



CFOA
Chief Fire Officers
Association

Report and Financial Statements

for the year ended 31 March 2017

Company Registration No. 3677186 (England and Wales)

Registered Charity No. 1074071

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Legal and Administrative Information

Directors	D. Etheridge (President)	(Resigned 31 March 2017)
	A. Fry (Vice President)	(Resigned 31 March 2017)
	L. Ramsay	(Resigned 31 March 2017)
	A. Millington	(Resigned 31 March 2017)
	R. Dobson	(Resigned 31 December 2016)
	R. Wilsher	(Resigned 31 March 2017)
	A. Hay	
	H. Jakeway	(Resigned 31 March 2017)
	G. Howsego	(Resigned 31 March 2017)
	M. Crennell	(Appointed 1 April 2017)
	S. Furlong	(Appointed 1 April 2017)
	C. Kenny	(Appointed 1 April 2017)
	J. Roberts	(Appointed 1 April 2017)
	G. Thompson	(Appointed 1 April 2017)
Senior staff members with delegated authority for day to day management of the charity	R Wilsher	Chair NFCC
	J Eason	Head of Communications
	H Nightingale	Head of Membership Services
Registered Office	9-11 Pebble Close Amington, Tamworth Staffs B77 4RD	
Bankers	HSBC Bank Plc 10 Market Street Tamworth Staffordshire B79 7LZ	
Solicitors	Weightmans 100 Old Hall Street Liverpool L3 9QJ	
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
Company Secretary	S Adams	(appointed 1 February 2017)
	J Beckerleg	(resigned 31 January 2017)

Trustees' Report

Vision/mission/values

The Chief Fire Officers Association (CFOA) is a registered charity and company as well as a membership association. As a charity the Association has a number of objects which are detailed below.

CFOA Objects

CFOA exists to:

- lead, co-ordinate and support effective prevention, protection and emergency response – locally and nationally - to reduce the loss of life, personal injury and damage to property and the environment which can arise from fire, accident, major incidents and other emergencies;
- support fire and rescue services in transforming their role to meet changing demands and resources for the benefit of the society;
- promote effective service delivery by working with partner organisations, governments and private sector bodies and the community; and
- maximise the effectiveness of the UK fire and rescue services in saving lives and increasing public safety by representing the professional voice of the United Kingdom's fire and rescue services.

Our activities have continued to promote improvement within the fire and rescue service (FRS) for the benefit of the public and communities across the United Kingdom. The beneficiaries of our work are the UK public as a whole as they benefit from an improved FRS capable of saving more lives and all the work we do is planned with this aim in mind.

This Trustees' Report outlines the activity the Association has undertaken in 2016/17 to progress each strategic aim and ultimately our objects. The Trustees have referred to the Charity Commission's general guidance on public benefit when planning our activities for this year and for the future.

Strategic report

Strategic focus

As the professional voice of the UK fire and rescue service, CFOA believes that fire and rescue services make a major contribution to building safe and resilient communities, protecting people and places from harm. Fire and rescue services also play a key role in the country's shared prosperity and creating conditions for economic growth.

Fire deaths remain low and the trend of fires continues to fall, thanks to prevention and safety work by services across the country and regulation where it is needed. This also has the benefit of reducing the economic cost of fire, protecting the economy, local businesses and the environment. Other public services see the value of prevention to reduce demand on services, but rarely is there a service which can demonstrate the benefits of prevention in such a visible way.

The FRS has an unrivalled standing, with high levels of public trust, satisfaction and confidence. This allows the service unique access to vulnerable people, able to provide targeted advice and further support, to help keep people safe. Employees are now multi-disciplinary with a wide range of skills and expertise which communities can rely on. The fire and rescue services across the UK take a wide role and are uniquely placed to actively contribute to tackling some of society's most difficult issues, particularly around health and wellbeing.

We are proud of the track record of fire and rescue services throughout the UK. Nonetheless, CFOA knows there is more that can and should be done to make even more of a difference, and is committed to continue to help fire and rescue services to do this. Over the last 12 months CFOA has established a new operating model which will offer more effective and efficient support to fire and rescue services through the National Fire Chiefs Council (NFCC).

The financial challenges that face public services, local government and the fire and rescue service in particular will certainly continue over the next parliamentary term, following the Fire Reform programme announced by the Home Office in 2016. There will also be other challenges, such as an ageing society and increasingly complex security threats which will place new demands on fire and rescue services. CFOA will work with governments to help shape and deliver transformational change across the public sector, including alternative funding, delivery and governance arrangements for fire and rescue services to encourage local ownership and accountability, while ensuring that services can continue to deliver a full range of important activities. CFOA strongly believes that the development of its new NFCC and the appointment of the NFCC Chair will deliver innovation, excellence and consistency across the UK FRS. This will allow continued delivery of safer, healthier and more resilient communities and a first class emergency response which is the envy of the world and our strategic aims provide a framework for our activities.

2016-17 CFOA Change Programme

Following a number of changes that have taken place in the fire and rescue sector recently, the CFOA Board recognised the need for the Association to change to ensure that CFOA is fit for purpose, is well positioned to be the professional voice across the UK FRS and to take account of the fire reform programme in England.

In February 2016, FRS Council gave the CFOA Board a mandate to explore alternative operating models for CFOA and, following discussion at subsequent Council meetings and the CFOA Spring Conference, a number of proposals were put forward to:

- strengthen the professional / operational leadership of the fire and rescue service
- improve national co-ordination
- reduce duplication; increase efficiency
- support local service delivery
- provide increased influence for fire and rescue authorities and their services.

At the 2016 CFOA AGM, Members approved the proposed changes to the Articles of Association and these included:

- The creation of the National Fire Chiefs Council (NFCC)
- The appointment of the NFCC Chair (a full-time position for a two year term initially)
- The reshaping of the responsibilities of the CFOA board. Matters previously raised at board will now be managed by either the NFCC or a new board of trustees for CFOA
- Appointment of CFOA trustees
- Removal of the Presidential model
- Replacing the current directorates with coordination committees

CFOA will continue to exist as a charity and membership organisation; every UK FRS employee at area manager level (or equivalent) and above will still be able to be an individual member. All FRS employees will still be able to access a range of resources, information and communications through the Professional Partnership subscription their service pays.

On 28 October 2016, CFOA Members elected Roy Wilsher, CFO Hertfordshire at the time, to the role of the Chair of the NFCC with effect from 1 April 2017. Dave Etheridge, CFO Oxfordshire FRS, served as CFOA President until 31 March 2017 and worked with Roy to ensure a smooth transition from FRS Council to the NFCC and the directorates to coordination committees.

Huw Jakeway, CFO South Wales FRS and Phil Loach, CFO West Midlands FS have been appointed as Vice Chairs.

The Chairs of the coordination committees were announced in late 2016 as:

- Workforce – Ann Millington, Chief Executive, Kent FRS
- Health – Peter O'Reilly, County Fire Officer, Greater Manchester FRS
- Operations – Dan Stephens, Chief Fire Officer, Merseyside FRS
- Prevention – Stewart Edgar, Chief Fire Officer, Gloucestershire FRS
- Protection and Business Safety – Mark Hardingham, Chief Fire Officer, Suffolk FRS
- Sector Improvement – Geoff Howsego, Director, Hampshire FRS
- Sector Resources – Chris Strickland, Chief Fire Officer, Cambridgeshire FRS
- Finance – Phil Hales, Deputy Chief Fire Officer, West Midlands Fire Service
- International – Paul Walker, Chief Fire Officer, Cornwall FRS

The first meeting of the NFCC took place in April 2017, where the draft annual plan was agreed. The majority of the FRSs were represented at the NFCC by their Chief Fire Officer. Every FRS has been given a copy of and signed up to the NFCC operating principles.

The intention has always been to develop an operating model that meets the needs of services across the whole of the UK.

Strategic aims

CFOA's work can be categorised under our four strategic aims which continue to run through every activity undertaken. These aims are:

Leadership – CFOA leads and influences the future direction of the UK FRS on professional, managerial and leadership issues which affect the service

Communication - CFOA effectively communicates views and priorities to firmly influence key decision makers

Professional Advice - CFOA provides professional advice that drives and contributes to policy development which impacts on the UK FRS

Development - CFOA supports its members to achieve individual and collective improvement

Achievements and performance

This section of the report summarises the key achievements of the Association over the last financial year.

Code of Ethics

CFOA has worked in collaboration with the Society of Local Authority Chief Executives (SOLACE) and other partners to create a Code of Ethics for all senior local government managers (including fire). CFOA has produced a disciplinary and appeals procedure to support the implementation of the Code and came into effect following the Annual General Meeting on 12 September 2016.

Multi-agency working

The Environment Agency (EA)/CFOA Strategic Liaison Group met in May at the EA HQ in London, both parties were able to update and plan the next stages to promote and enhance the excellent collaborative working that led to the signing of a Memorandum of Understanding in September 2015. Work within the Operations Directorate continued as we developed greater collaboration and enhanced multi-agency response with our partner organisations. Further excellent collaborative working has been seen through a series of regional workshops hosted by representatives from CFOA National Operations Committee (NOC) and the EA which provided fire and rescue services with the opportunity to explore the MOU in greater detail so that both parties can work together to help support the efficient and effective protection of our communities and the environment.

National Resilience

Following changes to funding and a 25% reduction in grant, the Home Office (HO) supported a Memorandum of Understanding between CFOA and Merseyside Fire and Rescue Service to establish a Lead Authority model for National Resilience. This transition went live in July 2016 with National Resilience Assurance successfully transferred and now well established through a team of 15 NRAT Officers and support staff in place delivering ongoing assurance and support to the National Coordination and Advisory Framework.

Joint Emergency Services Interoperability Programme (JESIP)

National Operational Guidance (NOG) and JESIP both continue to progress on track to deliver against their strategic objectives and they are now fully embedded with the National Operational Learning project. Funding was agreed for a central JESIP team through until 2018, the programme continued to develop ways to help embed the principles of interoperability within emergency services with the release of the Joint Doctrine – Edition 2 and the first edition of the CBRN(e) Joint Operating Principles with the team conducting visits across the country to provide guidance and support. The launch of the JESIP App allows people working in emergency response to understand and apply JESIP so that we can continue to deliver the best possible multi-agency response to incidents. The focus is now to complete the process of embedding JESIP products and strategic intent as business as usual in all UK emergency services

The National Operational Learning (NOL) Project

Five FRSs were initially involved in a trial of the electronic process for capturing lessons learned at a local level and recording these in the format and terminology of NOG. In January 2017 the trial was implemented in South Yorkshire, Hertfordshire, Merseyside, London and Mid and West Wales. There is a planned programme of events and communications being developed to inform services about the work of the project.

UK Research and Development (R&D) Function

The development of a single UKR&D function encompasses all aspects of research and development for the UK FRS and partners. The function incorporates academic, industrial and market research as well as product development, product testing and evaluation. We are using partnerships and collaborative working to address new or emerging needs within the sector.

The function is now producing evidence of tangible progress and providing solutions based on sound research, evidence, analysis and evaluation which will provide improved safety for both firefighters and members of the public, whilst simultaneously reducing duplication of effort and cost. The approach also aspires to create the environment whereby new innovations can be brought into service quicker than would otherwise be possible.

Funding has been provided through contributions from all UK FRSs. There is support for the endeavour from the Fire Service College and the Fire Industry Association, via a Memorandum of Understanding. The Home Office commissioned an independent review by Bluelightworks which reported in April 2017.

Academic research

Over the last 12 months CFOA has negotiated a number of international Memorandums of Understanding to fire related share research with further agreements expected imminently. These MOUs will expand the sharing and dissemination of knowledge with other partner countries beyond the United Kingdom and the USA for the benefit of reducing risk to our communities.

CFOA managed the funding of a piece of research on FRS use of big data which was conducted by the University of East Anglia and will be published in 2017.

Sector improvement and peer support

We have been working in partnership with the Local Government Association (LGA), who has set up a peer review stakeholder group to identify the best options going forward. The sector recognises the importance of the resources committed to fire in supporting continual improvement, and is working closely with the LGA to establish a methodology that retains access to the expertise and skills that can be sourced through the LGA and its stakeholders.

It is recognised that the offers from the LGA will need to be flexible and able to adapt to the needs of individual FRS. CFOA will continue to work with the LGA and stakeholders to develop these options so they support any new inspection process. A presentation on the progress of work and the Home Office timeline was made at the LGA conference in March 2017 and at the CFOA Spring Conference.

Professional standards

A project team has been established with a mandate is to scope the current standards and to engage with the sector and partners and report by September 2017. Standards will not be written as part of this phase.

Inspectorate

The Home Office commissioned two pieces of work in developing the new fire inspectorate; which were awarded to the HMIC and Bluelightworks. Each of these bodies submitted options to the HO in November 2016. In developing the options CFOA (through Corporate Service & Sector Improvement) has been supporting the development of these options, and has been fully engaged in the work. The two options both provide for an inspecting body for the FRS; however the level of detail in each is different. The HMIC model is based around the Police PEEL inspection process contributed at early stage with documents on assurance, working with colleagues in the Home Office – understanding the priorities and agenda set by officials and the minister.

Environment & Sustainability

We continue on-going liaison with partner organisations and government departments that are focused on protecting, maintaining and improving the Environment - or supporting others to do so. For example, strategic engagement with the Environment Agency has not only led to the renewal of our overarching Joint Working agreement but also has opened up further opportunities for CFOA to support their priority work in key areas such as flooding, dealing with hazardous materials and the management of waste sites. Working with the Met Office as a member of their Public Weather Service Customer Group has also helped to shape both the services and information the Met Office provides to emergency responders and the public. Most recently, discussions with DEFRA on developing their guidance to local authorities in the setting up of Clean Air Zones has ensured fire and rescue service operations and activities have been taken into account in respect to any potential exemptions.

Safe and Well visits evaluation

PHE and CFOA commissioned an evaluation of the impact of FRS interventions on winter related illnesses as part of the Fire as a Health Asset Programme. The evaluation report was published in 2016 and made a number of recommendations that will be used to further develop the FRS interventions on winter related illnesses.

Specialised Housing Guidance

As an outcome of the Focus on Enforcement, CFOA commissioned a subject matter expert to produce guidance on specialised housing. This guidance was published in May 2017 and is available electronically free of charge to all interested parties.

People Strategy

With comments from FRS, National Joint Council (NJC), LGA and the Home Office we have created a People Strategy and annual plan which creates a strong sense of direction and clarity about actions we need to take.

Projects

The NJC Inclusive Fire Service Group has completed an initial survey and focus group work to get a better picture of the prevailing issues.

Along with the LGA Workforce team there were the Exit Strategies seminar and guidance note which has been distributed.

Occupational Health

Ageing safely guidance from the Occupational Health group has been distributed. Mental health guidance from Firefighters' charity working with colleagues from the NFCC has been distributed.

On-Call

There is now an agreement to run a national campaign supported by the Home Office to attract firefighters especially to the on-call.

Workforce Learning and Development Programme 2016 17

All English FRSs contributed financially to the 2016-17 partnership with Skills for Fire/Justice and most either provided resources to deliver the apprenticeships, e learning, National Occupational Standards and Qualifications programme or Fire Professional Framework portal development. Ninety per cent also engaged in workshops, focus group events and provided important feedback on all areas of the programme. A review of the Skills for Fire/Justice partnership arrangements has been completed and recommendations for a one year transition agreement are being progressed.

Apprenticeships

The overarching aim of the 2016-17 programme was to support FRSs prepare for the government's skills reform agenda through collaborative working within fire and the wider emergency services. The main achievements and ongoing initiatives are:

- Securing extensions to the existing 'fire fighter' and community safety advisor apprenticeship frameworks to allow time to develop the employer-led, simpler, higher quality trailblazer standards.
- Providing ongoing workforce planning and specific guidance on the apprenticeships targets, levy through workshops, publications, the Fire Professional Framework and events such as National Apprenticeships week
- Three employer consortium groups set up within the fire sector developing Fire Fighter, Business Fire Safety advisor, Community Safety Advisor apprenticeship trailblazer standards with targeted approval dates of 2017 and the latter 2018, ideally to be in place when the frameworks are removed latest. Ongoing discussions continue with Fire Service Relationship Managers and Skills Funding Agency seeking to influence them to keep the frameworks until the replacement trailblazers are approved.
- Joint police, fire, health and ambulance consortium of 36 employers developing an Emergency Call Handler trailblazer apprenticeship.
- 38 services have agreed to support the development of joint procurement frameworks which will benefit all FRSs
- A focus group is planned to flesh out the strategic approach to apprenticeships element of the People Strategy; 40 FRSs supported the development of a strategic framework for individual services to use where fits with their business requirements
- Work is underway considering career pathways and whether appropriate to develop an apprenticeship qualifications and accreditation pathways.

Governance and management

The Association has been managed by the CFOA Board which consisted of the Presidential team, four Strategic Directors and three co-opted Directors. The Board oversaw all aspects of the association from membership to finance to the work programme. The Board met quarterly and had one away day to focus on the CFOA Change Programme. The Presidential Team focused on the CFOA Change Programme and communications and the Strategic Directors each held a specific portfolio or 'directorate'. New trustees are provided with an induction to the Association and the Board's training needs are assessed regularly throughout the year.

Governance processes are in place to ensure that the Association is managed effectively and efficiently as well as in line with charity and company law.

The Board manages the risks to the Association through its risk policy which outlines CFOA's approach to risk management. The trustees have identified the major risks affecting the charity and are satisfied that systems are in place to manage those risks. All major risks are detailed in the Association's risk register which was reviewed regularly by the Board supported by input from the audit and resources committees.

The structure that supported the Board included four directorates, resources committee, audit committee, FRS council, Members Sounding Board (MSB) and a small headquarters team based at Tamworth.

Membership

The Association continues to offer different types of membership as detailed in our Articles of Association. Our membership gives CFOA a very strong reputational base. Membership numbers on the 31 March 2017 were:

- Ordinary (individual) – 292 (2016: 323)
- Lifetime Past – 279 (2016: 281)
- Honorary – 2 (2016: 2)

CFOA also offers a Professional Partnership package to all UK public FRS and we are proud that every FRS continues to be a CFOA Professional Partner. This package allows all employees within every FRS to access information and services provided by CFOA.

Headquarters

The Association is based at Tamworth, Staffordshire and is staffed by a small team which supports the range of activities undertaken by the charity. The headquarters team manages the day to day functions of the Association.

Fire Professional Framework (FPF)

The revamped FPF was launched within the FRSs in January 2017. <http://fpfphase3.sfiuk.com/> was well received and FRSs continue to contribute by providing case studies, improvement ideas and volunteers to assist with ongoing development. Portal development is ongoing; the current programme includes providing links to support services standards, prevention and protection material, health agenda specialisms, JESIP, IFE, career pathways, apprenticeships and equality and diversity.

The Fire Professional Framework National Occupational Standards (NOS) programme was aligned with the NOG work during 2016/17. More recently the FPF work programme has been reviewed to accommodate the Professional Standards team project and the chair of the NOS and Qualifications Group who is also a FPF work-stream lead has joined the standards team.

The Police are also reviewing their Police Professional Framework; regular dialogue takes place, to share information and learning.

Governance and assurance arrangements for the FPF are being finalised ahead of a 'public' launch, when access arrangements are resolved.

E-Learning

Following a seminar on 1 December 2016 we have set up a project with mainly technical experts to push the co-creation and sharing of e-learning content. This is progressing well and a website has been set up which can contain the e-learning data and this is under construction.

Plans for 2017/18

Over the next 12 months, work will continue to implement and embed the change programme. The organisation's structure changed on 1 April 2017 and the support services required by the new model will be confirmed and put in place later in 2017. This all means that by end of this financial year the charity will look significantly different and operate in a new way. The CFOA trustees are responsible for overseeing these changes and ensuring that the charity continues to deliver on its charitable mission and meets all of its responsibilities.

Based on the increased resilience and robustness that the new structure will bring to the charity, the trustees are confident that CFOA will remain a going concern beyond July 2018.

CFOA Group

CFOA consists of the CFOA charity and three wholly owned subsidiary companies: CFOA Services Ltd (CSL), CFOA National Resilience Ltd (CNR) and CFOA Blue Watch Ltd (CBW). Our subsidiaries generate income through trading activities and protect the charity from associated risks. Details on the activities of our companies can be found on pages 37 to 39.

Related organisations

CFOA Services Ltd (CSL)

CFOA Services Ltd (CSL) is a wholly owned trading company of the Chief Fire Officers Association. It is a separate legal entity from CFOA. All profits of CSL are available to CFOA and gift aided on an annual basis. The board currently has three serving directors.

CSL has three core product areas:

- An established Events Programme
- An Associate Membership Scheme
- Fire Service College Ltd (FSCL) Partnership

CFOA Events is a recognised and valued brand within the sector. It manages a core of events that are unique, sector relevant and are embedded in the FRS calendar and exists to:

- Provide professional development for FRS personnel
- Disseminate professional policies, standards and updates
- Provide a platform for FRS personnel to network with their colleagues on a national level
- Provide a source of income to the Association contributing to its sustainability. This enables the Association to continue to drive forward the FRS agenda.
- Project a positive external image to stakeholders

The Associate Membership and Partnership Scheme is open to suppliers who would benefit from association with the professional voice of the UK fire and rescue service. There are four different levels of membership available with the higher levels including event sponsorship. The scheme has a range of benefits for members including brand association and regular newsletters keeping them abreast of current developments/issues within the sector.

In December 2016 CSL signed a new partnership agreement with the Fire Service College Ltd (FSCL) on behalf of the CFOA Group. The partnership provides FSCL with brand association and high level sector intelligence and replaced the previous agreement between CNR and FSCL.

CFOA National Resilience (CNR)

Following the transfer of National Resilience Assurance responsibilities to a Local Authority, CNR Board took a decision in December 2016 that the company should cease trading and be wound up as early as possible following the end of the financial year on the 31 March 2017. This decision was ratified in January 2017 by a meeting of the CFOA Board.

The wind-up is orderly and all obligations to creditors will be honoured and the Association's investment capital will be returned along with all other assets before the company is closed. Since incorporation in 2009, CNR has contributed £2.9M towards the Association's activities and even in its final year of trading will deliver a profit to the CFOA group.

CFOA Blue Watch (CBW)

In accordance with the direction set by the CFOA Board, work to close down CFOA Blue Watch has progressed during the year. Some contracts, most notably the support to a consortium of local authorities in Essex to establish a landlord accreditation scheme, have been ended. In other cases, such as the supply and fitting of alarms for a major energy provider and sales of products using a third party supplier have passed to CSL. The formal process will now be completed and this is expected in the summer of 2017.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Chief Fire Officers Association for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently
- b) observe the methods and principles in the Charities SORP
- c) make judgements and estimates that are reasonable and prudent
- d) state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group; hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public benefit statement

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Association's public benefit is enshrined in its charitable objects as outlined on page 3.

Statement as to disclosure of information to auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Financial Review

The group net surplus for the year is £43,187 (2016: surplus £8,533). This increases the Association's net assets to £2,752,108 (2016: £2,708,921) of which £785,843 (2016: £657,295) is designated funds for fixed assets, specified projects and investments considered to be long term. £250,763 (2016: £63,155) is restricted funds as explained in note 18 and £76,870 (2016: £80,166) represents the net assets of the subsidiary companies. General reserves have fallen to £1,638,632 (2016: £1,908,305)

The Association currently forecasts that income and expenditure will be in deficit in 2017/18 due to the changing activity and structure of the Association

Reserves Policy

The trustees will consider the risks facing the charity at each board meeting and will ensure that systems and procedures are established and maintained to mitigate any risks identified.

The trustees consider that the reduction in gift aid income from the trading subsidiaries is a major short term risk to the charity. To ensure the charity can meet its commitments, the trustees have considered the level of free reserves necessary to meet any changes in income in order to maintain the level of activity and fund a transition period.

It is the policy of the trustees:

To hold a risk reserve to enable the charity to continue to operate during a transition phase in the event of a reduction in or loss of a material income stream. The trustees have concluded that this is to be a minimum of £500,000.

To hold a general operating reserves equivalent to 26 weeks of CFOA's general revenue expenditure reported in the audited accounts (2016/17: expenditure: £1,017,506), and;

To hold a strategic reserve to fund projects that will further the charitable objects over a 3 year planning cycle.

At the balance sheet date 31 March 2017, CFOA held 'free' reserves, defined as unrestricted funds less designated reserves of £1,638,632.

	£
Total consolidated reserves	2,752,108
Less: reserves retained by subsidiaries	(76,870)
Less: restricted reserves	(250,763)
Balance of general reserves	2,424,475
Less: investments	(248,004)
Less: fixed assets	(227,789)
Less: designated for specific purpose	(310,050)
Balance of free reserves	1,638,632

The trustees have allocated the reserves as follows:

	£
1. Risk reserve	500,000
2. General operating reserve	508,753
3. Strategic project reserve	629,879
Total reserves	<u>1,638,632</u>

The trustees are satisfied that sufficient reserves are currently being held. The trustees intend to sustain the risk reserve at a minimum of £500,000 and the general operating reserve at 26 weeks of revenue expenditure.

The strategic project reserve will be monitored through the year in line with strategic project planning.

Designated funds represent amounts that have been put aside out of unrestricted funds at the discretion of the trustees for particular projects. The designation is for administrative purposes only and does not legally restrict the trustees' discretion to apply the fund. The charity has one designated fund, which is represented by fixed assets, specific projects and investments. The purpose of the fund is detailed in note 18 in the financial statements.

The trustees have allocated the designated reserves as follows:

	£
Investment in subsidiaries	248,004
Net book value of tangible assets	227,789
NFCC Chair cost (2017/18)	250,000
Information Systems	60,050
Designated reserves	<u>785,843</u>

Remuneration policy – key management personnel (KMP)

For the purposes of this policy, KMP are the senior staff members, excluding those working for the trading subsidiaries, to which the trustees have delegated authority for day to day management of the charity.

The remuneration and the other terms of employment should be sufficient to attract, retain and motivate KMP, take account of the responsibilities and expectations of each role and pay due regard to CFOA as a charity exclusively supporting public sector organisations.

In most cases the Association employs a third party professional for role evaluation and remuneration benchmarking linked to the external market. For some roles, for example secondments or appointments related to established national terms and conditions, the remuneration and terms and conditions will be determined by reference to national agreements.

Appointments at KMP level, including recruiting to vacancies as well as new posts, will be agreed by the trustees.

Information on the total remuneration of the KMP for the year ended 31 March 2017 is included in note 8.

Directors

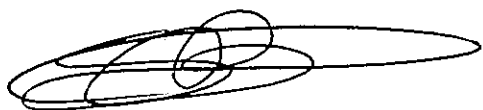
The directors during the year were:

D. Etheridge
A. Fry
L. Ramsay
A. Millington
R. Dobson
R. Wilsher
A. Hay
H. Jakeway
G. Howsego
M. Crennell
S. Furlong
C. Kenny
J. Roberts
G. Thompson

Auditors

Saffery Champness LLP has indicated their willingness to remain in office and a resolution proposing their reappointment as auditors of the company will be put to the Annual General Meeting.

The Trustees' Report, which includes the Strategic Report on pages 3 to 18, was approved by the trustees and signed on their behalf on *5th July* . 2017.



Steven Adams
Company Secretary

Independent Auditors' Report to the members and trustees

We have audited the financial statements of Chief Fire Officers Association for the year ended 31 March 2017 set out on pages 21 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102.

This report is made solely to the charitable company's members and the trustees, 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 charitable company's members and trustees 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 charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act. 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 group's and the parent charitable Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report, including the Strategic 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.

Independent Auditors' Report to the members and trustees

Continuation

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

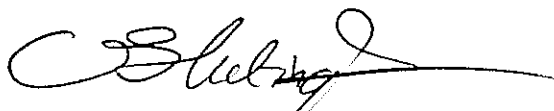
- the information given in the Annual Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and the Strategic Report.

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Cara Turlington (Senior Statutory Auditor)

For and on behalf of: Saffery Champness LLP, Chartered Accountant

Statutory Auditors

71 Queen Victoria Street

London EC4V 4BE

5 July 2017

Consolidated Statement of Financial Activities (including income and expenditure account)

	Notes	Restricted funds Year ended 31 March	Unrestricted funds Year ended 31 March	Total funds Year ended 31 March	Restricted funds Year ended 31 March	Unrestricted funds Year ended 31 March	Total funds Year ended 31 March
		2017 £	2017 £	2017 £	2016 £	2016 £	2016 £
Income from:							
Charitable activities	5	331,081	827,084	1,158,165	391,747	640,221	1,031,968
Other trading activities		-	1,310,533	1,310,533	-	6,228,790	6,228,790
Investments	6	-	14,910	14,910	-	15,138	15,138
Total		331,081	2,152,527	2,483,608	391,747	6,884,149	7,275,896
Expenditure on:							
Trading activities	7	-	1,170,065	1,170,065	-	5,769,240	5,769,240
Charitable activities	7	143,473	1,126,883	1,270,356	575,093	923,030	1,498,123
Total		143,473	2,296,948	2,440,421	575,093	6,692,270	7,267,363
Net incoming resources							
- net income (expenditure) for the year		187,608	(144,421)	43,187	(183,346)	191,879	8,533
Net movement in funds							
		187,608	(144,421)	43,187	(183,346)	191,879	8,533
Total funds brought forward		63,155	2,645,766	2,708,921	246,501	2,453,887	2,700,388
Total funds carried forward		250,763	2,501,345	2,752,108	63,155	2,645,766	2,708,921

All activities are derived from continuing operations. The notes on pages 24 to 39 form part of these financial statements. There have been no recognised gains and losses for the current and preceding year other than as stated above.

Consolidated and charity statement of financial position

As at 31 March 2017

	Notes	Group 31 March 2017 £	Group 31 March 2016 £	Charity 31 March 2017 £	Charity 31 March 2016 £
Fixed Assets					
Tangible Fixed Assets	12	227,789	235,957	227,789	235,957
Investments	13	-	-	248,004	248,004
		<u>227,789</u>	<u>235,957</u>	<u>475,793</u>	<u>483,961</u>
Current Assets					
Debtors	15	197,841	494,937	378,180	896,301
Cash at bank and in hand	16	<u>2,875,747</u>	<u>4,166,695</u>	<u>2,287,190</u>	<u>1,776,667</u>
		3,073,588	4,661,632	2,665,370	2,672,968
Creditors: Amounts falling due within one year	17	<u>(549,269)</u>	<u>(2,188,668)</u>	<u>(465,925)</u>	<u>(528,174)</u>
Net Current Assets		<u>2,524,319</u>	<u>2,472,964</u>	<u>2,199,445</u>	<u>2,144,794</u>
Total net assets		<u>2,752,108</u>	<u>2,708,921</u>	<u>2,675,238</u>	<u>2,628,755</u>
Reserves					
Restricted funds	18	250,763	63,155	250,763	63,155
Unrestricted funds					
- General funds	18	1,638,632	1,908,305	1,638,632	1,908,305
- Designated funds	18	785,843	657,295	785,843	657,295
Reserves retained in subsidiary companies	18	<u>76,870</u>	<u>80,166</u>	<u>-</u>	<u>-</u>
Total Reserves		<u>2,752,108</u>	<u>2,708,921</u>	<u>2,675,238</u>	<u>2,628,755</u>

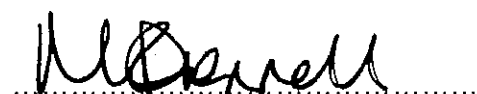
As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure Account and related notes. The Charity's net income for the year was £46,483 (2015: net income of £8,533).

The notes on pages 24 to 39 form part of these financial statements.

These financial statements were approved by the trustees on

2017

Signed on behalf of the trustees



~~Steven Adams, Company Secretary~~

TRUSTEE M. D. CRENNELL 5th July 2017

Consolidated statement of cash flows
For year ended 31 March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	20	(1,305,858)	(1,963,423)
Cash flows from investing activities:			
Interest received	6	14,910	15,138
Net cash provided by investing activities		14,910	15,138
Change in cash and cash equivalents in the reporting period		(1,290,948)	(1,948,285)
Cash and cash equivalents at the beginning of the year		4,166,695	6,114,980
Cash and cash equivalents at the end of the year		2,875,747	4,166,695

The notes on pages 24 to 39 form part of these financial statements.

Notes to the Accounts

For the year ended 31 March 2017

1. Company Information

The Chief Fire Officers Association (CFOA) is incorporated in England and Wales as a registered charity and a limited company. The registered office is 9-11 Pebble Close, Tamworth, Staffordshire B77 4RD.

CFOA has 3 wholly owned subsidiary companies; CFOA Services Ltd (CSL), CFOA National Resilience Ltd (CNR) and CFOA Blue Watch Ltd (CBW).

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102).

The particular accounting policies adopted in the preparation of the financial statements are as follows:

2.1 Accounting Convention

The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

2.2 Basis of Consolidation

The group financial statements consolidate the financial statements of the Chief Fire Officers Association and all its wholly owned subsidiary undertakings (CFOA Services Ltd, CFOA National Resilience Ltd and CFOA Blue Watch Ltd) drawn up to 31 March each year.

As most of the income from the subsidiary companies is transferred to the Association the view taken is that there is no significant difference between the group and company figure. The subsidiaries are accounted for separately for management control purposes.

2.3 Going Concern

The change programme is described on pages 4 and 5.

In light of the change programme, trustees have considered the operating position of the group and remain of the opinion that there are no material uncertainties regarding the Association's ability to continue as a going concern.

3. Principal accounting policies

3.1 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

3.2 Tangible Fixed Assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible assets, other than freehold land, over their expected useful lives using the straight-line method.

The rates applicable are:

Computer hardware and equipment	3-5 years
Furniture and equipment	4 years
Improvement to premises	10 years
Freehold premises	40 years

Assets are capitalised when they cost more than £2,000 and are expected to have a useful life of 3 years or more. All other costs are written off as expenditure as incurred.

3.3 Impairment of assets

The fixed assets are periodically reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.4 Financial instruments

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3.4.1 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount is offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

3.4.2 Creditors and provisions for liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

3.4.3 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The Association does not acquire options, derivatives or other complex financial instruments.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

3.6 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

3.7 Incoming Resources

Income from investments and gift aid is included gross and is accounted for when it is receivable or the Association's right to it becomes legally enforceable.

3.7.1 Grants receivable

Grants receivable are accounted for when there is sufficient information to enable the claim to be made or the claim has been made and there is clear indication to suggest the claim will be met.

3.7.2 Membership income, fees and other income

All such income is accounted for on a receivable basis.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

3.8 Deferred Income

Subscriptions are paid by members on an annual basis and fees are paid for seminars held and publications produced by the charity. The amounts received are treated as deferred income until the period to which the subscriptions and seminars relates to commences.

3.9 Resources expended

3.9.1 Allocation of Costs

The charity's operating costs include staff costs, premises and other related costs. Such costs are allocated between costs of charitable activities and cost of generating funds. Staff, premises and general running costs are apportioned on the basis of staff time allocations to each cost category.

3.9.2 Governance Costs

Governance costs represent the costs of running the charity as a legal entity and include the costs of audit, costs of trustees' meetings and costs of complying with statutory requirements.

3.9.3 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in they are incurred.

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from the Association in independently administered funds.

3.9.4 Irrecoverable VAT

The Association and its subsidiaries are unable to recover 100% of input VAT incurred. Irrecoverable VAT is allocated to the appropriate cost categories.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

3.10 Fund Accounting

The Association maintains various types of funds as follows:

3.10.1 Restricted funds

Which represent grants which are allocated by the donor for specific purposes.

3.10.2 Unrestricted funds:

Designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the trustees for fixed assets, specified projects and investments considered to be long term. The designation is for administrative purposes only and does not legally restrict the trustees' discretion to apply the funds.

General unrestricted funds represent amounts which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

4. Related Parties

The Association has the power to appoint all the directors to CFOA Services Ltd, CFOA National Resilience Ltd and CFOA Blue Watch Ltd, its wholly owned subsidiaries. Some of the profits of CBW, CSL and CNR may be retained by the subsidiaries with the remainder being paid by Gift Aid to the Association.

CFOA Services Ltd and the trade union, the Association of Principal Fire Officers (APFO), used Tamworth headquarters at 9-11 Pebble Close. APFO paid administrative charges to CFOA Services Ltd which uses the staff employed by the Association and incurs common running expenses. CFOA Blue Watch Ltd used the CNR headquarters, based at Skillzone, Gloucester FRS, Gloucester during the year ended 31 March 2017.

The aggregate group transactions for the year ended 31 March 2017 amounted to £80,194.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

5. Analysis of the components of charitable activity income

	Restricted funds Year ended 31 March 2017 £	Unrestricted funds Year ended 31 March 2017 £	Total funds Year ended 31 March 2017 £	Total funds Year ended 31 March 2016 £
Income from:				
Grants	331,081	215,000	546,081	452,365
Corporate subscription income	-	430,493	430,493	441,368
Subscription income	-	71,980	71,980	80,100
Sundry income	-	109,611	109,611	58,135
	<u>331,081</u>	<u>827,084</u>	<u>1,158,165</u>	<u>1,031,968</u>

6. Investment income

	2017 £	2016 £
Bank interest	14,910	15,138
	<u>14,910</u>	<u>15,138</u>

7. Resources Expended

	Restricted Funds		Staff Costs	Other Direct Costs	Support Costs		Total Year ended 31 March 2017 £	Total Year ended 31 March 2016 £
	Staff £	Other £	£	£	Staff £	Other £		
Cost of generating funds								
Trading expenses	-	-	497,439	672,626	-	-	1,170,065	5,769,240
Charitable activities								
1 Leadership	-	48,887	19,710	58,939	9,377	23,456	150,019	164,736
2 Professional Advice	7,153	87,433	103,869	269,611	38,158	88,484	594,708	685,907
3 Communications	-	-	147,249	65,572	50,610	117,356	380,787	400,852
4 Member Development	-	-	29,254	49,668	10,055	23,315	112,292	201,429
Governance	-	-	16,405	16,145	-	-	32,550	45,199
	<u>7,153</u>	<u>136,320</u>	<u>813,926</u>	<u>1,132,561</u>	<u>105,597</u>	<u>244,864</u>	<u>2,440,421</u>	<u>7,267,363</u>

Notes to the Accounts

For the year ended 31 March 2017

Continuation

8. Staff Costs and Trustees' Remuneration

	2017 £	2016 £
Directors' remuneration	21,196	99,324
Average number of full-time equivalent employees during the year were:		
Administrative staff	19	34
Wages and salaries	725,406	1,111,939
Termination costs	98,009	-
Social security costs	72,623	113,247
Pension costs	30,639	41,628
	926,676	1,266,814

No Trustees or person related or connected by business to them, has received any remuneration from the charity during the year.

£3,833 (2016: £6,385) was reimbursed to the CNR directors towards their travel and subsistence costs.

During the year the total expenses reimbursed to four trustees amounted to £15,400 (2016: £23,457) in respect of travel, accommodation and subsistence expenses incurred in fulfilling their duties.

In addition £8,756 (2016: £4,571) was reimbursed to the Fire Authorities of four Directors to contribute towards their travel and subsistence costs in helping the charity fulfil its objectives.

The total amount of employee benefits received by the key management personnel of the Association was £147,957 (2016: £162,526).

9. Staff emoluments for higher paid employees

	2017	2016
Charity	-	-
Trading subsidiary – between £60,000 & £69,000	-	1
Trading subsidiary – between £80,000 & £89,000	1	-
Group total	1	1

10. Movement in Total Funds for the Year

	2017 £	2016 £
This is stated after charging:		
Depreciation – owned assets	8,168	8,168
Auditors' remuneration (Charity only)	9,825	6,900

Notes to the Accounts

For the year ended 31 March 2017

Continuation

11. Taxation

The Association has charitable status and is thus exempt from taxation of its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. As detailed in note 15, no tax charges have arisen in its subsidiaries (2016: nil) and no provision is required for deferred taxation.

12. Tangible Fixed Assets - The Group and Company

	Freehold premises £	Computer & equipment £	Video conferencing equipment £	Total £
Cost				
At 1 April 2016	315,446	40,473	57,554	413,473
Disposal in year	-	-	-	-
At 31 March 2017	<u>315,446</u>	<u>40,473</u>	<u>57,554</u>	<u>413,473</u>
Accumulated depreciation				
At 1 April 2016	79,489	40,473	57,554	177,516
Provided in year	8,168	-	-	8,168
Disposal in year	-	-	-	-
At 31 March 2017	<u>87,657</u>	<u>40,473</u>	<u>57,554</u>	<u>185,684</u>
Net book value				
At 31 March 2017	<u>227,789</u>	<u>-</u>	<u>-</u>	<u>227,789</u>
At 31 March 2016	<u>235,957</u>	<u>-</u>	<u>-</u>	<u>235,957</u>

Notes to the Accounts

For the year ended 31 March 2017

Continuation

13. Investments

Charity	Shares in Subsidiary Company £	Total £
At 1 April 2016	248,004	248,004
Share purchase	-	-
At 31 March 2017	<u>248,004</u>	<u>248,004</u>

14. Subsidiaries

The company owns two ordinary shares of £1 each, being the entire share capital of CFOA Services Ltd, which are held in the name of the Chief Fire Officers Association.

The company purchased 248,000 shares during the year ending 31 March 2015 and therefore owns 248,001 ordinary shares of £1 each, being the entire share capital of CFOA National Resilience Ltd which is held in the name of the Chief Fire Officers Association.

The company owns one ordinary share of £1, being the entire share capital of CFOA Blue Watch Ltd which is held in the name of the Chief Fire Officers Association.

15. Debtors

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Other debtors	197,841	493,213	132,908	304,379
Amounts owed by CFOA Services Ltd	-	-	217,122	298,460
Amounts owed by CFOA National Resilience Ltd	-	-	28,150	293,455
Amounts owed by associated undertakings	-	1,724	-	7
	<u>197,841</u>	<u>494,937</u>	<u>378,180</u>	<u>896,301</u>

Notes to the Accounts

For the year ended 31 March 2017

Continuation

16. Cash & cash equivalents

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Cash at bank and in hand	2,649,933	3,491,695	2,061,376	1,101,667
7 day notice funds	-	450,000	-	450,000
Fixed term - (due within 12 months)	225,814	225,000	225,814	225,000
	<u>2,875,747</u>	<u>4,166,695</u>	<u>2,287,190</u>	<u>1,776,667</u>

17. Creditors: Amounts falling due within one year

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Trade creditors	87,577	637,756	71,173	87,311
Subscriptions in advance	216,836	189,866	216,836	189,866
Amounts owed to CFOA BlueWatch	-	-	295	-
Accruals and deferred income	80,697	-	56,515	-
Other creditors	164,159	803,897	121,105	83,069
	<u>549,269</u>	<u>2,188,668</u>	<u>465,925</u>	<u>528,174</u>

18. Restricted and Unrestricted Funds

	General Fund	Restricted Funds	Designated Fund	Subsidiaries – Retained Reserves	Total
	£	£	£	£	£
Balance at 1 April 2016	1,908,305	63,155	657,295	80,166	2,708,921
Net movement in funds for the period	(269,673)	187,608	128,548	(3,296)	43,187
At 31 March 2017	<u>1,638,632</u>	<u>250,763</u>	<u>785,843</u>	<u>76,870</u>	<u>2,752,108</u>

18.1 The Trustees have designated funds that represent those assets of the charity that are not readily realisable or are unavailable for other use. The fund represents the net book value of the Group's tangible fixed assets, principally land and buildings, and investments in its subsidiaries, currently held for use in the furtherance of the Charity's objects. Funds have been designated to support the costs of upgrading the information systems and the costs of the NFCC chair for the financial year 2017-18 which will further support the Charity's objects..

18.2 The restricted funds balance represents:

- 18.2.1 The grant received from Youth United up to 31 March 2017 for the sole purpose of funding the Fire Cadets and Supporting Young Persons Programmes. No further funding is due and no surplus of funding will remain after the final disbursements.
- 18.2.2 Contributions received from UK FRSs for the sole purpose of supporting the further development of the Fire Cadets.
- 18.2.3 Contributions received from UK FRSs for the sole purpose of the development of a Research & Development Hub for the benefit of all UK FRS.

19. Analysis of Group Net Assets between Funds

	General Fund £	Restricted Funds £	Designated Fund £	Subsidiaries – Retained Reserves £	Total £
Fixed assets:					
Tangible assets	-	-	227,789	-	227,789
Investment	-	-	248,004	(248,004)	-
Current assets					
Debtors	370,310	7,870	-	(180,339)	197,841
Cash at bank and in hand	1,705,871	271,269	310,050	588,557	2,875,747
Current liabilities	(437,549)	(28,376)	-	(83,344)	(549,269)
	<u>1,638,632</u>	<u>250,763</u>	<u>785,843</u>	<u>76,870</u>	<u>2,752,108</u>

Notes to the Accounts

For the year ended 31 March 2017

Continuation

20. Consolidated reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure for the reporting period (as per the statement of financial activities))	43,187	8,533
Depreciation of tangible assets	8,168	8,168
Interest received	(14,910)	(15,138)
Decrease in debtors	297,096	154,951
(Decrease)/increase in creditors	<u>(1,639,399)</u>	<u>(2,119,937)</u>
Net cash (used in)/ provided by operating activities	<u>(1,305,858)</u>	<u>(1,963,423)</u>

21. Results of Trading Companies

The charity has three wholly owned subsidiaries which are incorporated in the UK, CFOA Services Ltd, CFOA National Resilience Ltd and CFOA Blue Watch Ltd. The subsidiaries gift aid the majority of their taxable profits to the parent company. A summary of the trading results is shown below.

Separate audited accounts have been filed with the Registrar of Companies where required.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

21.1 CFOA Services Ltd (Company registration No. 2293020)

Income Statement for the year ended 31 March	2017	2016
	£	£
Revenue	489,255	674,234
Cost of sales	(327,529)	(456,137)
Gross profit	161,727	218,097
Administrative expenses	(38,956)	(28,512)
Operating profit/(loss)	122,771	189,585
Investment income	648	1,357
Profit before taxation	123,419	190,942
Taxation	-	-
Profit for the financial year	123,419	190,942
Total comprehensive income for the year	<u>123,419</u>	<u>190,942</u>

Statement of financial position as at 31 March

	2017	2016
	£	£
Current Assets		
Trade and other receivables	62,689	98,998
Cash at bank and in hand	215,111	352,604
	<u>277,800</u>	<u>451,602</u>
Current Liabilities	<u>(257,538)</u>	<u>(431,340)</u>
Net Current Assets	<u>20,262</u>	<u>20,262</u>
Total Assets Less Current Liabilities	<u>20,262</u>	<u>20,262</u>
Equity		
Called up share capital	2	2
Retained Earnings	20,260	20,260
Equity Shareholders' Funds	<u>20,262</u>	<u>20,262</u>

Statement of changes in equity For the year ended 31 March 2017

	Share Capital	Retained Earnings	Total
	£	£	£
Balance at 1 April 2015	<u>2</u>	<u>20,260</u>	<u>20,262</u>
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	190,942	190,942
Gift Aid	-	(190,942)	(190,942)
Balance at 31 March 2016	<u>2</u>	<u>20,260</u>	<u>20,262</u>
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	123,419	123,419
Gift Aid	-	(123,419)	(123,419)
Balance at 31 March 2017	<u>2</u>	<u>20,260</u>	<u>20,262</u>

Notes to the Accounts

For the year ended 31 March 2017

Continuation

21.2 CFOA Blue Watch Ltd (Company registration No. 07256848)

Income Statement for the year ended 31 March	2017	2016
	£	£
Revenue	1,449	86,039
Cost of sales	-	(55,071)
Gross profit/(Loss)	1,449	30,968
Administrative expenses	(4,753)	(13,071)
Operating profit/(loss)	(3,304)	17,897
Other operating income	-	-
Investment income	8	9
Profit before taxation	(3,296)	17,906
Taxation	-	-
Profit for the financial year	(3,296)	17,906
Total comprehensive income for the year	(3,296)	17,906

Statement of financial position as at 31 March

	2017	2016
	£	£
Current Assets		
Trade and other receivables	295	243
Cash at bank and in hand	15,322	21,015
	15,617	21,258
Current Liabilities	(1,006)	(3,351)
Net Current Assets		17,907
Total Assets Less Current Liabilities	14,611	17,907
Equity		
Called up share capital	1	1
Retained Earnings	14,610	17,906
Equity Shareholders' Funds	14,611	17,907

Statement of changes in equity For the year ended 31 March 2017

	Share Capital	Retained Earnings	Total
	£	£	£
Balance at 1 April 2015	1	-	1
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	17,906	17,906
Gift Aid	-	-	-
Balance at 31 March 2016	1	17,906	17,907
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	(3,296)	(3,296)
Gift Aid	-	-	-
Balance at 31 March 2017	1	14,610	14,611

The business activity of the company did not develop in the way that was originally envisaged and as a result the company ceased trading during 2016-17. It was envisaged that all assets and liabilities would be realised and a wind-up of the company would be completed by 31 March 2017. The company was not wound up by 31 March 2017, but the process will be completed before 31 March 2018.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

21.3 CFOA National Resilience Ltd (Company Registration No. 06804327)

Income Statement for the year ended 31 March		2017	2016
		£	£
Revenue		819,829	5,568,532
Cost of sales		(445,961)	(4,795,301)
Gross profit		373,868	773,051
Administrative expenses		(352,866)	(520,982)
Operating profit		21,002	252,069
Investment income		1,299	5,926
Profit before taxation		22,301	257,995
Taxation		-	-
Profit for the financial year		22,301	257,995
Total comprehensive income for the year		22,301	257,995

Statement of financial position as at 31 March

	2017	2016
	£	£
Current Assets		
Trade and other receivables	2,394	122,008
Cash at bank and in hand	358,124	2,006,170
	360,518	2,128,178
Current Liabilities	(70,517)	(1,838,177)
Net Current Assets	290,001	290,001
Total Assets Less Current Liabilities	290,001	290,001
Equity		
Called up share capital	248,001	248,001
Retained Earnings	42,000	42,000
Equity Shareholders' Funds	290,001	290,001
Statement of changes in equity	Share Capital	Retained Earnings
For the year ended 31 March 2017	£	£
Balance at 1 April 2015	248,001	42,000
Year ended 31 March 2016:		
Profit and total comprehensive income for the year	-	257,995
Issue of shares	-	-
Gift Aid	-	(257,995)
Balance at 31 March 2016	248,001	42,000
Year ended 31 March 2017:		
Profit and total comprehensive income for the year	-	22,301
Gift Aid	-	(22,301)
Balance at 31 March 2017	248,001	42,000

The business activity of the company has not developed in the way that was originally envisaged and as a result the directors decided to cease trading during 2016-17, realise all assets and liabilities within the next 12 months and complete a wind-up of the company before 31 March 2018.

Notes to the Accounts

For the year ended 31 March 2017

Continuation

22. Analysis of Changes in Net Debt

	At 1 April 2016 £	Cash Flow £	Other non- cash changes £	At 31 March 2017 £
Cash in hand and at bank	4,166,695	(1,290,948)		2,875,747
Debt due within one year	-	-	-	-
	<u>4,166,695</u>	<u>(1,290,948)</u>	<u>-</u>	<u>2,875,747</u>

23. Members' Liability

The Association is limited by guarantee and does not have a share capital divided into shares. In the event of a Winding Up Order, each member of the Association guarantees to pay during their membership and for one year after membership ceases, a sum not exceeding £10 to the Association. Any surplus on Winding Up is to go to a charity having objects of a similar nature.

