The Police Federation Regulations 1969, Part III

The Police Federation (Amendment) Regulations 2015

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2016

GEORGE HAY & COMPANY

**Chartered Accountants &
Statutory Auditors**

**83 Cambridge Street
Pimlico
London SW1V 4PS**

**POLICE FEDERATION SERGEANTS' FUND
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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POLICE FEDERATION SERGEANTS' FUND
INFORMATION FOR THE YEAR ENDED 31ST DECEMBER 2016

CHAIRMAN

C. Donald
Federation House
Highbury Drive
Leatherhead
Surrey KT22 7UY

**GENERAL SECRETARY
AND TREASURER**

C. Macleod (to 18th May 2016)
D. Bamber (from 19th May 2016)
Federation House
Highbury Drive
Leatherhead
Surrey KT22 7UY

TRUSTEES

J. Tooms
Federation House
Highbury Drive
Leatherhead
Surrey KT22 7UY

M. Richardson
Federation House
Highbury Drive
Leatherhead
Surrey KT22 7UY

M. Nurthen
Federation House
Highbury Drive
Leatherhead
Surrey KT22 7UY

BANKERS

National Westminster Bank Plc
10 Victoria Road
Surbiton
Surrey KT6 4JY

**MANAGERS OF UNIT
TRUST INVESTMENTS**

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

AUDITORS

George Hay & Company
Chartered Accountants &
Statutory Auditors
83 Cambridge Street
Pimlico
London SW1V 4PS

**POLICE FEDERATION SERGEANTS' FUND
TREASURER'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2016**

On behalf of the Sergeants Central Committee, I present the report and financial statements of the Police Federation Sergeants' Fund for the year ended 31st December 2016.

Work has continued on the merging of the Central Committees with a single National Board following the Police Federation Independent Review published in January 2014.

On 5th October 2016 our whole investment portfolio, with a value of £1,755,439 was transferred to the Police Federation Joint Fund. Including this transfer the deficit for the year was £2,077,310. We are in the process of transferring the one leasehold flat we own to the Joint Fund.

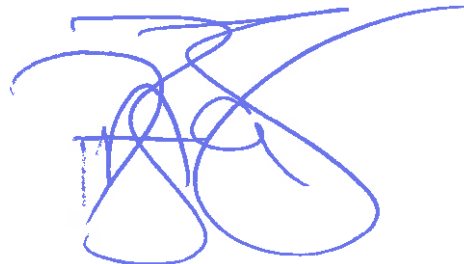
From 1st January 2016 the Sergeants Central Committee received no proportion of subscription income.

Income from Securities and deposit interest totalled £41,522 compared to £35,224 in 2015.

Corporation tax of £25 has been accrued. There was an under provision of £305 for 2015.

At the 31st December 2016 we held net assets of £322,520.

Costs in the year of £544,275 were mainly made up of contributions to the Police Federation Joint Fund of £444,154 for legal costs, £20,340 to the Welfare Support Programme, £13,860 to the Parliamentary Working Group and £18,000 to Believe in Blue Programme.



D. Bamber
Treasurer

Dated: 11/09/2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POLICE FEDERATION SERGEANTS' FUND**

We have audited the Financial Statements of the Police Federation Sergeants' Fund for the year ended 31st 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 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. In addition, we read all the financial and non-financial information in the Treasurer's Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

George Hay & Company
Chartered Accountants &
Statutory Auditors
83 Cambridge Street
Pimlico
London SW1V 4PS

Date: 11 April 2017

POLICE FEDERATION SERGEANTS' FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016 £	2015 £
Income:		
Total Subscriptions for Year		
Amounts receivable from branch boards	-	3,436,869
Less payable to Police Federation Joint Fund	-	3,143,198
	-----	-----
		293,671
Expenditure:		
Less Administration and premises (Note 5)	544,275	324,234
	-----	-----
(Deficit) of branch board income over expenditure	(544,275)	(30,563)
Other Income:		
Income from securities	41,079	33,645
Bank deposit interest	443	1,579
	41,522	35,224
	-----	-----
(Deficit)/Surplus before gains	(502,753)	4,661
Profit on disposals of securities	388,531	40,758
	-----	-----
(Deficit)/Surplus before taxation	(114,222)	45,419
Less Taxation	(330)	(316)
	-----	-----
(Deficit)/Surplus for the year	(114,552)	45,103

**POLICE FEDERATION SERGEANTS' FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2016**

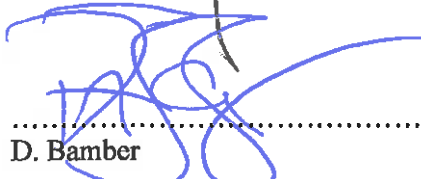
	2016 £	2015 £
(Deficit)/Surplus for the financial year	(114,552)	45,103
Investments Fair Value revaluation	(243,905)	(47,535)
Deferred tax	36,586	7,130
Total comprehensive (deficit)/income for the financial year	<u><u>(321,871)</u></u>	<u><u>4,698</u></u>

POLICE FEDERATION SERGEANTS' FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2016

	2016 £	2015 £
FIXED ASSETS		
Tangible fixed assets (Note 4)	235,850	239,259
Investments	-	1,569,734
	235,850	1,808,993
CURRENT ASSETS		
Amounts due from branch boards	-	47,119
Due from Police Federation Joint Fund	-	22,012
Cash at bank and in hand	95,484	589,131
Other debtors	211	-
	95,695	658,262
LESS		
CURRENT LIABILITIES		
Corporation tax	25	316
Creditors and accrued expenses	9,000	30,523
Deferred tax	-	36,586
	9,025	67,425
NET CURRENT ASSETS	86,670	590,837
NET ASSETS	322,520	2,399,830
REPRESENTED BY		
Accumulated Reserves	322,520	2,399,830

Signed

 C. Donald Chairman

.....

 D. Bamber Treasurer

Dated: 11/01/2017

POLICE FEDERATION SERGEANTS' FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Accumulated reserves £	Fair Value Transition Reserve £	Total £
At 1st January 2015	2,147,408	247,724	2,395,132
Surplus/(Deficit) and total comprehensive income for the year	45,103	(40,405)	4,698
At 31st December 2015	2,192,511	207,319	2,399,830
Deficit and total comprehensive income for the year	(114,552)	(207,319)	(321,871)
	2,077,959	-	2,077,959
Investment Portfolio transferred to Police Federation Joint Fund prior to merger	(1,755,439)	-	(1,755,439)
At 31st December 2016	322,520	-	322,520

POLICE FEDERATION SERGEANTS' FUND

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

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including the measurement principles of Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Police Federation Regulations and Fund Rules. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

2. ACCOUNTING POLICIES

2.1 Depreciation

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

Leasehold Flat	equally over the remaining years of the lease
Leasehold Flat's Fixtures and Fittings	25% reducing balance basis
Office Furniture and Equipment	20% reducing balance basis

2.2 Taxation

Provision is made for Corporation Tax in respect of the Fund's liability to taxation on investment income and capital gains.

Deferred tax is reserved on unrealised investment gains and is shown in the statement of comprehensive income.

2.3 Investments

These comprise investments in equities which are measured at market value. Changes in market value are recognised in the statement of comprehensive income.

2.4 Cash Flow Statement

Exemption has been taken from preparing a Cash Flow Statement on the grounds that the Fund qualifies as a small Fund.

3. STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Regulation 18(2) of the Police Federation Regulations 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 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 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 SERGEANTS' FUND

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

4. **FIXED ASSETS**

	Leasehold Flat £	Leasehold Flat Fixtures and Fittings £	Office Furniture and Equipment £	Total £
Cost:				
Opening balance	258,372	17,474	102,393	378,239
Disposals	-	-	(102,393)	(102,393)
	-----	-----	-----	-----
At 31 st December 2016	258,372	17,474	-	275,846
	-----	-----	-----	-----
Depreciation:				
Opening balance	20,670	17,187	101,123	138,980
Charge for year	2,067	72	-	2,139
Disposals	-	-	(101,123)	(101,123)
	-----	-----	-----	-----
At 31 st December 2016	22,737	17,259	-	39,996
	-----	-----	-----	-----
At 31 st December 2016	235,635	215	-	235,850
	=====	=====	=====	=====
At 31 st December 2015	237,702	287	1,270	239,259
	=====	=====	=====	=====

POLICE FEDERATION SERGEANTS' FUND

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

	2016	2015
	£	£
5. ADMINISTRATION AND PREMISES EXPENSES		
Audit and accountancy	6,706	7,112
Bank charges	296	289
Contribution to Police Federation Joint Fund Welfare Support Programme	20,340	24,179
Contribution to Police Federation Joint Fund Parliamentary Working Group	13,860	12,000
Contribution to Police Federation Joint Fund Conference film	-	90,000
Contribution to Police Federation Joint Fund Believe in Blue Programme	18,000	-
Contribution to Police Federation Joint Fund Legal costs	444,154	-
Depreciation of office furniture and equipment	-	424
Donations: Other	-	300
General expenses	597	1,219
Honoraria:		
Chairman	-	6,517
General Secretary	-	5,793
Treasurer	-	5,793
Other	-	22,483
Income tax on accommodation	3,655	18,780
Income tax on honoraria	(1,298)	23,226
Income tax on motor mileage allowances	-	2,417
Leasehold Flat Expenses:		
Depreciation of fixtures and fittings	72	96
Depreciation of leasehold flat	2,067	2,067
Light, heat and charges	6,547	5,736
Repairs, maintenance and insurance	138	776
Loss on disposal of office equipment	1,270	-
Printing, postage and stationery	-	2,044
Professional fees	4,754	8,304
Retirement gifts	240	750
Staff lunches	-	428
Staff salaries	11,832	47,699
Staff superannuation	-	16,823
Telephone	-	25
Travelling, accommodation and meetings	9,528	17,731
Trustees travelling expenses	1,517	1,223
	<u>544,275</u>	<u>324,234</u>

6. CONTINGENT LIABILITY

There is a potential corporation tax liability of £44,500 on capitals gains in the event of the merger not being completed.

POLICE FEDERATION SERGEANTS' FUND

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

TRUSTEES

The trustees at 31st December 2016 were as follows:

J. Tooms
M. Richardson
M. Nurthen

INVESTMENTS

The trustees held no funds at 31st December 2016. The whole investment portfolio was transferred to the Police Federation Joint Fund on the 5th October 2016.

FUNDS

At 31st December 2016 the trustees held the following funds:

	2016 £	2015 £
Securities St James Place Unit Trusts— accumulation units at market value (cost value: £nil [2015: £1,325,829])	-	1,569,734

J. Tooms
M. Richardson
M. Nurthen
Trustees

Dated: 11 April 2017