

Summary of Assets & Liabilities

The following table provides information on the Authority's assets and liabilities at 31st March 2007. It is slightly different from the published balance sheet since it excludes the technical entries for *FRS17 pension benefits and liabilities.

Summary of Assets & Liabilities	2006/07 £000	2005/06 £000
Land & Buildings	125,058	130,466
Vehicles, Plant & Equipment	15,071	16,460
Assets under construction	215	1,253
Surplus Housing	2,550	2,375
Long Term Debtors	15	41
Total Long Term Assets	142,909	150,595
Stocks	937	740
Debtors	20,073	15,809
Investments	1,715	5,810
Imprests/Cash	57	163
Total Current Assets	165,691	173,117
<i>Less Current Liabilities:</i>		
Creditors	(17,620)	(18,128)
Short Term Loans	(6,100)	(6,100)
Total Assets less current liabilities	141,971	148,889
Long Term Borrowing	(4,465)	(4,700)
Provisions	(5,672)	(6,025)
Gov't Grant Deferred Account	(17,943)	(17,562)
Total Net Assets	113,891	120,602

Represented by:	2006/07	2005/06
Capital Accounting Reserves	90,279	100,870
Usable Capital Receipts Reserve	1,846	1,480
Unapplied Capital Grant	788	245
Other Reserves	14,337	12,083
General Balances	6,641	5,924
Total Equity	113,891	120,602

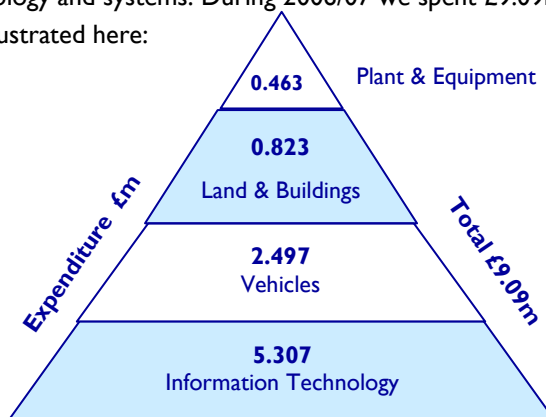
Funding of Expenditure

The sources of funding are as follows:

Sources of Funding	2006/07 £	2005/06 £
Specific Police Grant	(125,466,447)	(139,561,000)
Amending Adjustment	(1,060,974)	(819,000)
Revenue Support Grant	(19,339,252)	(95,677,000)
Non Domestic Rates	(100,184,894)	(22,164,000)
Deficit on Collection Fund	42,616	(15,000)
Precepts	(51,478,780)	(48,896,000)
Total Funding	(297,487,731)	(307,132,000)

Capital Expenditure

Capital Expenditure relates to the provision of assets which will be of long term benefit to the Authority such as improvements to police stations and properties, together with the purchase of vehicles, information technology and systems. During 2006/07 we spent £9.09m as illustrated here:



Funding	2006/07 £m
Government Grants	(5.00)
Revenue Financing & from reserves	(0.25)
Borrowing	(3.84)
Total Financing	(9.09)

Statement of Accounts 2006-07 Summary

Making Merseyside Safer



**Building Public Confidence
and Satisfaction**

Merseyside Police Authority
West House
Mercury Court
Tithebarn Street
Liverpool L69 2NU

Phone: 0151 236 4748
Fax: 0151 236 4527

website: merseysidepoliceauthority.gov.uk

If you would like this leaflet in another language or format please contact Merseyside Police Authority

Introduction

As part of its key duty to provide an efficient and effective police service Merseyside Police Authority has a statutory requirement to approve and monitor the annual police budget and to set the police element of the council tax, i.e. the precept.

The Authority is also responsible for managing overall expenditure within the budget although the day-to-day financial management is delegated to the Chief Constable.

In 2006-07 the net budget set by the Police Authority was £297.5m

The following tables present a summary of income and expenditure of Merseyside Police Authority during the year.

The figures contained in the tables are compiled having regard to proper accounting practices and for the purpose of this statement some modifications were made to provide meaningful information on a summarised basis.

In July 2007, the Authority's external auditor, The Audit Commission, carried out the final accounts audit. A full statement of those accounts can be found on the Authority's website at:

www.merseysidepoliceauthority.gov.uk

**Paul Johnson, BA(Hons), CPFA,
Treasurer, Merseyside Police Authority**

Revenue Expenditure

Revenue expenditure relates to day to day expenditure and income of the Authority on such items as salaries and wages of employees and running costs.

The total cost of policing Merseyside for the year to 31st March 2007 is shown below on a cost category basis.

<i>Expenditure</i>	2006/07 £	2005/06 £
Police Officer Salaries	175,880,635	172,834,000
Police Staff Salaries	68,337,000	62,441,896
Police Pensions	41,143,365	58,255,104
Other Employee Expenses	1,705,000	1,498,000
Premises	10,507,000	9,064,000
Transport	6,997,000	6,390,000
Supplies & Services	26,950,000	27,608,000
Third Party Payments	7,309,347	6,568,000
Police Authority	1,980,653	1,881,000
Financing of Capital	1,992,000	2,046,000
Income	(47,455,000)	(36,545,000)
Net Cost of Services	295,347,000	312,041,000
Interest	(829,000)	(765,000)
Transfers to Reserves	2,252,000	(347,000)
Transfer to Balances	717,000	(3,797,000)
Total Cost to be Funded	297,487,000	307,132,000

The expenditure excludes all the notional entries for Pensions required under *FRS 17, but it shows the actual pension costs. The reason for the reduction in 2006-07 is due to new funding arrangements for pensions introduced from 1st April 2006 where costs are partly funded by a grant from the Home Office.

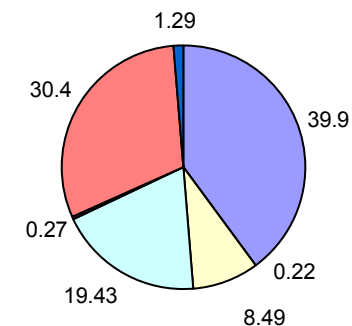
* Financial Reporting Standard 17

Percentage of Cost by Activity

A breakdown of the percentage of costs by activity is shown below. This has been arrived at by monitoring activities of police officers and staff by using Activity Based Costing methodology.

<i>Activity Costs</i>	<i>%age</i>
Reducing Crime	8.49
Investigating Crime	39.90
Promoting Public Safety	30.40
Assistance to the Public	19.43
Licences	0.22
Non-Distributed Costs	1.29
Corporate & Democratic Core	0.27
Total Cost	100

Percentage cost by activity



- ◆ Non-Distributed Costs
- ◆ Investigating Crime
- ◆ Licences
- ◆ Reducing Crime
- ◆ Assistance to the Public
- ◆ Corporate & Democratic Core
- ◆ Promoting Public Safety