

Company Registration No. 5214716 (England and Wales)

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

COMPANY INFORMATION

Directors

Simon Duckworth
Vera Baird
Simon Hayes
Sir Graham Bright
Anthony Lloyd
Ronald Ball
Anthony Stansfield

Secretary

Tania Eagle

Company number

5214716

Registered office

5-8 The Sanctuary
London
SW1P 3JS

Independent Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

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THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activities and review of the year

The Association of Police Authorities was set up in April 1997 to represent the interests of all police authorities in England, Wales and Northern Ireland. On 25 August 2004 the Association was incorporated as a private limited company. The new company took over the assets and liabilities of the unincorporated association with effect from 1 April 2004.

On 21 March 2013 Police and Crime Commissioners met at the first General Meeting and agreed their memorandum and articles.

Membership of the Association is by subscription. All Police and Crime Commissioners in England and Wales and an organisation or person which was a member of the company immediately before these Articles came into effect and which continue to be a member by reason that its status as a Policing Body has not been terminated by the 2011 Act. The Metropolitan Police Authority became the Mayor's Office For Policing and Crime (MOPAC) on 16 January 2012 and has been admitted as a full member.

The associate (non-voting) members are Civil Nuclear Police Authority and Defence Police Committee.

Police and Crime Commissioners and members of the other Policing Governance bodies in England and Wales came together formally on 21 March 2013. At the inaugural meeting they agreed to join the Association which had previously been in transitional form. At that meeting changes to the previous articles of association were agreed to ensure that the Association was fit for purpose. At that time a business plan and budget was also agreed as were a number of representational appointments. At that meeting it was also agreed that the APCC Board would be composed of seven Police and Crime Commissioners and one member from the other Policing Governance Bodies. The latter post was filled by Councillor Simon Duckworth the previous Chairman of the transitional Association which ensured continuity. It was also agreed at that initial meeting that the Chairman would be elected by fellow Board Directors rather than the entire membership and would serve for one year.

In this first year of existence it was considered essential that the APCC kept in close touch with its members, constantly reviewed supporting activity and learned lessons to ensure that it was providing the service that members wanted. Fundamental to this added value is bringing PCCs together to share best practice and ideas and to engage directly with relevant national figures. General meetings have developed over the year into a form that is valued by both members and national stakeholders. The Association has invested in internal communication by creating a member's website as means to share information and ensure that members are kept informed about national proposals and developments. The Directors also took the opportunity to examine infrastructure and took the decision to relocate to a more suitable and better equipped location. The new premise in Westminster has two Boardroom size meeting rooms, is equipped with video conference facilities and has a dedicated member's area. It is proving to be popular, the meeting rooms are well used and it is fit for purpose as well as very cost effective.

The Association has maintained constructive relationships with other key players in the policing and criminal justice fields, such as the Home Office, Ministry of Justice, College of Policing, National Crime Agency, ACPO, Staff Associations and Unions and HMIC.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

Directors

The following directors have held office since 1 April 2013:

Simon Duckworth
Vera Baird
Simon Hayes
Sir Graham Bright
Anthony Lloyd
Ronald Ball
Anthony Stansfield

The Board of Directors is elected annually and provides strategic direction to the work of the Association; represents the Association in negotiations with government and other bodies; and has power to take executive decisions on urgent matters.

At the Annual General Meeting on 21 March 2013 the members elected Tony Lloyd PCC as the Chairperson of the Association. Honorary President has yet to be elected or appointed.

Directors' interests

The company is limited by guarantee and as such has no issued share capital. The liability of each member in the event of winding up is limited to £1.

APCC General Meetings

The main business of the Association is conducted at General Meetings, which takes place at least four times a year.

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

.....
Anthony Lloyd
Director
.....

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

We have audited the financial statements of The Association of Police and Crime Commissioners for the year ended 31 March 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness

.....

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Notes	£	£
Incoming resources		924,576	971,968
Administrative expenses		(987,435)	(1,193,887)
Operating deficit	2	(62,859)	(221,919)
Move costs		-	(2,048)
Redundancy payments		(8,913)	(24,132)
Deficit on ordinary activities before interest		(71,772)	(248,099)
Other interest receivable and similar income	3	2,514	9,503
Other finance costs	8	(12,000)	(4,000)
Deficit on ordinary activities before taxation		(81,258)	(242,596)
Tax on loss on ordinary activities	4	-	-
Deficit for the year	9	(81,258)	(242,596)

The notes on pages 9 to 13 form part of these financial statements.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
Deficit for the financial year		(81,258)	(242,596)
Actuarial gain/(loss) on pension scheme		170,000	(124,000)
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		88,742	(366,596)
		<hr/> <hr/>	<hr/> <hr/>

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

BALANCE SHEET AS AT 31 MARCH 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	5		63,207		6,105
Current assets					
Debtors	6	127,364		88,023	
Cash at bank and in hand		666,008		737,590	
		<u>793,372</u>		<u>825,613</u>	
Creditors: amounts falling due within one year	7	<u>(161,883)</u>		<u>(111,764)</u>	
Net current assets			<u>631,489</u>		<u>713,849</u>
Total assets less current liabilities			<u>694,696</u>		<u>719,954</u>
Pension scheme liability			<u>(185,000)</u>		<u>(299,000)</u>
			<u>509,696</u>		<u>420,954</u>
Capital and reserves					
Other reserves	9		(185,000)		(299,000)
Income and expenditure account	9		694,696		719,954
Shareholders' funds			<u>509,696</u>		<u>420,954</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 9 to 13 form part of these financial statements.

Approved by the Board for issue on

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Anthony Lloyd
Director

Company Registration No. 5214716

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Income represents subscriptions, grants, sponsorship and other contributions and are accounted for when the company is entitled to receipt.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over the period of the lease
Computer equipment	over a period of 3 years
Fixtures, fittings & equipment	over a period of 5 years

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

2 Operating deficit	2014	2013
	£	£
Operating deficit is stated after charging:		
Depreciation of tangible assets	2,035	-
Auditors' remuneration	6,200	6,000
Directors' remuneration	8,000	113,833
	<u> </u>	<u> </u>
3 Investment income	2014	2013
	£	£
Bank interest	2,514	9,503
	<u> </u>	<u> </u>
	<u>2,514</u>	<u>9,503</u>

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

4 Taxation

The company is limited by guarantee, without a share capital, and, as a local authority association has been treated as exempt from taxation under section 519 ICTA 1988.

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2013	-	6,105	6,105
Additions	20,988	38,149	59,137
	<hr/>	<hr/>	<hr/>
At 31 March 2014	20,988	44,254	65,242
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2013	-	-	-
Charge for the year	-	2,035	2,035
	<hr/>	<hr/>	<hr/>
At 31 March 2014	-	2,035	2,035
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2014	20,988	42,219	63,207
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	-	6,105	6,105
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 Debtors

	2014	2013
	£	£
Trade debtors	36,250	27,700
Other debtors	91,114	60,323
	<hr/>	<hr/>
	127,364	88,023
	<hr/> <hr/>	<hr/> <hr/>

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

7 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	44,705	35,884
Taxation and social security	15,432	-
Other creditors	101,746	75,880
	<hr/>	<hr/>
	161,883	111,764
	<hr/> <hr/>	<hr/> <hr/>

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2014

8 Pension costs

Defined benefit

The employees of the company are entitled to membership of the Merseyside Defined Benefit Pension Scheme. The most recent full actuarial valuation was on 31 March 2013 and was carried out by a qualified independent actuary.

Employer contributions to the scheme are made at 8.1% of pensionable salary.

Value of scheme assets and liabilities

	2014 £	2013 £
Market value of assets	1,198,000	887,000
Present value of scheme liabilities	(1,383,000)	(1,186,000)
Deficit in scheme	(185,000)	(299,000)
Related deferred tax liability	-	-
Net pension liability	(185,000)	(299,000)

Movement in the year:

	2014 £	2013 £
Deficit in scheme at 01 April 2013	(299,000)	(149,000)
Current service cost	(82,000)	(71,000)
Interest cost	(12,000)	(4,000)
Actuarial gains/(losses)	170,000	(124,000)
Other movements	38,000	49,000
Deficit in scheme at 31 March 2014	(185,000)	(299,000)

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2014

9 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2013	(299,000)	719,954
Loss for the year	-	(81,258)
Actuarial gains or losses on pension scheme assets	-	170,000
Transfer between profit and loss account reserve and pension scheme reserve	114,000	(114,000)
Balance at 31 March 2014	<u>(185,000)</u>	<u>694,696</u>

A reserve has been recognised that is equal to the estimated deficit on the pension scheme.

10 Financial commitments

At 31 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	2014 £	2013 £
Operating leases which expire: Within two to five years	<u>60,093</u>	<u>-</u>

11 Related party relationships and transactions

In accordance with FRS 8, police authorities that have a member on the Board of Directors are considered related parties. Subscriptions paid by these authorities are on standard business terms and conducted at arm's length.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	£	2014 £	£	2013 £
Incoming resources				
Subscription Income		881,012		785,514
Grants - Home Office		-		155,943
Secondees		-		11,892
Other income including grants released		43,564		18,619
		<u>924,576</u>		<u>971,968</u>
Wages and salaries	486,329		565,458	
Employer's N.I. contributions	50,673		69,061	
Staff training	5,787		(366)	
Payments to defined benefit pension scheme	81,359		104,748	
Members allowances (directors)	8,000		113,833	
Member Allowances	-		3,420	
Member expenses	-		14,492	
Meeting costs	33,178		-	
Rent re operating leases	68,225		65,766	
Rates	20,651		22,525	
Insurance	4,285		9,101	
Meeting costs	-		29,294	
Conference expenditure	12,736		36,041	
Stationery and office costs	8,372		14,304	
Telephone	1,093		3,565	
Travelling expenses (staff and members)	12,786		18,061	
Legal and professional inc consultants	37,462		43,861	
H R & payroll	997		16,869	
Research & consultancy	42,901		-	
Audit fees	6,200		6,000	
Bank charges	2,232		1,765	
Bad and doubtful debts	2,153		-	
Miscellaneous	30,814		662	
Information services (including website development)	42,575		27,946	
Storage and removal	13,929		9,158	
Subscriptions	12,663		18,323	
Depreciation	2,035		-	
		<u>(987,435)</u>		<u>(1,193,887)</u>
Administrative expenses				
Operating loss		(62,859)		(221,919)
Exceptional items				
Move costs	-		(2,048)	
Redundancy payments	(8,913)		(24,132)	
		<u>(8,913)</u>		<u>(26,180)</u>

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

**DETAILED INCOME AND EXPENDITURE ACCOUNT (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

	2014		2013
	£	£	£
Other interest receivable and similar income			
Bank interest received	2,514		9,503
Other finance costs	(12,000)		(4,000)
	<hr/>		<hr/>
Loss before taxation	(81,258)		(242,596)
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This page does not form part of the financial statements on which the auditors have reported.

THE ASSOCIATION OF POLICE AND CRIME COMMISSIONERS

DEFERRED INCOME FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
Brought forward as at 1 April	-	881,832
Grant received in the year for project	-	-
Grant received for administrative and evaluation costs	-	-
Interest earned	-	-
	<hr/>	<hr/>
	-	881,832
Less		
Subscriptions in advance and grant released	-	(881,832)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>
 APPG Grant		
Brought forward at 1 April	36,062	29,950
Received in year	10,500	10,000
Expenditure in the period	(4,949)	(3,888)
	<hr/>	<hr/>
	41,613	36,062
	<hr/>	<hr/>
Carried forward as deferred grant income	41,613	36,062
Other deferred income	25,238	-
	<hr/>	<hr/>
Total deferred income at 31 March	66,851	36,062
	<hr/> <hr/>	<hr/> <hr/>

Also included within deferred income are amounts invoiced in advanced for contractual services.

This page does not form part of the financial statements on which the auditors have reported.