

**Metropolitan Police Authority**  
**Comprehensive Income and Expenditure Statement**  
**For the Year Ended 31 March 2011**

**APPENDIX 1**

	Notes	Year ending 31 March 2011			Year ending 31 March 2010		
		Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
					Restated	Restated	Restated
<b>Service Expenditure Analysis</b>							
Local Policing				1,537,570	(306,058)	1,231,512	
Dealing with the Public				206,459	(5,425)	201,034	
Criminal Justice Arrangements				301,595	(19,344)	282,250	
Road Policing				95,078	(16,320)	78,758	
Specialist Operations				239,248	(45,200)	194,048	
Intelligence				156,241	(6,999)	149,242	
Specialist Investigation				494,642	(36,060)	458,582	
Investigative Support				110,314	(2,278)	108,037	
National Policing				539,145	(444,496)	94,649	
	<b>3</b>			<b>3,680,293</b>	<b>(882,181)</b>	<b>2,798,112</b>	
Corporate and Democratic Core	<b>4</b>					16,705	
Non Distributed Cost - Pension	<b>5</b>					8,474	
<b>Net Cost of Policing Services</b>						<b>2,823,291</b>	
Interest payable and similar charges	<b>6</b>					16,858	
Police Pensions interest cost	<b>7</b>					850,300	
Interest and Investment Income	<b>8</b>					(824)	
Net gains on disposal of fixed assets	<b>9</b>					(7,679)	
						<b>858,655</b>	
<b>Net Operating Expenditure</b>						<b>3,681,946</b>	
<b>This was financed by:</b>							
S102 Greater London Authority Act 1999 Grant	<b>10</b>					(1,556,671)	
Other Grants	<b>11</b>					(1,211,332)	
						<b>(2,768,003)</b>	
<b>Deficit / (Surplus) on provision of Services</b>						<b>913,943</b>	
<b>Other Income and Expenditure</b>							
Surplus/deficit on revaluation of non current assets	<b>12</b>					(10,043)	
Actuarial gains or losses on Police Pension funds	<b>24</b> <b>25.2</b>					6,204,175	
Movement in Capital Grants						6,169	
Gains on Disposals under £10k						802	
<b>Total Comprehensive Income and Expenditure</b>						<b>7,115,046</b>	

**Metropolitan Police Authority**  
**Balance Sheet**  
**As at 31 March 2011**

	Notes	31 March 2011	31 March 2010	1 April 2009
			Restated	Restated
		£'000	£'000	£'000
<b>Long Term Assets</b>				
Intangible Assets			11,113	12,480
<b>Tangible Fixed Assets</b>				
Property			1,505,220	1,520,160
Plant & Equipment			215,319	232,683
Community Assets			1,308	1,121
<b>Non Operational Fixed Assets</b>				
Assets under Construction			169,859	103,208
Investment Properties			45,371	35,565
Assets held for Sale			483	1,382
<b>Total Fixed Assets</b>	<b>12</b>		<b>1,948,673</b>	<b>1,906,599</b>
Long Term Debtors	<b>13</b>		24,266	33,610
<b>Total Long Term Assets</b>			<b>1,972,939</b>	<b>1,940,209</b>
<b>Current Assets</b>				
Inventories	<b>14</b>		7,518	6,722
Short Term Debtors	<b>15</b>		180,834	226,361
Cash & Cash Equivalents	<b>16</b>		36,000	36,000
<b>Total Current Assets</b>			<b>224,352</b>	<b>269,083</b>
<b>Current Liabilities</b>				
Short Term Creditors	<b>17</b>		(314,418)	(360,089)
Short Term Borrowing	<b>18</b>		(5,184)	(8,255)
Bank Overdraft	<b>19</b>		(4,614)	(9,860)
<b>Total Current Liabilities</b>			<b>(324,216)</b>	<b>(378,204)</b>
<b>Long Term Liabilities</b>				
Provisions	<b>20</b>		(138,130)	(128,373)
Long Term Borrowing	<b>21</b>		(120,350)	(42,500)
Capital Grants Receipts in Advance	<b>22</b>		(15,728)	(18,228)
Long Term Contractor Liability	<b>23</b>		(107,626)	(111,292)
Police Officer Pension Liability	<b>24</b>		(19,382,100)	(12,317,900)
<b>Total Long Term Liabilities</b>			<b>(19,763,934)</b>	<b>(12,618,293)</b>
<b>Net Assets</b>			<b>(17,890,859)</b>	<b>(10,787,205)</b>
<b>Financed by:</b>				
<b>Unusable Reserves</b>	<b>25</b>			
Revaluation Reserve			103,794	86,036
Capital Adjustment Account			1,204,809	1,207,960
Accumulated Absence Account			(108,755)	(89,399)
Police Officer Pension Reserve			(19,382,100)	(12,317,900)
<b>Total Unusable Reserves</b>			<b>(18,182,252)</b>	<b>(11,113,303)</b>
<b>Usable Reserves</b>	<b>26</b>			
Usable Capital Receipts Reserve			21,923	26,539
Earmarked Capital Reserves			5,000	5,000
Capital Grant Reserve			9,741	17,119
General Revenue Reserve			47,483	47,483
Earmarked Revenue Reserves			207,246	229,957
<b>Total Usable Reserves</b>			<b>291,393</b>	<b>326,098</b>
<b>Total Reserves</b>			<b>(17,890,859)</b>	<b>(10,787,205)</b>

# Metropolitan Police Authority

## Movement in Reserves Statement

### For the year ended 31 March 2011

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure) and other technical reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing the Authority's services, more details of which are shown in Comprehensive Income and Expenditure Statement. The 'Net increase /Decrease before transfers to earmarked reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority (See Note XX).

	General Fund Balance £'000	Earmarked Revenue Reserves £'000	Capital Useable Reserves £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Police Pension funds £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2009</b>	47,483	223,511	48,658	319,652	1,185,738	(12,317,900)	(10,812,510)
Changes in Accounting Policy				0	25,305		25,305
<b>Balance at 1 April 2009</b>	<b>47,483</b>	<b>223,511</b>	<b>48,658</b>	<b>319,652</b>	<b>1,211,043</b>	<b>(12,317,900)</b>	<b>(10,787,205)</b>
Changes in Accounting Policy in year	(0)	(887)	0	(887)	15,331	0	14,444
Surplus or (deficit) on provision of services (accounting basis)	8,800	(21,824)	0	(13,024)	(55,338)	(860,025)	(928,387)
Other Comprehensive Expenditure and Income	(8,800)	0	22,106	13,306	(10,234)	(6,204,175)	(6,201,103)
<b>Total Comprehensive Income and Expenditure</b>	<b>(0)</b>	<b>(22,711)</b>	<b>22,106</b>	<b>(605)</b>	<b>(50,241)</b>	<b>(7,064,200)</b>	<b>(7,115,046)</b>
Adjustments between accounting basis & funding basis under regulations	0	0	0	0	11,393	0	11,393
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>(0)</b>	<b>(22,711)</b>	<b>22,106</b>	<b>(605)</b>	<b>(38,848)</b>	<b>(7,064,200)</b>	<b>(7,103,654)</b>
Transfers to / from Reserves	0	0	(34,100)	(34,100)	34,100	0	0
<b>Increase / Decrease in Year</b>	<b>(0)</b>	<b>(22,711)</b>	<b>(11,994)</b>	<b>(34,705)</b>	<b>(4,748)</b>	<b>(7,064,200)</b>	<b>(7,103,654)</b>
<b>Balance at 31 March 2010</b>	<b>47,483</b>	<b>200,800</b>	<b>36,664</b>	<b>284,947</b>	<b>1,206,295</b>	<b>(19,382,100)</b>	<b>(17,890,859)</b>
	<b>General Fund Balance £'000</b>	<b>Earmarked Revenue Reserves £'000</b>	<b>Capital Useable Reserves £'000</b>	<b>Total Usable Reserves £'000</b>	<b>Unusable Reserves £'000</b>	<b>Police Pension funds £'000</b>	<b>Total Authority Reserves £'000</b>
<b>Balance at 1 April 2010</b>	47,483	200,800	36,664	284,947	1,206,295	(19,382,100)	(17,890,859)
Changes in Accounting Policy in year				0			0
Surplus or (deficit) on provision of services (accounting basis)				0			0
Other Comprehensive Expenditure and Income				0			0
<b>Total Comprehensive Expenditure and Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting basis & funding basis under regulations				0			0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers to / from Reserves				0			0
<b>Increase / Decrease in Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 31 March 2011</b>	<b>47,483</b>	<b>200,800</b>	<b>36,664</b>	<b>284,947</b>	<b>1,206,295</b>	<b>(19,382,100)</b>	<b>(17,890,859)</b>

# Metropolitan Police Authority

## Cash Flow Statement

### as at 31 March 2011

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the receipts of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

	Note	2010-11 £'000	2009-10 £'000
<b>Operating Activities</b>			
Grants			
Home Office Revenue Grant			1,556,671
Home Office Other Grants			1,211,333
Home Office Specific Grants			523,768
Sales of Goods and Rendering of Services			316,873
Interest Received			957
Other Receipts from Operating Activities			94,787
<b>Cash Inflows Generated from Operating Activities</b>		<b>0</b>	<b>3,704,389</b>
Cash Paid to and on Behalf of Employees			(2,392,927)
Payments to the Capital Receipt Pool			0
Cash Paid to Suppliers of Goods and Services			(654,344)
Interest Paid			(3,696)
Other Payments for Operating Activities			(616,887)
<b>Cash Outflows Generated from Operating Activities</b>		<b>0</b>	<b>(3,667,854)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>1</b>	<b>0</b>	<b>36,535</b>
<b>Investing Activities</b>			
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets			(173,862)
Purchase of Short Term and Long Term Investments			0
Other Payments for Investing Activities			(141)
Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets			29,484
Proceeds from Short Term and Long Term Investments			0
Other Receipts from Investing Activities			0
<b>Net Cash Flows from Investing Activities</b>		<b>0</b>	<b>(144,519)</b>
<b>Financing Activities</b>			
Cash Receipts of Short and Long Term Borrowing			80,000
Other Receipts from Financing Activities			52,681
Cash Payments for the Reduction of the Outstanding Liability Relating to Finance Leases and on Balance Sheet PFI Contracts			(14,063)
Repayments of Short and Long Term Borrowing			(5,388)
Other Payments for Financing Activities			0
<b>Net Cash Flows from Financing Activities</b>		<b>0</b>	<b>113,230</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>2</b>		<b>5,246</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>0</b>	<b>26,140</b>
<b>Cash and cash equivalents at the end of the period</b>			<b>31,386</b>