

**DEFENCE POLICE FEDERATION**

**GENERAL SECRETARY'S FINANCE REPORT (INCLUDING TRUSTEES'  
REPORT) AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

# DEFENCE POLICE FEDERATION

## COMPANY INFORMATION

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<b>Chairman</b>	E Keating
<b>Trustees</b>	K McKeown M Batt P Hunter C Groves
<b>Secretary</b>	M Batt
<b>Business address</b>	DPF Unit 131 China Works London United Kingdom SE1 7SJ
<b>Auditor</b>	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY
<b>Bankers</b>	Unity Trust Bank plc Nine Brindley Place Birmingham United Kingdom B1 2HB
<b>Brokers</b>	Close Asset Management Limited 8th Floor 10 Exchange Square Primrose Street London EC2A 2BY
<b>Solicitors</b>	Thompsons Solicitors Congress House 23-28 Great Russell Street London United Kingdom WC1B 3LW

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# DEFENCE POLICE FEDERATION

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## **DEFENCE POLICE FEDERATION**

### **GENERAL SECRETARY'S FINANCE REPORT (INCLUDING TRUSTEES' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Introduction**

Unfortunately, the World does not seem to be in a place where it is able to settle. Once again, we have seen a number of factors, which have caused impact across the financial markets. The war in Ukraine continues, China is flexing its muscles in the far east, constantly threatening Taiwan. All these have seen an impact in our investments. That said they are still in a good position and our investments are still very healthy. The DPF have once again been able to work within income. We monitor these regularly and only use investment drawdown for those areas which have been agreed by the National Executive Committee as over and above normal business.

#### **Income**

The current subscription income is £564,722 which is a fall from £567,073 for the previous year.

The reduction is because we have not increased the subscriptions this year and there has been significant impact on recruitment and retention in the force.

As stated above we have drawdown from investments where necessary. That said we only drawdown for those areas which are not part of the normal day to day business for instance Pensions claims and fitness etc.

The investments have seen an impact due to the current global markets, which I alluded to in my report of last year. At the end of last year (2021), we sat on a very healthy figure of £4,882,709. However, these have reduced significantly to £3,970,408. Although we have seen a drop, we are still in a good position with our investments. These are monitored and receive regular updates from Close Brothers.

#### **Expenditure**

Once again, we have managed to work within our budget, although this has reduced and we will be looking to raise subscriptions this coming year, in line with the formula which is agreed.

#### **Trustees**

The trustees' meetings have been difficult again this year as we had significant impact across the force. However, we regularly speak to the trustees, and they monitor our expenditure.

#### **Investments**

Our investments are managed by Adam Griffin at Close Brothers. Adam and his team regularly review the DPF account and makes the necessary adjustments. As stated last year we expected a fall in our investments this year and that has been the case. However, when considering the huge rises we have seen over my tenure as the General Secretary, we are still in a good position with the current investment portfolio.

#### **Outlook for 2023**

The next year will be challenging, policing appears to be in a state of flux. Recruitment across all areas of the sector is down, including MDP. Being a member of the Police service does not appear to be a vocation anymore. Where previously people joining Policing saw it as a lifetime career that does not seem to be the case moving forward. We will need to monitor this and make adjustments if necessary.

We hope that this year we will see the financial markets get back to some form of order, which will see an increase in the investments. However, we need to be mindful that this is dependant on other impact factors occurring.

The DPF continues to monitor all expenditure and make saving where available.

# DEFENCE POLICE FEDERATION

## GENERAL SECRETARY'S FINANCE REPORT (INCLUDING TRUSTEES' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Statement of National Executive Committee's (NEC) responsibilities

The association rules require the executive committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period. In preparing these financial statements, the executive committee is required to:

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

The executive committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the association rules. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

#### Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

.....  
M Batt  
**General Secretary**

Date: .....

## DEFENCE POLICE FEDERATION

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF DEFENCE POLICE FEDERATION

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##### Opinion

We have audited the financial statements of Defence Police Federation (the 'association') for the year ended 31 December 2022 which comprise the detailed income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2022 and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the executive committees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the executive committee with respect to going concern are described in the relevant sections of this report.

##### Other information

The executive committee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## DEFENCE POLICE FEDERATION

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEFENCE POLICE FEDERATION

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#### Responsibilities of the Executive Committee

As explained more fully in the executive committee's responsibilities statement, the executive committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intend to liquidate the association or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

# DEFENCE POLICE FEDERATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEFENCE POLICE FEDERATION

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### Use of our report

This report is made solely to the association's members, as a body, in accordance with the rules of the association. Our audit work has been undertaken so that we might state to the association'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 association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Jon Brand FCA (Senior Statutory Auditor)**  
For and on behalf of Azets Audit Services

Date: .....

**Chartered Accountants**  
**Statutory Auditor**

Carnac Place  
Cams Hall Estate  
Fareham  
Hampshire  
United Kingdom  
PO16 8UY



**DEFENCE POLICE FEDERATION****DETAILED INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	£	2022 £	£	2021 £
<b>Income</b>				
Subscriptions		564,722		567,073
<b>Administrative expenses</b>				
Wages and salaries	81,650		81,861	
Temporary staff	1,943		9,949	
Staff welfare	25		-	
Staff training	16,251		10,134	
Other staff costs	842		-	
Position remuneration	15,230		15,230	
Honoraria remuneration	55,639		37,392	
Storage and Packaging	3,478		1,502	
Rent re operating leases	14,310		15,736	
Death benefits	4,500		6,000	
Diaries	7,438		7,382	
Insurances	4,463		4,170	
Computer software and maintenance costs	28,877		17,059	
Meeting costs	101,348		64,146	
Travel and subsistence	3,598		856	
PFOA Membership fees	89,401		91,122	
Legal and professional fees	314,299		29,766	
Stockbrokers fees	15,601		17,125	
Accountancy	5,034		9,927	
Audit fees	9,400		5,800	
Welfare payment	1,000		1,003	
Bank charges	566		319	
Printing, postage and stationery	2,592		2,602	
Public relations	122,640		63,000	
Telecommunications	8,647		9,064	
Entertaining	-		393	
Sundry expenses	1,776		5,028	
Loughborough University Project	101,440		822	
Amortisation	4,440		4,440	
Depreciation	5,860		6,035	
Profit or loss on sale of tangible assets (non exceptional)	1,791		70	
		(1,024,079)		(517,933)
<b>Surplus/(deficit) of subscription income over expenditure</b>		(459,357)		49,140

**DEFENCE POLICE FEDERATION****DETAILED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

	£	2022 £	£	2021 £
<b>Interest receivable and similar income</b>				
Bank interest received	749		7	
Other interest received on financial instruments	71,803		66,073	
		72,552		66,080
<b>Other gains and losses</b>				
Amounts written back to investments measured at fair value	(951,802)		288,171	
Profit or Loss on disposal of investments measured at fair value	207,921		54,786	
		(743,881)		342,957
<b>Surplus/(deficit) of income over expenditure before taxation</b>		(1,130,686)		458,177
Taxation		167,753		(51,219)
<b>Surplus/(deficit) for the financial year</b>		(962,933)		406,958

**DEFENCE POLICE FEDERATION****BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	6		8,880		13,320
Tangible assets	7		20,844		16,648
Investments	8		3,970,408		4,882,709
			<u>4,000,132</u>		<u>4,912,677</u>
<b>Current assets</b>					
Stocks		1,920		1,946	
Debtors	9	71,804		83,545	
Cash at bank and in hand		149,432		275,382	
			<u>223,156</u>		<u>360,873</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(259,794)</u>		<u>(179,385)</u>	
<b>Net current (liabilities)/assets</b>			<u>(36,638)</u>		<u>181,488</u>
<b>Total assets less current liabilities</b>			3,963,494		5,094,165
<b>Provisions for liabilities</b>			<u>(270,546)</u>		<u>(438,284)</u>
<b>Net assets</b>			<u>3,692,948</u>		<u>4,655,881</u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u>3,692,948</u>		<u>4,655,881</u>

The financial statements were approved by the National Executive Committee and authorised for issue on ..... and are signed on its behalf by:

.....  
M Batt  
**General Secretary**

# DEFENCE POLICE FEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Defence Police Federation is an unincorporated club established in England and Wales. The registered office is DPF, Unit 131, China Works, London, United Kingdom, SE1 7SJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The Trustees can confirm the DPF are able to continue as a going concern, given the current situation with regards COVID-19. The DPF is a staff association, therefore we have seen no break in our income and this will remain the same throughout the current pandemic. The pandemic poses no risk to how the DPF operate.

#### 1.3 Turnover

All income is included on an accruals basis.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website development	20% straight line basis
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#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**DEFENCE POLICE FEDERATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies (Continued)****1.6 Fixed asset investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in income and expenditure.

**1.7 Stocks**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

**Deferred tax**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**1.9 Employee benefits**

The Federation operates a contribution scheme for the benefit of its employees. Contributions payable are charged to the income and expenditure account in the year they are payable.

**2 Auditor's remuneration**

	<b>2022</b>	<b>2021</b>
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	9,400	5,800
	<u>          </u>	<u>          </u>

**3 Exceptional item**

The exceptional item in the year relates to the payment of legal fees of £10,510 arising from the case closed in 2018 but not included in 2020 Defence Police Federation payment off-set made due to late invoice received. This amount is included in Legal and Professional fees within the Income and Expenditure account.

**DEFENCE POLICE FEDERATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	2	2
	<u>          </u>	<u>          </u>

**5 Trustees' and officers' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Honoraria	55,639	37,392
Position	15,230	15,230
	<u>          </u>	<u>          </u>

**6 Intangible fixed assets**

	<b>Website development £</b>
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	22,200
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2022	8,880
Amortisation charged for the year	4,440
	<u>          </u>
At 31 December 2022	13,320
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2022	8,880
	<u>          </u>
At 31 December 2021	13,320
	<u>          </u>

**DEFENCE POLICE FEDERATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****7 Tangible fixed assets**

	<b>Fixtures and fittings</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	45,246
Additions	11,847
Disposals	(10,788)
	<hr/>
At 31 December 2022	46,305
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2022	28,598
Depreciation charged in the year	5,860
Eliminated in respect of disposals	(8,997)
	<hr/>
At 31 December 2022	25,461
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	20,844
	<hr/> <hr/>
At 31 December 2021	16,648
	<hr/> <hr/>

**8 Fixed asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other investments other than loans	3,970,408	4,882,709
	<hr/> <hr/>	<hr/> <hr/>

**Movements in fixed asset investments**

	<b>Investments</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2022	4,882,709
Additions	290,375
Valuation changes	(951,802)
Disposals	(250,874)
	<hr/>
At 31 December 2022	3,970,408
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	3,970,408
	<hr/> <hr/>
At 31 December 2021	4,882,709
	<hr/> <hr/>

**DEFENCE POLICE FEDERATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****9 Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	45,865	47,567
Corporation tax recoverable	95	368
Other debtors	(2,800)	6,983
Prepayments and accrued income	28,644	28,627
	<u>71,804</u>	<u>83,545</u>

**10 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Taxation and social security	2,307	937
Accruals and deferred income	257,487	178,448
	<u>259,794</u>	<u>179,385</u>

Accruals and deferred income includes a legal provision of £204,307 (2021 - £135,388).

**11 Deferred taxation**

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
	£	£
<b>Balances:</b>		
Investments	<u>270,546</u>	<u>438,284</u>
<b>Movements in the year:</b>		<b>2022</b>
		£
Liability at 1 January 2022		438,284
Credit to profit or loss		<u>(167,738)</u>
Liability at 31 December 2022		<u>270,546</u>



**DEFENCE POLICE FEDERATION****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****12 Financial commitments, guarantees and contingent liabilities****Contingent Liability**

Defence Police Federation and our solicitors are parties to various ongoing legal cases on behalf of our members which have been taken to court.

Our solicitors are confident of successful outcomes to the cases and as a result have themselves disbursed costs in relation to the cases: with a successful outcome, these costs will be met by the opposing party.

In the unlikely scenario that the cases are unsuccessful, then Defence Police Federation would be liable for these costs. As our solicitors consider this outcome to be extremely remote, these costs have not been accrued, but are instead shown as contingent liabilities amounting to £95,886 (2021: £56,550) (England & Wales) and £12,888 (2021: £12,433) (Scotland).

**13 Related party transactions**

The Defence Police Federation have no related party transactions in the year.

**14 Prior period adjustment****Reconciliation of changes in equity**

	<b>1 January 2021</b>	<b>31 December 2021</b>
	£	£
<b>Adjustments to prior year</b>		
Legal fees accrual	-	(22,344)
Equity as previously reported	4,248,923	4,678,225
	<u>4,248,923</u>	<u>4,655,881</u>
<b>Equity as adjusted</b>		
	<u>4,248,923</u>	<u>4,655,881</u>
<b>Analysis of the effect upon equity</b>		
Profit and loss reserves	-	(22,344)
	<u>-</u>	<u>(22,344)</u>

**Reconciliation of changes in profit for the previous financial period**

	<b>2021</b>
	£
<b>Adjustments to prior year</b>	
Legal fees accrual	(22,344)
Profit as previously reported	429,302
	<u>406,958</u>
<b>Profit as adjusted</b>	
	<u>406,958</u>