



Civil Nuclear Police Authority

Annual Report & Accounts 2013/14



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Map: Civil Nuclear Constabulary



Chairman & Chief Constable's Statement

The Civil Nuclear Constabulary (CNC) has had a busy and progressive year with the tempo of work set in recent times continuing at a high pace during 2013/14. This has included:

- International maritime escort operations, aiding the safe and secure shipment of nuclear materials across the globe
- A permanent armed response presence at 11 sites across the UK
- Cessation of policing at Capenhurst, Chapelcross, Springfields and Oldbury
- A comprehensive review of our training programme and facilities
- A structural review of our headquarters and back office functions

This year the annual report and accounts have been written in a new format, to demonstrate the major steps the CNC is taking across all disciplines. It contains all the facts, figures and details of previous reports, presented in a manner that explains the essence of how we fulfil our mission.

We are sure that the information contained within this report will satisfy all of our stakeholders, not only in our compliance with regards to governance and audit regulations, but also provides recognition of the efforts our officers and staff make on a daily basis to ensure the protection of civil nuclear facilities and material within the UK and in transit.

Against this backdrop of change, the CNC has continued to expand as we move to an all armed police response force capable of deploying high profile counter terrorist patrols. We continue to work hard to ensure interoperability with our stakeholders and Home Office / Police Scotland forces and we recently received re-accreditation for our firearms licence from the College of Policing, which is crucial to ensuring high standards of armed policing.



Sir Philip Trousdell
Chairman



Mike Griffiths
Chief Executive Officer and Chief Constable

About Us

The Civil Nuclear Police Authority (CNPA) is an executive non-departmental body (NDPB) of the Department of Energy and Climate Change (DECC). It was established by the Energy Act 2004.

CNPA oversees the Civil Nuclear Constabulary (CNC), employing its officers and staff. CNC provides an armed response capability to the civil nuclear industry sharing responsibility with site operators and carriers for the protection of nuclear material and facilities on sites across England, Scotland and Wales as well as the safe movement of high grade nuclear material transported within the UK and abroad.

CNPA's annual report and accounts are published in line with the requirements of the Energy Act 2004.

Governance

Our governance framework enables us to:

- Effectively and efficiently carry out our statutory responsibilities
- Meet our strategic objectives
- Manage our business
- Maintain an efficient and effective CNC

CNPA Board

The Authority delegates the bulk of its business and management responsibilities to the CNPA Board but remains accountable for any matters delegated to committees and may override decisions of any committee if it chooses to do so.

The CNPA Board is made up of 8 Authority members and 5 CNC Executive Team members. The Authority's members are appointed by the Secretary of State and are independent of CNC management.

The Board:

- Sets the strategic, policy, resource and performance management framework for CNC
- Monitors the overall performance of CNC against the agreed strategies and agrees remedial action if needed
- Carries out the financial duties laid down by the Secretary of State and in the Energy Act 2004
- Approves arrangements for the governance, administration and conditions of service of CNC
- Decides the overall culture and values of CNPA, and the behaviours and standards required of its members and employees
- Ensures wide stakeholder engagement in the work of CNPA, and the effective management of relationships with key strategic stakeholders and the public
- Ensures that CNPA complies with all applicable legislation

Board Members

- Lt Gen (Retd) Sir Philip Trousdell KBE CB, Chairman and Independent Member
- Mike Griffiths CBE, Chief Executive Officer and Chief Constable
- Ian Abbott OBE, Industry Representative Member
- Stephen Barrett, Independent Member
- George Beveridge, Industry Representative Member
- Simon Chesterman QPM, Capability Director and Deputy Chief Constable
- Alistair Cook, Business Transformation Director
- Alan Cooper, Operations Director and Assistant Chief Constable
- Paul Kernaghan CBE QPM, Independent and Policing Advisor Member
- Justin Rees, Corporate Services Director

(and Finance Director)

- Mark Rouse, Industry Representative Member
- Matt Sykes, Industry Representative Member
- Rob Wright, Independent Member and Chairman of the Audit, Risk and Governance Committee

You can find a full list of board members who served during the year, their terms of appointment and service contracts, on page 27 of this report.

Principal Committees

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee reviews the comprehensiveness, reliability and integrity of assurances given, to meet CNPA's and the Accounting Officer's assurance needs. The committee meets 4 times a year and reports to the Board.

Senior Appointments Committee

The Senior Appointments Committee appoints Executive Team members and sets the conditions of their service.

Executive Board

The Executive Board delivers all aspects of the business plan and the operational output. It is responsible to the CNPA Board and implements its strategic decisions.

Executive Team

The Executive Team carries out the day-to-day management of CNC. The team members are:

- Mike Griffiths CBE, Chief Executive Officer and Chief Constable
- Simon Chesterman QPM, Capability Director and Deputy Chief Constable
- Alan Cooper, Operations Director and Assistant Chief Constable
- Justin Rees, Corporate Services Director
- Alistair Cook, Business Transformation Director





Operating Within a Regulated Environment

CNC works closely with the Office for Nuclear Regulation (ONR) through its Civil Nuclear Security (CNS) Programme. The policing of each nuclear site is agreed with nuclear operators in line with Nuclear Industry Security Regulations (NISR) and ratified by ONR(CNS).

CNC is clearly different from Home Office and Police Scotland forces due to the unique nature of its role and its focus on countering terrorist threats to civil nuclear sites and material in transit.

We are recognised by the Association of Chief Police Officers (ACPO) for England

and Wales and by Police Scotland. CNC has established agreements in the form of various memoranda of understanding with the local police forces at all the nuclear sites where it operates, through the National Co-ordinated Police Protocol. This mutual support and assistance means CNC can maintain focus on its core role of armed response.

Our patrol strategy is designed to:

- Constrain the operating environment for anyone with malicious intent
- Disrupt the operations of anyone with malicious intent
- Reassure the public close to nuclear sites

Our officers also get sufficient Home Office police training to allow them to deal with

non-terrorist incidents. We have provided first aid at road traffic accidents, dealt with suspected drink-driving offences and helped other police forces with disturbances and attempted suicides.

Ambition, Mission and Credo

Ambition

To be recognised as the leading UK authority on the armed protection of civil nuclear facilities and material in transit.

Mission

In partnership with the civil nuclear industry, national security agencies and regulatory bodies the CNC will deter any attacker whose intent is the theft or sabotage of nuclear material whether static or in transit. If an attack occurs CNC will defend that material and deny access to it. If material is seized or high consequence facilities are compromised the CNC will recover control of the facility and regain custody of the material.

Credo

We are proud to be part of the security structure which defends the nation. We deliver to our mission by being recruited, trained, deployed and developed to the required national and international standards. We are capable of carrying out our duties in a flexible and dynamic way, instilling in ourselves a clear sense of purpose. If we use force we do so in a manner proportionate to the threat, recognising and upholding the principles enshrined in the European Convention on Human Rights. We, if officers, exemplify in our duties the attestation made on our first day of service:

"I do solemnly and sincerely declare and affirm that I will well and truly serve the Queen in the office of constable, with fairness, integrity, diligence and impartiality...according equal respect to all people."

As members of staff we share those ideals, all of us whatever our role recognising that it is only by acting together that the mission can be achieved.

We have the courage not only to deliver to the mission but also to challenge ourselves constantly to improve and develop. We are selfless in our pursuit of the national interest, giving our fellow citizens confidence that civil nuclear material is safe from the terrorist threat.



Management Commentary

Strategic Report

Principal Activities

CNPA is an executive NDPB of DECC. It was established by the Energy Act 2004 and is responsible for securing an efficient and effective CNC whose primary function is the protection of licensed civil nuclear sites and the safe movement of nuclear material in the UK and abroad. CNPA has oversight of the CNC and employs its officers and staff. CNC provides an

armed response capability to the civil nuclear industry with operational units based at licensed nuclear sites. CNC shares responsibility with site operators and carriers for the protection of nuclear materials and facilities and for the safe and secure movement of nuclear material within the UK and abroad.

Objectives, Strategies and Business Model

CNPA's activities in 2013/14 were attributed to the following 4 strategic objectives:



Strategic Objective 1 Prevention and Deterrence	To work with site operators to deliver our mission, continually improving our capability to prevent and deter threats to nuclear sites as a contribution to the overall security of the UK.
Strategic Objective 2 Capability to Respond	To strengthen our strategic capability to ensure that we have an organisation which is ready to respond and adapts rapidly to changes in the level and nature of the security threat, deepening the integration of our training, exercising and career development programmes so as to produce a highly skilled, well led and motivated, adaptable and effective workforce.
Strategic Objective 3 Effectiveness and Efficiency	To maximise the effectiveness and efficiency with which we use all the resources at our disposal, delivering value for money and high quality services to our customers.
Strategic Objective 4 Stakeholder Confidence	Through effective and timely engagement with all our stakeholders, to enhance the reputation of the CNC and strengthen confidence in our ability to deliver our mission.

Each strategic objective is supported by between one and four key delivery areas. Performance of these key delivery areas

is managed by the Executive Team and reported to the CNPA Board.

Key Performance Indicators

Strategic objective 1 is underpinned by four key delivery areas: operational delivery and uplift; command and control capability; armed escorts and decommissioning.

Prevention and Deterrence	Performance 2013-14
Improving operational delivery and uplifting operational capacity and capability	Largely achieved
Aligning command and control protocols and revising intelligence strategy	Largely achieved
Delivering of armed escorts programme and uplifting capacity	Achieved
Withdrawing from four sites and redeployment of Authorised Firearms Officers	Achieved

Strategic objective 2 is underpinned by four key delivery areas: integration of response; exercising; training and development and provision of ranges and training facilities.

Capability to Respond	Performance 2013-14
Integrating CNC/SLC response protocols and local police service agreements	Achieved
Delivering annual exercise programme	Achieved
Delivering annual training plan and training review recommendations	Largely achieved
Developing full business case for southern firearms training facility	Largely achieved

Strategic objective 3 is underpinned by four key delivery areas: terms and conditions; efficiency and sustainability; corporate capability and capacity and risk management.

Effectiveness and Efficiency	Performance 2013-14
Developing new terms and conditions and assessing impact of raised retirement age	Partly achieved
Developing organisational efficiency plan and sustainability measures	Achieved
Reviewing corporate capability and capacity (including shared services)	Achieved
Aligning risk register and risk management framework	Largely achieved

Strategic objective 4 is underpinned by one key delivery area on stakeholder and employee engagement.

Stakeholder Confidence	Performance 2013-14
Developing stakeholder and employee engagement strategies; achieving Investors in People accreditation; revising management statement and financial memorandum	Largely achieved

Business model

Who are we	CNPA is a body corporate established by the Energy Act 2004 and an executive non-departmental public body of the Department of Energy and Climate Change. The CNPA is headquartered at Culham, Oxfordshire.
What we do	CNPA is charged, pursuant to the 2004 Act, with maintaining an efficient and effective CNC and employs its police officers and police staff. CNC provides an armed response capability for the UK's civil nuclear industry. CNC operates from 11 units based at licenced nuclear sites throughout the UK and provides armed escorts for movements of nuclear materials within the UK and abroad.
How we do it	CNPA works in partnership with the appropriate Home Office police force and Police Scotland at each site. Armed response capabilities required at each site are agreed with site operators in accordance with the Nuclear Industries Security Regulations 2003 and ratified by the UK regulator, the Office for Nuclear Regulation. Armed officers are deployed to meet these capabilities on a 24/7 basis.
Why we do it	CNPA works in partnership with site operators and carriers to protect the civil nuclear industry from terrorist attack.

Our future is closely related to the future of our customers. We may also be affected by changes to the Energy Act 2004. As the nuclear decommissioning process continues to proceed, we face a reduction in the number of sites to be policed in the short to medium term; however, the government's commitment to allow energy companies to build new nuclear power stations expands our remit in the longer term.

Principal Risks and Uncertainties

The identification, evaluation, management and monitoring of the most significant risks that face CNPA and could threaten the achievement of our strategic objectives are the responsibility of the CNPA Board.

The principal risks and uncertainties facing CNPA are as follows:

FAILURE TO DEFEAT A TERRORIST ATTACK	
Risk	Mitigation
CNC lacks the capability and capacity to defeat a terrorist attack leading to the theft of nuclear material or a radiological release and consequent injury and loss of life to members of the public and financial loss to the nuclear industry.	<ul style="list-style-type: none"> Increasing number of armed officers deployed to licenced nuclear sites Improving capability through specialist recovery and rifle teams Better equipment and improving training and tactics
FAILURE TO COMMAND AND CONTROL A MAJOR INCIDENT	
Risk	Mitigation
CNC has not put in place appropriate command and control mechanisms that enable it to get rapidly on top of an emerging incident leading to failure to defeat a terrorist attack.	<ul style="list-style-type: none"> Increasing numbers of officers qualified as operational firearms commanders Rigorous exercising programme to test and continually improve command and control Improving response and deployment through investment in IT
FAILURE OF TRANSFORMATION PROGRAMMES	
Risk	Mitigation
CNC fails to transform its front line operations and lacks the capability and capacity to defeat a terrorist attack and fails to transform its back and mid office functions to support the operational front line.	<ul style="list-style-type: none"> Managing high value and high risk programmes and projects using Managing Successful Programmes and PRINCE2 Monthly reporting to project and programme boards and Executive Team Applying assurance mechanism to high value and high risk projects and programmes (e.g. Gateway Reviews)
LOSS OF STAKEHOLDER CONFIDENCE	
Risk	Mitigation
Regulatory or operational failures (e.g. loss of firearms licence, failed exercises) of failures with our transformation programmes leads to a loss of reputation, increased government scrutiny and reduced investment from SLCs, reducing our operational effectiveness.	<ul style="list-style-type: none"> Developing stakeholder handling strategies Complying with the Framework Document in our dealings with our sponsoring department Complying with all government spending controls and approval mechanisms Implementing our communications strategy and employee engagement forums

WITHDRAWAL FROM DECOMMISSIONING SITES

Uncertainty	Mitigation
Uncertainty over dates of withdrawal of officers at decommissioned sites causes conflicts in balancing our statutory obligations to provide an armed response at sites with an efficient model of officer deployment and relocation.	<ul style="list-style-type: none"> Regularly reviewing decommissioning timescales with SLCs, Nuclear Decommissioning Authority, our sponsoring team and the regulator Regular peer review on planned withdrawal dates Regularly re-running our workforce planning model to assess the impact of changes in withdrawal dates Scenario planning and identifying options for absorbing reductions in officer numbers

Review of Performance

CNPA has reported a deficit of £1,265,000 for the year ended 31 March 2014. This is due to it incurring the following expenditure:

- CNPA has provided for £877,000 to settle claims following judgements that found against it at two employment tribunals. CNPA considers that these costs are non-operating and cannot be recharged to its customers. In such circumstances these costs would be met by DECC through grant in aid and recognised on a cash basis when the payment is received. DECC is seeking legal advice on whether these costs should be met by the department or charged to SLCs;
- Payments of £865,000 have been made to cover staff costs for officers and staff from Springfields, Capenhurst and Chapelcross OPUs between the date that policing ceased at these sites and the date on which the officers and staff were made redundant. These payments have been reimbursed by DECC through grant in aid and recognised in our financing reserves in 2013/14. This is shown in the Statement of Changes in Equity;
- Reversal of provisions made in 2012/13

for early departure costs of £450,000 that are no longer required. These have been credited to the Statement of Comprehensive Net Expenditure and reduces CNPA's future obligations and increases its net assets; and

- The balance on the deficit of £27,000 is due to the unwinding of the discount on pension lump sum refunds.

Going Concern

CNPA's budget for 2014/15 has been approved which provides sufficient resources to cover its operating costs for the next 12 months. The CNPA Board therefore continues to adopt the going concern basis in preparing the financial statements.

Operating Costs

CNPA is expected to recover its operating costs in full each year. Income of £87,750,000 for the year ended 31 March 2014 represents a re-charge of running costs to Site Licence Companies (SLCs) of £87,614,000 and miscellaneous income of £136,000 (2012/13: £859,000). Miscellaneous income was generated by recharging secondment costs, providing policing services to non-SLCs, communications support for the unescorted transport of nuclear materials

throughout the UK and charging for training provided to Russian nuclear power station security staff.

Expenditure for the year ended 31 March 2014 was £88,948,000 (2012/13: £85,138,000). The increase in expenditure was due largely to increased staff costs of £4,490,000 to £67,742,000. The increase was due to recruitment of increased numbers of officers deployed to civil nuclear sites and staff employed at corporate departments. Other expenditure decreased by £680,000 to £21,206,000.

Interest receivable of £16,000 (2012/13: £14,000) was earned on cash balances held by CNPA. This was matched by interest payable of the same amount, as CNPA is not permitted to retain any interest earned but required either to remit it back to DECC to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from DECC.

Financial Position

The carrying value of property, plant and equipment at 31 March 2014 was £6,713,000 (31 March 2013: £6,331,000). Asset additions amounted to £2,061,000 and comprised £765,000 for 25 replacement vehicles, which included £170,000 for an armoured vehicle for the road escort fleet, £249,000 on plant and machinery, operational and firearms training equipment and £67,000 of IT equipment. Payments on account and assets under construction of £927,000 and furniture and fittings of £53,000 made up the balance of asset purchases. Depreciation of £1,586,000 was charged to the Statement of Comprehensive Net Expenditure.

The carrying value of intangible assets was £334,000 at 31 March 2014 (31 March 2013: £509,000). Intangible asset additions of £9,000 comprised the purchase of software licences and hardware integral to IT applications. Amortisation of £184,000 was charged to the Statement of Comprehensive Net Expenditure.

Trade and other receivables due after one year amounted to £563,000. These balances represent amounts owed by CNPA's pension scheme for staff who retired early and housing loans to staff. CNPA pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to CNPA by the pension scheme when the employees reach normal retiring age. Inventories at 31 March 2014 amounted to £1,519,000 (31 March 2013: £1,192,000). The increase in inventory was due to an increase in stocks of ammunition held at the year end.

Provisions for liabilities and charges decreased to £2,793,000 (31 March 2013: £4,426,000). An additional provision of £877,000 was made to settle claims following judgements that found against CNPA at two employment tribunals. Payments of £2,272,000 were made against existing provisions and

£452,000 was released to the Statement of Comprehensive Net Expenditure for unused provisions. The provision was increased by a further £109,000 due to unwinding the discount on early departure costs by 1 year.

Taxpayers' equity increased by 17% at 31 March 2014 to £14,334,000 (31 March 2013: £12,298,000). This comprised a £1,265,000 income and expenditure reserve movement less a net increase in financing of £3,301,000.

Cash Flows

Cash generated from operations in 2013/14 was an outflow of £1,265,000 (2012/13: inflow of £1,843,000). Interest received on CNPA's cash balances amounted to £16,000. Payments of £1,807,000 were made to purchase property, plant and equipment and £4,000 were made to acquire intangible assets. The net cash inflow from financing was £4,136,000, which comprised capital grant receipts of £851,000, grants from CNPA's parent department, DECC, of £3,151,000 and other financing contributions of £134,000. This resulted in an overall increase in cash held in 2013/14 of £1,076,000 (2012/13: increase of £2,235,000).

CNPA maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. It has agreed reduced credit terms of 15 days with SLCs to improve and maintain higher cash balances to ensure it meets its financial obligations. CNPA banks with the Royal Bank of Scotland Plc. It had an overdraft facility of £1 million during the year to mitigate the risk that, due to the timing of receipts and payments, it was unable to meet its liabilities as and when they fell due. The overdraft facility was not used during the reporting period. Surplus funds are transferred daily to an interest earning account. This interest is paid monthly to CNPA and is treated as a receipt from an Exchequer source and is credited to Financing on CNPA's Statement of Financial

Position. CNPA is permitted either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in grant-in-aid, or surrender it to the Consolidated Fund via DECC.

The former Department of Trade and Industry provided working capital of £6 million on start-up, which was commuted to grant-in-aid. This is used to fund timing differences between receipts from SLCs and payments to creditors.

Resources Required in 2014/15

Revenue Expenditure Budget

The CNPA Board has approved a revenue expenditure budget of £98.5 million for 2014/15 to cover the organisation's operating costs. This represents an increase of 4% on last year's budget of £94.3 million. Our 2014/15 budget is split £55.9 million to fund our 'business as usual' activities, £40.5 million to cover our operational improvement programme and a further £2.1 million to cover the costs of our business transformation programme.

Operational Improvement Programme

CNPA's well-established operational improvement programme continues its uplift of operational capacity and capability. The 2014/15 budget maintains the increase in officer numbers at Sellafield and Dounreay and EDF Energy sites that have been delivered in previous years. The budget has been increased in 2014/15 to continue the uplift at EDF Energy sites and fund new deployments of officers at some sites and an uplift in escorts to support the movements of materials from Dounreay to Sellafield in line with the Nuclear Decommissioning Authority's and Dounreay Site Restoration Limited's revised decommissioning timelines. CNC officers will also support the removal of nuclear materials from the research reactor operated by Imperial College.



Business Transformation Programme

This is the second year of CNPA's business transformation programme. Its 2014/15 budget of £2.1 million covers transition of its core transactional HR, finance, payroll and procurement functions to a shared service provider, a programme of IT modernisation that will see CNPA move to an alternative network and new ICT service providers and, finally phase two of its HQ corporate capability review. Within the budget of £2.1 million, £1.4 million has been set aside to pay for early release of police staff. A number of these posts will be replaced with staff with new skills and expertise to enhance our future corporate capability.

Capital Expenditure Budget

CNPA's capital expenditure budget has been set at £3.3 million (2012/13: £4.0

million). This is split £1.3 million for CNC's 'business as usual' asset replacement programme for vehicles, IT security upgrades and firearms training equipment. The balance of £2.0 million is to purchase ballistic protected vehicles, ballistic shields and night sights for CNC's operational improvement programme.

CNPA's capital funding is treated as a capital grant. Further information on the accounting policy is provided in note 1.10 to the financial statements.

Budget Revision Process

CNPA's financial resources are reviewed at least each quarter by the CNPA Board. The quarterly reviews provide an opportunity for the Board to revise the budget to ensure that the financial resources available to the CNC are consistent with the achievement of its strategic objectives.

Gender Breakdown and Gender Diversity

At the end of the financial year the CNPA Board was composed of 13 male executive and non-executive members. Of the 8 heads of department and divisional commanders' roles, 6 were occupied by males and 2 by females. CNPA had 1,187 male and 291 female employees at the end of the financial year.

Employees

The average number of employees and details of employment costs are set out in note 4 to the financial statements.

MT Griffiths

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2014

Sustainability Report

CNPA has been granted exemptions from the Greening Government Commitments reduction targets for delivering sustainable operations and procurement.

The majority of CNPA's policing operations are undertaken on licenced nuclear sites. CNPA is provided with accommodation and utility services at these sites. This accommodation and the utility services are the responsibility of the site licence company. CNPA's environmental impact on these sites is not measured and is outside the scope of this report.

CNPA's headquarters and training school are located at the Culham Science Centre. It rents office space from the UK Atomic Energy Authority, which is an executive NDPB of the Department for Business, Innovations and Skills. UK Atomic Energy Authority does not individually meter its tenants' scope 1 and scope 2 greenhouse gas emissions, waste and finite resource consumption. Consumption and cost is apportioned to each tenant on the basis of the floor area it occupies rather than on usage incurred. We are unable to confirm whether any increases or decreases in consumption are due to CNPA and not attributable to other co-located organisations.

CNPA does not have a significant impact on biodiversity and is not required to prepare a biodiversity action plan as all of its estate is office-based.

The following tables and commentaries provide details of CNPA's greenhouse gas emissions, waste disposal, water and electricity and gas consumption at its Oxfordshire headquarters and training school up to 31 March 2014.

Greenhouse Gas Emissions

Greenhouse gas emissions		2011/12	2012/13	2013/14
Non-financial indicators (CO ₂ e in tonnes)	Scope 1 emissions	605.5	615	639.84
	Scope 2 emissions	329.72	430.06	389.96
	Scope 3 emissions (official business travel)	851.74	806.34	1,231.53
Financial indicators (£000)	Carbon Reduction Commitment gross expenditure	CNPA does not participate in these schemes		
	Expenditure on accredited offsets	CNPA does not participate in these schemes		
	Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,191	2,314	2,250

Controllable Impacts

CNPA's scope 3 emissions include all business mileage and mileage for its fleet of operational vehicles and have increased by more than 50% in 2013/14. Mileage and consequent CO₂ emissions from our operational fleet are linked to our patrol strategy and are driven by operational need, rather than environmental impact. A key driver of business mileage is officers attending training courses. The increase in scope 3 emissions is linked to a significant increase in numbers of police officers and an increase in their training requirements.

We are, however, looking to reduce our environmental impact by operating lower emission vehicles wherever possible. We aim to operate the most efficient fit-for-purpose vehicles across our operational fleet over the course of the next three years. To this end, the petrol fleet is being replaced by diesel vehicles, which emit lower volumes of CO₂. Our hire car contract also specifies diesel cars for business travel.

Influenced Impacts

CNPA encourages its employees, through periodic awareness campaigns, to minimise travel and utilise alternatives such as videoconferencing and teleconferencing. Employees are further encouraged to use more environmentally friendly modes of transport where practicable.

Waste

Waste		2011/12	2012/13	2013/14	
Non-financial indicators (tonnes)	Total waste	4.86	2.35	2.80	
	Hazardous waste total	0.07	0.07	-	
	Non-hazardous waste	Landfill	Not available		
		Reused/ recycled	4.79	2.28	2.80
Financial indicators (£000)	Total disposal cost	Incinerated/ energy reused	Not available		
			3.1	5.4	6.4
	Hazardous waste - total disposal cost	Landfill	Not available		
		Reused/ recycled	Not available		
Non-hazardous waste - total disposal cost	Incinerated/ energy reused	Not available			
		Not available			

Controllable Impacts

CNPA recycles waste using UK Atomic Energy Authority's recycling scheme. This recycles office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottles, plastic cups, domestic glass bottles/ jars and take-away coffee cups.

CNPA recycles computer equipment, furniture, office equipment, electrical items and print cartridges. All items are recycled and comply with EU waste and environmental directives and nothing is sent to landfill. CNPA also recycles 100% of its used ammunition cartridges. It also has two recycling bins for batteries. Clothing and equipment is disposed of through a secure disposal route and recycled where possible.

Influenced Impacts

CNPA does not currently have any indirect influences on waste consumption.

Finite resource consumption			2011/12	2012/13	2013/14
Non-financial indicators (m ³)	Water consumption	Supplied	2,023	1,705	1,748
		Abstracted	-	-	-
Financial indicators (£000)	Water supply costs		2	19	17

Water Controllable Impacts

Our main direct impacts for water consumption are office and training areas. This relates to toilets, showers and kitchen facilities that are necessary to satisfy legislative and regulatory requirements. As noted previously, CNPA's water consumption is not metered and scope to reduce its usage is limited to employee awareness campaigns.

Influenced Impacts

CNPA does not currently have any indirect influences on water consumption.

Directors' Report

Electricity and Gas

Finite resource consumption			2011/12	2012/13	2013/14
Non-financial indicators (kWh)	Energy consumption	Electricity - non-renewable	484,140	617,476	499,389
		Electricity - renewable	-	-	-
		Gas	412,493	578,013	680,645
		LPG	-	-	-
		Other	-	-	-
Financial indicators (£000)	Total energy expenditure	69	86	75	

Controllable Impacts

Our main direct impacts for energy consumption are office and training areas. CNPA's energy use is not metered and, like water usage, scope to reduce consumption is limited to employee awareness campaigns. We plan to trial LED lighting at our Culham headquarters with a view to replacing our fluorescent lights with more efficient LEDs.

Influenced Impacts

CNPA does not currently have any indirect influences on electricity and gas consumption.

CNPA Board Members and Board Members' Interests

For the purposes of this annual report and accounts the term 'directors' is interpreted to mean executive and non-executive members of the CNPA Board and who have the authority or responsibility for directing or controlling CNPA's major activities during the year. This means those who influence the decisions of the CNPA as a whole rather than the decisions of individual directorates or departments within the organisation.

A complete list of CNPA Board members who served during the year is provided, together with their terms of appointment and service contracts, on page 27 of the Remuneration Report. None of the board members had any interest in, or at the end of the year in any contract of significance in relation to, the business of CNPA.

Employees

CNPA provides equal opportunity for employment, training, career development and promotion regardless of sex, age, race, religion, ethnic origin or sexual orientation. CNPA welcomes applications from candidates with disabilities, and considers applications on a case by case basis. Police Officer applicants must be able to undertake the normal activities required of a Police Officer, and CNPA will fairly consider whether reasonable adjustments can be made in the workplace to accommodate applicants' disabilities. CNPA will make appropriate arrangements to provide reasonable adjustments should an employee become disabled during the course of their employment.

Day-to-day communication with staff takes place via electronic media and team briefings. Employees are kept up-to-date with the CNC's progress via emailed messages, internal posters, briefings and a series of newsletters. Formal updates are also issued in the form of Constabulary Orders and operational and security briefings. The Chief Constable provides

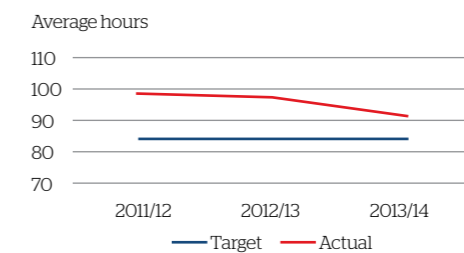
regular briefings to HQ-based officers and staff. These are recorded and circulated to all employees at all CNC locations. Engagement groups at HQ and operational divisions provide forums for employee consultation and feedback, with this feedback delivered directly to the Chief Constable.

Further investment in employee communications is planned in 2014/15 with the launch of a new intranet. This will enable us to communicate with all of our employees in whichever way they find most effective.

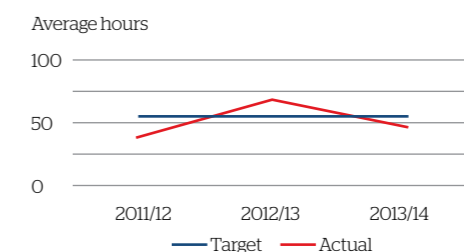
Sickness absences

CNPA is committed to the physical and mental health and wellbeing of all its officers and staff and has a comprehensive sickness management policy. Its occupational health provision extends across all of its locations. Police officer sickness absence rates continue to improve but at 91.5 hours per officer remain above target in 2013/14. Police staff sickness rates have improved during the last 12 months falling to 46 hours per police staff member and are below its target of 56 hours.

Police officer sickness absence rates continue to improve, but remain above target



Police staff sickness absence rates have improved and are below target



Health and Safety

Our health and safety policy and procedures comply with all relevant legislation and are reviewed annually. During 2013/14, 14 incidents were reported under the reporting of injuries, diseases and dangerous occurrences regulations (RIDDOR) with all of these being in the over 7 days lost time category. This is a reduction of 26% on last year. We recorded 377 near miss reports, which represented a 61% increase over last year with the main increases being due to work equipment, uniform and accommodation/ facilities.

All CNC police officers and a small number of police staff are designated as 'monitored workers' and are tested for exposure to radiation. The average radiation dose was 0.03 millisievert (mSv), which was 0.01mSv higher than last year. Exposure to radiation by all monitored workers across all sites ranged from 0.03mSv to 0.4mSv, which is not considered significant.



Security Breaches and Security Incidents

During 2013/14, one security breach involving personal data was reported to the Information Commissioners Office (ICO) (2012/13: nil). The breach was a technical issue involving access controls concerning sickness records and absence management reports. The ICO considered the information provided and decided that no further action was necessary.

The following table summarises the number of security breaches and security incidents since 2011-12.

Nature of incident	2011/12 Total	2012/13 Total	2013/14 Total
Loss of assets, electronic equipment, devices or paper documents from secured CNC premises	-	1	-
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	4	-	2
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	3	4	2
Compromise of personal data	-	-	1
Other 'low level' breaches/ incidents	27	20	32
Total	34	25	37

All security breaches involving assets or Sensitive Nuclear Information Government Protectively Marked 'Restricted' and above were reported to the appropriate regulatory body: DECC, ONR(CNS), National Police Information Risk Management Team and the Communications and Electronic Security Group.

Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

Financial Risk Management

Information on CNPA's financial risk management objectives and policies and its exposure to credit risk, liquidity risk and market risk is disclosed in note 9 to the financial statements.

Events After the Reporting Period

Events after the reporting period are disclosed in note 22 to the financial statements.

Payment of Suppliers

CNPA's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice. In 2013/14, CNPA paid 96% of its invoices on time (2012/13: 96%). CNPA has sought to comply with central government's commitment to pay suppliers within 10 working days from receipt of a valid invoice wherever possible. For the year to 31 March 2014, CNPA paid 87% of its invoices within 10 working days (2012/13: 84%).

Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.8 and 5 to the financial statements.

Auditor

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £42,000 (2012/13: £42,000). The external auditors received no remuneration during the year for the provision of non-audit services.

Disclosure of Information to the Auditor

The Board members who held office at the date of approval of these financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the CNPA's auditor is unaware; and each Board member has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the CNPA's auditor is aware of that information.

MT Griffiths

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2014

Remuneration Report

The CNPA Board operates within the principles set out in the Framework Document between the Civil Nuclear Police Authority and Department of Energy and Climate Change with regard to Industry Representative Board Members, Independent Board Members and the Executive Team's remuneration policies and practice as approved by the Secretary of State. The principal implementation arrangements are set out below.

Procedures for Setting Remuneration

Remuneration for the CNPA Chairman and Independent Board Members' is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004. The remuneration of the Executive Team is set by the CNPA Board (within the terms of the Framework Document) through its Senior Appointments Committee as detailed below. Industry Representative Board Members do not receive any remuneration.

Membership of the Senior Appointments Committee:

Sir Philip Trousdell (Chairman)
George Beveridge
Stephen Barrett

Statement of Remuneration Policy

The individual components of and arrangements for the remuneration packages are:

Fees

Independent Board Members are entitled to fees that are determined by DECC and are reimbursed for reasonable expenses in line with CNPA policy.

Salaries and Allowances

The Executive Team receive a salary which is reviewed annually. Other allowances are included to the extent that they are subject to UK taxation.

Benefits in Kind

The CNPA Chairman and members of the Executive Team are entitled to the benefit in kind of a fully maintained car.

Pensions

The Executive Team are eligible to become members of the Combined Pension Scheme (CPS) of the United Kingdom Atomic Energy Authority that pays an annual pension based on pensionable final earnings together with a lump sum of three times the pension at normal retirement age. Benefits are also payable in the event of death or ill health retirement. Independent Board Members are not members of the CPS or any other CNPA-related scheme while Industry Representative Board Members make their own pension arrangements through their employers.

Terms of Appointment and Service Contracts

The following is a summary of the terms of appointment/ service contracts for the CNPA Board.

Name	Date of continuous service	Unexpired term at 31 March 2014	Notice period
Ian Abbott Industry Representative Member (Nuclear Decommissioning Authority)	13 July 2012	1 year, 4 months	Not stated
Stephen Barrett Independent Member	1 April 2010	2 years	3 months
George Beveridge Industry Representative Member (Sellafield Ltd)	3 August 2009	1 years	Not stated
Simon Chesterman¹ Deputy Chief Constable	6 January 2014	4 years, 9 months	6 months
Alistair Cook Director of Business Transformation	7 January 2013	9 months	6 months
Alan Cooper Assistant Chief Constable	7 January 2008	1 year, 3 months	6 months
Mike Griffiths Chief Executive Officer and Chief Constable	1 October 2012	3 years, 6 months	6 months
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	1 years, 10 months	3 months
Justin Rees Director of Corporate Services	17 August 2009	5 months	6 months
Mark Rouse Industry Representative Member (Downreay Site Restoration Ltd)	1 April 2013	2 Years	Not stated
John Sampson Deputy Chief Constable	1 December 2008	-	Contract expired 16 February 2014
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	1 April 2007	1 years	Not stated
Sir Philip Trousdell² Chairman and Independent Member	23 May 2011	1 year, 6 months	3 months
Robert Wright Independent Member	4 January 2010	1 year, 6 months	3 months

¹ Simon Chesterman was seconded from West Mercia Police. Mr Chesterman's secondment ended on 15 April 2014 and he joined CNPA on a fixed term contract from 16 April 2014.

² Sir Philip Trousdell's contract was extended on 29 September 2013 for 2 years.

The provision for compensation for early termination and CNPAs liability in the event of early termination are not stated in the terms of appointment/ service contracts. The Secretary of State has responsibility for the appointment and removal of the Chairman and both Industry Representative and Independent Board Members and approving their terms and conditions of appointment in line with provisions of the Energy Act 2004, Schedule 10.

The following information is subject to audit.

Remuneration

Remuneration payable to CNPA Board members in 2013/14 was as follows:

Executive Team

Name	Salary and allowances £000		Benefits in kind (to nearest £100) ¹		Bonus Buy Out £000		Pension Benefits £000		Total £000	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
Simon Chesterman ² Deputy Chief Constable	40-45	-	-	-	-	-	-	-	40-45	-
Alistair Cook Business Transformation Director	125-130	25-30 ³	-	-	-	-	27	7	150-155	35-40
Alan Cooper Assistant Chief Constable	95-100	90-95	7,200	6,700	-	0-5	23	24	125-130	125-130
Mike Griffiths Chief Executive Officer and Chief Constable	120-125	60-65 ⁴	7,200	3,600	-	-	27	13	155-160	75-80
Justin Rees Corporate Services Director	90-95	95-100	7,200	600	-	10-15	31	34	130-135	145-150
John Sampson Deputy Chief Constable	100-105 ⁵	115-120	1,800	6,000	-	10-15	22	31	120-125	165-170

¹ Benefits in kind for Mike Griffiths, Alan Cooper and Justin Rees comprised a fully maintained car. John Sampson received a fully maintained car to 30 June 2013.

² Simon Chesterman was on secondment from West Mercia Police. No salary or allowances were paid directly to him. Salary and allowances represent a recharge from West Mercia Police for his services.

³ Full year equivalent salary and allowances was £125-130k

⁴ Full year equivalent salary and allowances was £120-125k

⁵ Full year equivalent salary and allowances was £115-120k

Salary Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of CNPA's highest-paid director, who was the Chief Executive Officer/ Chief Constable, in the financial year 2013/14 was £130,000-£135,000 (2012/13: £130,000-£135,000). This was 3.4 times the median remuneration of CNPA's employees (2012/13: 3.4 times), which was £38,651 (2012/13: £39,234). Median remuneration decreased by approximately 1% between 2012/13 and

2013/14. The average salary cost per employee fell in 2013/14 due to a reduction in overtime due to the redeployment of police officers from closed sites and an increase in new officer recruits employed at the lower end of the salary scale in part offset by police officers and staff receiving a 1% pay award from September 2013.

In 2013/14, nil employees received remuneration in excess of the highest paid director (2012/13: nil). Remuneration, excluding that of the highest-paid director, ranged from £16,058 to £127,000 (2012/13: £17,333 to £127,200).

Total remuneration includes salary, non-

consolidated performance-related pay as well as benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2014 and include the value of added years paid for by members of the CPS. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the following table.

Executive Team	Total accrued pension at age 60 at 31 March 2014 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2014 £000	Cash equivalent transfer value at 31 March 2013 £000	Real increase in cash equivalent transfer value £000
Alistair Cook	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	33	6	27
Alan Cooper	5-10 plus 20-25 lump sum	0-2.5 plus 2.5-5 lump sum	151	121	30
Mike Griffiths	0-5 plus 5-10 lump sum	0-2.5 plus 0-5 lump sum	49	15	34
Justin Rees	25-30 plus 75-80 lump sum	0-2.5 plus 5-10 lump sum	489	446	43
John Sampson	5-10 plus 20-25 lump sum	0-2.5 plus 2.5-5 lump sum	160	128	32

Cash Equivalent Transfer Value

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and

chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total actuarial service as a civil servant, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme

or arrangement which the individual has transferred to the Civil Service scheme and for which the CS Vote has received a transfer commensurate to the additional pension liabilities being assumed. They also include additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities

Real Increase in CETV

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Independent Members

Name	Fees £000		Benefits in kind (to nearest £100)		Total £000	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
Ian Abbott Industry Representative Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Stephen Barrett Independent Member	15-20	15-20	-	-	15-20	15-20
George Beveridge Industry Representative Member (Sellafield Ltd)	-	-	-	-	-	-
Paul Kernaghan Independent and Policing Advisor Member	15-20	0-5 ¹	-	-	15-20	0-5
Mark Rouse Industry Representative Member (Dounreay Site Restoration Ltd)	-	-	-	-	-	-
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Robert Wright Independent Member	15-20	15-20	-	-	15-20	15-20
Sir Phillip Trousdell Chairman and Independent Member	65-70	65-70	7,200 ²	3,900	70-75	70-75

¹ Full year equivalent fees was £15,000-£20,000

² Benefits in kind for Sir Phillip Trousdell comprised a fully maintained car

MT Griffiths

Mike Griffiths

Chief Executive Officer and Chief Constable

12 June 2014

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Civil Nuclear Police Authority and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department of Energy and Climate Change has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the Civil Nuclear Police Authority. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Civil Nuclear Police Authority's assets, are set out in Managing Public Money published by HM Treasury.



Governance Statement

I have the privilege of being the Accounting Officer for the Civil Nuclear Police Authority (CNPA). I welcome the opportunity to inform our stakeholders of the following disclosures relating to governance, risk and control within our business.

Our stakeholders represent suppliers, government departments and bodies, employee and employer organisations and site licence companies.

This statement reflects our organisational governance in 2013/14. I have been in post throughout this year and have been in a position to review the financial performance of the CNPA and its governance processes. I am therefore confident that this statement fairly and thoroughly represents the full financial year's governance arrangements.

Scope of Responsibilities

Details of the CNPA's responsibilities can be found on pages 8-11.

The Governance Framework

The CNPA's governance framework has already been described in full (including Board and committee membership and structures) on pages 8-11.

An audit of CNPA's corporate governance during 2012/13 was undertaken by its internal auditors (RSM Tenon at the time) as part of the approved internal audit plan. Recommendations arising from the audit have been addressed and closed out during the reporting year. The Report concluded that the controls upon which the organisation relies to manage corporate governance were suitably designed, consistently applied and effective.

The CNPA has been subject to a DECC-led Triennial Review during the final quarter of 2013/14. This has two aims:

1. To challenge the continuing need for the CNPA to operate as a non-departmental

public body (NDPB) in order to carry out its role and, if so, whether it should remain as an executive NDPB

2. To review the control and governance arrangements of the NDPB to ensure it is complying with recognised principles of good corporate governance

Outcomes of the review are expected in 2014/15.

I am satisfied that the CNPA has complied in full with the Cabinet Office Corporate Governance 'Code of Good Practice' and can confirm that I have not received any Accounting Officer directions in 2013/14.

Review of Effectiveness

Based on the assurances received, I can confirm that the CNPA's governance framework is fit for purpose. In reaching this conclusion, I have considered the following:

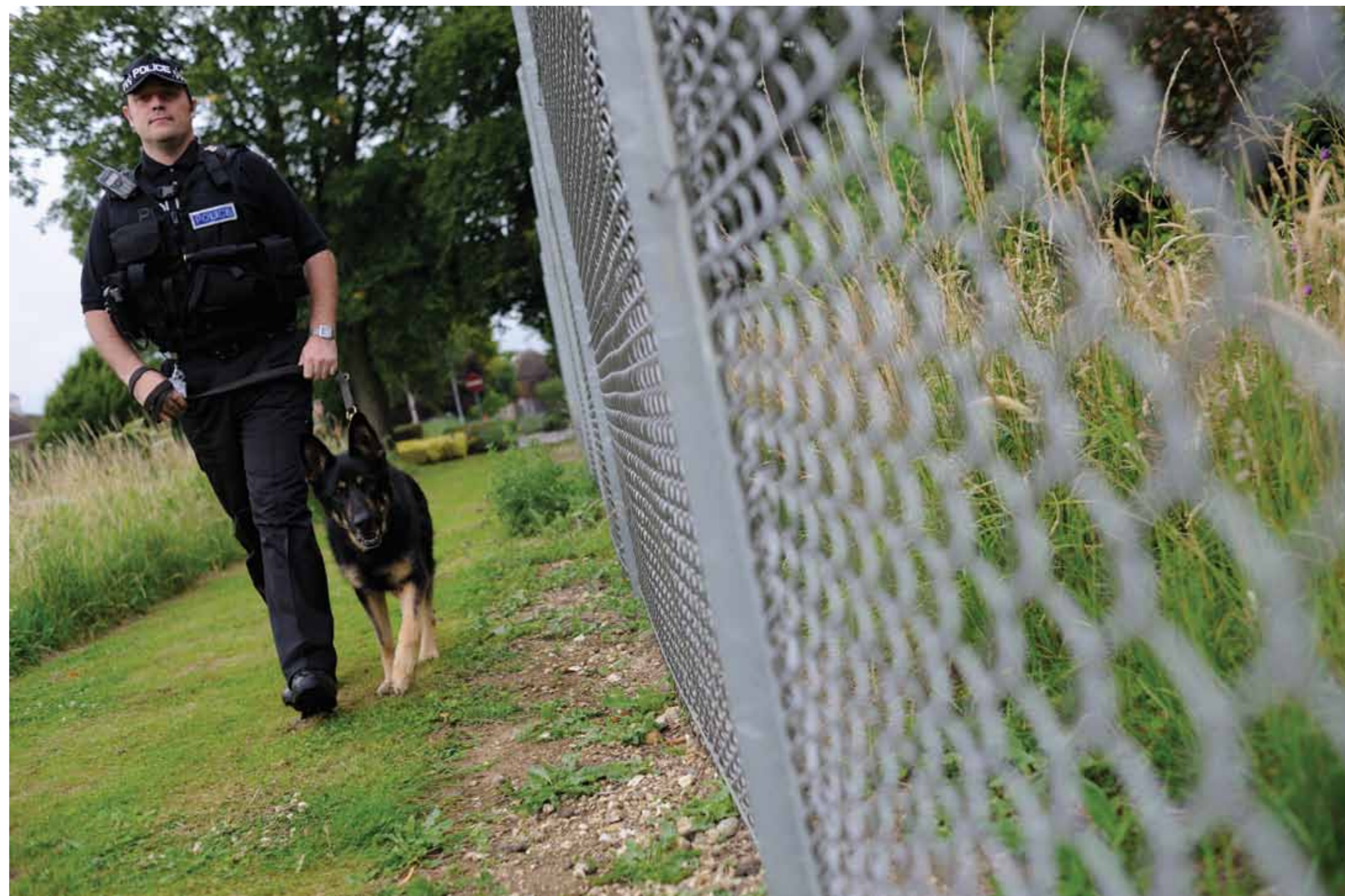
Police Authority

The Authority delegates the bulk of its business and management responsibilities to the CNPA Board but remains accountable for any matters delegated to committees and may override decisions of any committee if it chooses to do so. It is specifically responsible for Executive Team appointments and accounting for the operational and managerial performance of the Civil Nuclear Constabulary to the Secretary of State. It is also responsible for determining the objectives for policing by the CNC in each coming year, issuing the annual policing plan and the accompanying three-year strategy plan.

CNPA Board

The CNPA Board adheres to the principles contained in the Cabinet Office Corporate Governance 'Code of Good Practice' to ensure it is able to discharge its responsibilities effectively.

To ensure members' awareness of



governance activities, the Board's standing items are as follows:

- CEO/ Chief Constable's business report
- Performance update
- Finance report
- Strategic risk report
- Strategic health and safety update
- Audit, Risk and Governance Committee Chairman's report

An internal audit undertaken in 2012/13 concluded that the Board operated at an effective level and pace with strong leadership, values and culture. During the audit, there was acknowledgement of a need for some improvements; these have been addressed during 2013/14 through the following self-monitored activities:

1. Reflection on focus and role of organisation:

- The Board has developed a strategic focus with strategic business flowing from the new CNC internal governance structure; operational matters are reviewed at non-Board level
- Annual review of Authority, Board and Committee terms of reference (Governance framework)
- Board reviewed the frequency of board meetings based on current NDPB best practice

2. Developing a sense of team

- Board team building activities undertaken prior to Annual Review / Strategic Conference meetings
- Clearer demarcation of the roles as

between the Executive Team/ CEO/ Chairman and between the Executives/ non-Executives

3. Identification and review of skills

- Established a database of member skill sets
- Established a database of appropriate training courses for members/ training needs identified at induction
- Allocation of member skill sets to mentoring Executive Team members

A further evaluation of the Board's effectiveness will be considered once the outcomes of the DECC Triennial Review have been analysed.

The Board is supported by the Audit, Risk

and Governance Committee (ARGC) and Senior Appointments Committee (SAC). Members' attendance records at Police Authority, Board and Committee meetings held in 2013/14 are shown overleaf.

Members' Attendance Records

The numbers below represent meetings attended/ eligible to attend.

Members	Police Authority	CNPA Board	ARGC	SAC
Sir Philip Trousdell	5/5	6/6	*	4/4
Ian Abbott	5/5	6/6	4/5	*
Stephen Barrett	5/5	6/6	*	4/4
George Beveridge	3/5	5/6	*	4/4
Paul Kernaghan	4/5	6/6	2/2	1/1
Mark Rouse	3/5	3/6	*	*
Matt Sykes	4/5	6/6	5/5	*
Rob Wright	4/5	5/6	4/5	*
Mike Griffiths	*	6/6	*	*
Simon Chesterman	*	2/2	*	*
John Sampson	*	4/4	*	*
Alan Cooper	*	6/6	*	*
Justin Rees	*	6/6	*	*
Alistair Cook	*	6/6	*	*

* Not members of the Authority / Committees

Audit, Risk and Governance Committee

The Committee's standing items are as follows:

- Quarterly strategic risk report
- Internal audit reports
- Internal audit progress report
- Constabulary progress on internal audit recommendations
- Health and safety quarterly report

The Committee has undertaken a self-assessment, which was endorsed by the NAO. Its Annual Report identified the work that the ARGC has undertaken on behalf of the Board - including its duties and responsibilities (financial reporting; internal control and risk management;

internal audit, external audit and governance) - together with key findings and the Committee's overall conclusion on the system of internal control.

The Committee has considered the findings from internal and external audit functions and is assured that controls in the areas reviewed are generally adequate and operating satisfactorily. It has also provided an input to the CNPA's risk management arrangements including the consideration of a Risk Improvement Plan.

Senior Appointments Committee

The Committee's remit is to ensure on behalf of the CNPA that senior appointments support its business requirements. The Committee has engaged with Executive Team member appointments leading to the appointment and induction of the Capability Director/ Deputy Chief Constable, has reviewed Executive salaries and undertaken performance monitoring of the Executive Team.

Quality Assurance of Analytical Models

The Review of quality assurance of Government analytical models by Sir Nicholas Macpherson, Permanent Secretary to the Treasury, was published in March 2013. This review was commissioned to examine the quality assurance of government analytical models which are used to inform policy.

The CNC has been working alongside DECC to quality assure our existing business critical models in-line with Sir Nicholas Macpherson's recommendations. The CNC is using the definition of a model as stated within the Government Actuary's Department's document entitled: *Using Models in Decision Making* which states:

'A model is a mechanism for demonstrating some aspect of the real world. Models are typically used to make predictions about how the real world will behave under a particular set of circumstances and therefore allow more informed decisions.'

The CNC is basing its work on the following, self-determined, definition of a 'business critical' model:

'A model that guides decisions in the provision of resources for the core business role of the Civil Nuclear Constabulary.'

The following 3 models fit within these definitions:

- Workforce planning
- Budgeting
- Provision for early departure costs

The CNC has developed a Use of Models Policy and a procedure entitled Using Models for Decision Making. These documents are currently going through a review process both internally and within DECC. CNC business critical models have been reviewed for any risks associated with their operation as decision making tools. The review considered the following risks:

- Bias
- Inaccuracy of inputs
- Inaccuracy of outputs
- Poor decision making when using models

The financial and reputational impacts of these risks were also considered. It was judged that the current practices surrounding the use of models within the CNC is sufficient in controlling risks through the regular reporting and management evaluation which takes place. In addition to this, internal audit will be invited to analyse business critical models over a given period of time in order to allow for a more in-depth analysis of each model's operation.

Risk Management

As part of the strategic planning process, the CNPA Board identified 9 strategic risks (7 in mitigation; 2 tolerated) that could impact on the organisation's ability to deliver against its strategic objectives.

In addition to creating activities for the delivery of the strategic objectives, mitigating actions were agreed to reduce these risks and these were monitored throughout the financial year through quarterly reports to Board.

Responsibility for developing and monitoring the risk management

framework, including the maintenance of the risk register and the subsequent tracking of actions to treat the risks identified, is delegated to the Corporate Services Director.

Internal Inspection

The Constabulary's internal inspection process follows the methodology used by HMIC to inspect police services and takes cognisance also of guidance used by the Institute of Internal Auditors. The inspection and performance frameworks have been designed to ensure an effective and efficient use of resources and improved delivery and monitoring and inspect all operational areas of the organisation. The inspection programme is designed on a risk basis - with those areas of higher risk receiving greater attention.

In the areas inspected, the majority of findings were positive with officers displaying a good understanding of the Strategic Commander (Gold) Strategy which is used during police operations, and the Concept of Operations which defines the CNC's security posture as well as threats to their site. The programme was curtailed somewhat due to the secondment of one of the inspection resources for just over a third of the year, and the programme was reassessed to enable delivery of higher priority areas only. An audit of the Inspection function by Internal Audit (Baker Tilly) proposed a number of recommendations that management are responding to.

Internal Audit

Baker Tilly acquired the trading operations of RSM Tenon in September 2013 and became the internal auditor for the CNPA. The transition was smooth with key members of the RSM Tenon team remaining the CNPA's auditors and/ or points of contact which provided assurance of the internal audit process.

The internal audit service was then tendered during the year with the service

provision market tested. Baker Tilly was successful in retaining the contract. Baker Tilly has continued to provide an internal audit service which has complied with public sector internal audit standards.

The internal audit plan is informed by the CNPA's risk profile alongside the work of other review mechanisms which highlight areas of interest. These plans are reviewed for effectiveness and synergy with other audit activity.

Baker Tilly has confirmed they are satisfied that sufficient internal audit work has been undertaken to allow them to draw a reasonable conclusion on the adequacy and effectiveness of CNPA's arrangements. In their opinion, based upon the work undertaken for the 12 months ended 31 March 2014, the CNPA has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

Information Asset Owners

There have been activities surrounding the co-ordinated introduction of Information Asset Owner (IAO) roles across the CNC which was launched in December 2013. This new approach is set to replace the previous arbitrary use of Superintendents and Departmental Heads in preference for individuals who are more direct users of CNC information assets.

The CNC has created an IAO Handbook and provided IAO training and awareness activities for various officers/police staff across the organisation.

In preparation for this Governance Statement, throughout March 2014 the above materials/activities have been consolidated with the majority of IAOs confirmed in place. Additionally, the IAOs have registered their information assets confirming the contents and management requirements of each information asset

The Audit Report of the Comptroller and Auditor General to The Houses of Parliament

as well as confirmation that the IAO understands how best to manage their information assets. The information generated by these activities has become the baseline for the internal review of information control as the results best describe the organisation's landscape of information assurance and the supporting governance structures.

Data Security

There was 1 security breach involving personal data which was reported to the Information Commissioner's Office (ICO). The breach was a technical issue involving access controls concerning sickness records and absence management reports. The ICO considered the information provided and decided that no further action was necessary. A summary of other security breaches and security incidents is shown on page 24.

Information Assurance Maturity Model (IAMM)

The IAMM was developed to assist Senior Information Risk Owners (SIROs) establish and monitor an effective programme of work to change the culture and approach to information risk management and report progress to the Board. Use of the IAMM provides an objective assessment of the CNPA across a wide range of disciplines and helps to identify where additional work may be required to achieve the desired level of maturity.

The organisation currently holds 'maturity level' 3 (out of a possible 5) in the majority of areas. As the new Government Security Classification (GSC) comes in to replace the Government Protective Marking Scheme (GPMS) from 2 April 2014, it has been decided that the annual CESG Supported Self-Assessment will be delayed until October 2014 so that the first six months of transition from GPMS to GSC can be reviewed, along with the IAMM, in order to produce a clearer picture of organisational maturity.

An internal review of the IAMM took place on 19 March 2014 and this confirmed that progress had been made in many areas during the year including Information Asset Owners, inspection of 3rd party suppliers and the approval of the CNC Information Risk Management Policy. The organisation is confident that it is on track to achieve level 3 in all areas by March 2015 although it is acknowledged that the effect of GSC and planned changes to CNC business practices during 2014/15 will need to be taken into account.

Governance Issues Identified for 2014/15

The introduction of the GSC will have a significant impact on the CNPA. Progress in complying with GSC requirements will form part of the CESG Supported Self-Assessment in October 2014.

There will be various implementations of collaborative opportunities, strategic alliances and the use of shared services during 2014/15 which will introduce a re-evaluation of CNPA working practices and governance requirements.

Baker Tilly's recommendation to have a Governance Statement that focusses on outcomes rather than process will be implemented in the development of the 2014/15 Governance Statement.

The national target of achieving level 3 in all areas of IAMM is set for March 2015. The CESG Supported Self-Assessment in October 2014 will offer a gap analysis which will then guide progress in the last 6 months to the target date.

Significant Governance Issues

I can confirm that the issues raised in the previous Governance Statement have been monitored throughout 2013/14 as the organisation has been progressing its ambitions to transfer to an alternative network and various IT service providers

as well as exploit alternative business practices.

I am able to report that there were no significant weaknesses in the CNPA's internal controls in 2013/14 that affected the achievement of the CNPA's key policies, aims and objectives.



Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2014

I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2014 under the Energy Act 2004. The financial statements comprise: the Statement of Comprehensive Net Expenditure, Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with the Energy Act 2004. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 Civil Nuclear Police Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Civil Nuclear Police Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-

financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Civil Nuclear Police Authority's affairs as at 31 March 2014 and of the net expenditure for the year ended; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004; and

- the information given in the Chairman and Chief Constable's Statement, the Sustainability Report, the Management Commentary and the Director's Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Comptroller and Auditor General
17 June 2014

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

		2013/14	2012/13
	Notes	£000	£000
Income	3	87,750	81,594
Expenditure			
Staff costs	4	(67,742)	(63,252)
Other expenditure	6	(21,206)	(21,886)
Operating deficit		(1,198)	(3,544)
Loss on disposal of property, plant and equipment		(67)	(8)
Deficit on ordinary activities before financing costs		(1,265)	(3,552)
Financial income - interest receivable		16	14
Financial expense - interest payable		(16)	(14)
Net financing costs		-	-
Total comprehensive expenditure for the year		(1,265)	(3,552)

All operations are continuing.


The notes on pages 42-63 form part of these financial statements.

Statement of Financial Position

As at 31 March 2014

		2013/14	2012/13
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	7	6,713	6,331
Intangible assets	8	334	509
Trade and other receivables	11	563	592
Total non-current assets		7,610	7,432
Current assets			
Inventories	10	1,519	1,192
Trade and other receivables	11	9,723	10,374
Cash and cash equivalents	12	9,603	8,527
Total current assets		20,845	20,093
Total assets		28,455	27,525
Current liabilities			
Trade and other payables	13	(9,165)	(8,780)
Provisions	14	(860)	(2,595)
Total current liabilities		(10,025)	(11,375)
Non-current assets plus net current assets		18,430	16,150
Non-current liabilities			
Trade and other payables	13	(2,163)	(2,021)
Provisions	14	(1,933)	(1,831)
Total non-current liabilities		(4,096)	(3,852)
Assets less liabilities		14,334	12,298
Taxpayers' equity			
Income and expenditure reserve	15	(4,817)	(3,552)
Financing reserve	15	19,151	15,850
		14,334	12,298

The financial statements on pages 38-63 were approved by the CNPA Board on 12 June 2014 and signed on its behalf by:



Mike Griffiths
Chief Executive Officer and Chief Constable
12 June 2014

The notes on pages 42-63 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2014

		2013/14	2012/13
	Note	£000	£000
Cash flows from operating activities			
Retained deficit for the year		(1,265)	(3,552)
Adjustments for:			
Loss on disposal of property, plant and equipment		67	8
Amortisation of intangible assets		184	209
Depreciation of property, plant and equipment		1,586	1,408
Release of capital grant		(545)	(321)
Operating cash flows before changes in working capital and provisions		27	(2,248)
Decrease/(Increase) in trade and other receivables		680	(1,569)
Increase in inventories		(327)	(58)
(Decrease)/Increase in trade and other payables		(12)	1,676
(Decrease)/Increase in provisions		(1,633)	4,042
Cash generated from operations		(1,265)	1,843
Interest received		16	14
Net cash (outflow)/inflow from operating activities		(1,249)	1,857
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,807)	(1,380)
Purchase of intangible assets		(4)	(26)
Net cash outflow from investing activities		(1,811)	(1,406)
Cash flows from financing activities			
Capital grant received		851	815
Grants from parent department		3,151	818
Other financing contributions		134	151
Net financing		4,136	1,784
Net increase in cash and cash equivalents in the period	12	1,076	2,235
Cash and cash equivalents at the beginning of the period	12	8,527	6,292
Cash and cash equivalents at the end of the period	12	9,603	8,527

The notes on pages 42-63 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

		Income and expenditure reserve	Financing reserve	Total
	Note	£000	£000	£000
Balance at 31 March 2012		-	14,867	14,867
Changes in taxpayers' equity 2012/13	15			
Grant-in-aid received		-	818	818
Amounts payable to DECC		-	165	165
Comprehensive expenditure for the year		(3,552)	-	(3,552)
Balance at 31 March 2013		(3,552)	15,850	12,298
Changes in taxpayers' equity 2013/14	15			
Grant-in-aid received		-	3,151	3,151
Amounts payable to DECC		-	150	150
Comprehensive expenditure for the year		(1,265)	-	(1,265)
Balance at 31 March 2014		(4,817)	19,151	14,334

The notes on pages 42-63 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

The Civil Nuclear Police Authority is an executive non-departmental public body of the Department of Energy and Climate Change and is domiciled in the United Kingdom.

Statement of Compliance

These financial statements have been prepared in accordance with the 2013/14 Government Financial Reporting Manual issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of Accounting

The financial statements are presented in pounds sterling, rounded to the nearest thousand. They have been prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the Executive Team to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions that have

a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are listed below:

- Asset lives for property, plant and equipment and intangible assets;
- Recoverability of receivables;
- Estimates of accrued expenses;
- Provisions; and
- Inventory obsolescence.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

CNPA has reported a deficit of £1,265,000 for the year ended 31 March 2014. This is due to it incurring the following expenditure:

- CNPA has provided for £877,000 to settle claims following judgements that found against it at two employment tribunals. CNPA considers that these costs are non-operating and cannot be recharged to its customers. In such circumstances these costs would be met by DECC through grant in aid and recognised on a cash basis when the payment is received. DECC is seeking legal advice on whether these costs should be met by the department or charged to SLCs;
- Payments of £865,000 have been made to cover staff costs for officers and staff from Springfields, Capenhurst and Chapelcross OPU's between the date that policing ceased at these sites and the date on which the officers and staff were made redundant. These payments have been reimbursed by DECC through grant in aid and recognised in our financing reserves in 2013/14. This is shown in the Statement of Changes in Equity;
- Reversal of provisions made in 2012/13 for early departure costs of £415,000 that are no longer required. These

have been credited to the Statement of Comprehensive Net Expenditure and reduces CNPA's future obligations and increases its net assets; and

- The balance of the deficit of £270,000 is due to the unwinding of the discount on pension lump sum refunds.

CNPA's budget for 2014/15 has been approved, which provides sufficient resources to cover its operating costs for the next 12 months. The CNPA Board therefore continues to adopt the going concern basis in preparing the financial statements. More information is provided in notes 14 and 15 to the financial statements. Further information about CNPA's operating activities, together with the factors likely to affect its future development, performance and position, is set out in the Management Commentary.

1.2 Changes in Accounting Policy and Disclosures

Accounting standards issued but not yet effective

Certain new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board are not yet effective for the year ended 31 March 2014 and have not been applied in preparing these financial statements. These are:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities;
- IAS 27 Separate Financial Statements;
- IAS 28 Investments in Associates and Joint Ventures; and
- IFRS 13 Fair Value Measurement.

CNPA does not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on its financial statements.

1.3 Property, Plant and Equipment

Property, plant and equipment is stated at cost, including any costs directly attributable to bringing such assets in to working condition, less accumulated depreciation and net of accumulated impairment losses. Assets are carried at value in use and in all asset classes depreciated historical cost is used as a proxy for current valuation for assets which have a short useful economic life or low value, or both. Property, plant and equipment below £2,000 is treated as revenue expenditure and recognised in full in the year of purchase.

Depreciation is calculated so as to write off the cost or valuation of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected economic lives of the assets concerned. The principal asset categories and their expected useful economic lives are as follows:

Transport equipment	Up to 8 years
Plant and machinery	5-10 years
Furniture and fittings	5-10 years
Information technology	Up to 5 years

Assets under construction are stated at cost and not depreciated until commissioned.

1.4 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of accumulated impairment losses as a proxy for fair value. The cost of intangible assets comprises the purchase cost and any directly attributable costs incidental to their acquisition. Intangible assets below £2,000 are treated as revenue expenditure and recognised in full in the year of purchase.

Amortisation of intangible assets is charged to the Statement of Comprehensive Net Expenditure on a

straight-line basis when the assets are available for use so as to allocate the carrying amounts of the intangible assets over their estimated useful economic lives as follows:

Software licences	Life of licence
Information technology	Up to 5 years

1.5 Impairment of Assets

The carrying amounts of CNPA's non-current assets and all financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is the higher of the net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 Income Recognition

Income is measured at the fair value of the consideration received or receivable and excludes Value Added Tax. Income is recognised in the Statement of Comprehensive Net Expenditure when CNPA has performed its contractual obligations, the income can be measured reliably and it is probable that the economic benefits from the transaction will flow to CNPA. No income is recognised if there are significant uncertainties regarding recovery of the consideration due.

1.7 Taxation

CNPA is not registered for VAT. All expenditure and asset purchases are shown inclusive of VAT and VAT is not charged on its sales invoices.

CNPA is outside the scope of Corporation Tax, being part of a government body, and is not registered for Corporation Tax.

1.8 Employee Benefits

Staff costs

Staff costs are recognised as an expense as soon as CNPA is obligated to pay them. This includes the cost of any untaken annual leave that is carried forward to the following financial year. CNPA recognises as an obligation the value of untaken annual leave carried forward at the end of the reporting period. CNPA re-charges its costs to its customers and recognises a receivable equal in value to the obligation for unused annual leave.

Pension costs

Past and present employees are covered by the provision of the Combined Pension Scheme of the United Kingdom Atomic Energy Authority, which is an unfunded defined benefit pension scheme which prepares its own scheme statements. CNPA recognises the cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service

by payments to the CPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on CPS. More information is given in note 5.

1.9 Provisions and Contingent Liabilities

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that the CNPA will be required to settle the obligation and an amount has been reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Amounts are disclosed as contingent liabilities where it is probable that CNPA will be required to settle the obligation and is unable to reliably estimate the amount, or where it is possible that CNPA will be required to settle the obligation.

1.10 Grant-in-Aid and Capital Grants

Grant-in-aid provided by DECC is treated as financing and is credited to the financing reserve as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of CNPA.

Capital grants for the purchase of property, plant and equipment are credited to deferred income and released to the Statement of Comprehensive Net Expenditure over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

The profit or loss on disposal of grant-financed assets is taken to the Statement of Comprehensive Net Expenditure and offset by a transfer from deferred income of the same proportion of the profit or loss that the amount of the grant bears to the original cost of the asset. The balance in deferred income in respect of the asset is

transferred to the income and expenditure reserve representing the same proportion of the disposal proceeds.

1.11 Operating Leases

Rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

1.12 Foreign Currencies

All transactions denominated in foreign currency are translated into sterling at the exchange rate ruling on the date the transaction takes place. Monetary assets and liabilities denominated in foreign currency at the end of the reporting period are translated at the rate ruling at that date. All exchange rate differences are recognised in the Statement of Comprehensive Net Expenditure.

1.13 Inventories

Inventories comprise clothing, ammunition and ancillary items including protective equipment. Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. As inventories are intended for use, not resale, replacement cost is used as the best measure of carrying value. Where necessary, inventory values are adjusted for obsolete, slow moving and defective items.

1.14 Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, which is available for immediate withdrawal.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less any allowance for irrecoverable amounts.

Trade and other payables

Trade and other payables are measured at amortised cost, which equates to nominal value.

Financial income and financial expense

Financial income/ expense are recognised in the Statement of Comprehensive Net Expenditure on an accruals basis.

1.15 Segment Reporting

Operating segments are identified on the basis of internal reports about components of CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. CNPA has one reportable segment: Operational Policing Units. These units provide an armed response at civil nuclear licensed sites. The financial performance of these units has been combined as it meets the aggregation criteria set out in IFRS 8.

2. Segment Information

Operating segments are identified on the basis of internal reports about components of CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

CNPA has one reportable segment: Operational Policing Units. CNPA operates 11 separate OPUs that provide a policing

service to civil nuclear licensed sites.

The financial performance and financial position of these units have been aggregated as they meet the aggregation criteria set out in IFRS 8. The accounting policies of the reportable segment are the same as CNPA's accounting policy in note 1. The financial performance of all non-operating segments covers back office functions such as Human Resources, Finance and Information Technology

and Communications, and functions that support front line operations, such as Firearms Training, Learning and Development and Operations Support. All non-operating segments have been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments.

2013/14	Operational Policing Units	Corporate Departments	Total
	£000	£000	£000
Income	87,750	-	87,750
Expenditure			
Staff costs	(54,971)	(12,771)	(67,742)
Other expenditure	(7,434)	(11,907)	(19,341)
Depreciation and amortisation	(890)	(880)	(1,770)
Release of capital grants	482	63	545
Movement in provisions	-	(640)	(640)
Operating surplus/(deficit)	24,937	(26,135)	(1,198)
Loss on disposal of property, plant and equipment	(62)	(5)	(67)
Surplus/(deficit) on ordinary activities before financing costs	24,875	(26,140)	(1,265)
Finance income - interest receivable	-	16	16
Finance charges - interest payable	-	(16)	(16)
Retained surplus/(deficit) for the year	24,875	(26,140)	(1,265)
Assets and liabilities			
Segment assets	4,072	24,383	28,455
Segment liabilities	(5,733)	(8,388)	(14,121)
Net (liabilities)/ assets	(1,661)	15,995	14,334
Taxpayers' equity			
Income and expenditure reserve	(4,817)	-	(4,817)
Financing reserve	-	19,151	19,151
Taxpayers' equity	(4,817)	19,151	14,334

2012/13	Operational Policing Units	Corporate Departments	Total
	£000	£000	£000
Income	81,594	-	81,594
Expenditure			
Staff costs	(51,427)	(11,825)	(63,252)
Other expenditure	(7,848)	(8,609)	(16,457)
Depreciation and amortisation	(766)	(851)	(1,617)
Release of capital grants	308	13	321
Provisions provided for in year	-	(4,199)	(4,199)
Provisions not required written back	-	66	66
Operating surplus/(deficit)	21,861	(25,405)	(3,544)
Loss on disposal of property, plant and equipment	(8)	-	(8)
Surplus/(deficit) on ordinary activities before financing costs	21,853	(25,405)	(3,552)
Finance income - interest receivable	-	14	14
Finance charges - interest payable	-	(14)	(14)
Retained surplus/(deficit) for the year	21,853	(25,405)	(3,552)
Assets and liabilities			
Segment assets	4,027	23,498	27,525
Segment liabilities	(7,698)	(7,529)	(15,227)
Net assets	(3,671)	15,969	12,298
Taxpayers' equity			
Income and expenditure reserve	(3,552)	-	(3,552)
Financing reserve	-	15,850	15,850
Taxpayers' equity	(3,552)	15,850	12,298

Geographical areas

All income from external customers arose wholly in the United Kingdom and all non-current assets are located in the United Kingdom.

Major customers

CNPA is reliant on income from a small number of Site Licence Companies for a significant proportion of its income. Transactions with three SLCs (2012/13: Four SLCs) individually amounted to 10% of CNPA's total income. This income is reported within the OPU's operating segment. A breakdown of income by major customer is provided below:

	2013/14		2012/13	
	£000	%	£000	%
SLC 1	31,716	36	29,669	36
SLC 2	24,542	28	17,126	21
SLC 3	11,883	14	12,184	15
SLC 4	6,966	8	8,138	10
Others	12,643	14	14,477	18
Total	87,750	100	81,594	100

3. Income

CNPA is required to recover its full operating costs each year. Income of £87,750,000 for the year to 31 March 2014 (2012/13: £81,594,000) represents a re-charge of running costs to SLCs of £87,614,000 (2012/13: £80,735,000) and miscellaneous income of £136,000 (2012/13: £859,000). All activities are regarded as continuing.

4. Staff Numbers and Related Costs

Staff costs comprise:

	Permanently employed staff	Temporary and agency staff	Total
	2013/14	2013/14	2013/14
	£000	£000	£000
Wages and salaries	53,489	1,855	55,344
Social security costs	4,829	163	4,992
Other pension costs	7,149	237	7,386
Agency staff	-	20	20
Sub-total	65,467	2,275	67,742
Less costs recovered in respect of outward secondments	(12)	-	(12)
Total staff costs	65,455	2,275	67,730

	Permanently employed staff	Temporary and agency staff	Total
	2012/13	2012/13	2012/13
	£000	£000	£000
Wages and salaries	48,936	2,534	51,470
Social security costs	4,686	227	4,913
Other pension costs	6,506	275	6,781
Agency staff	-	88	88
Sub-total	60,128	3,124	63,252
Less costs recovered in respect of outward secondments	(22)	-	(22)
Total staff costs	60,106	3,124	63,230

Average number of persons employed

The average number of full-time equivalent persons employed during the year was as follows:

	Permanently employed staff	Temporary and agency staff	Total
	2013/14	2013/14	2013/14
Total average staff numbers	1,322	59	1,381

	Permanently employed staff	Temporary and agency staff	Total
	2012/13	2012/13	2012/13
Total average staff numbers	1,217	77	1,294

Exit packages

	2013/14	2012/13
	Number of packages	Number of packages
Compulsory redundancies		
£10,000 - £24,999	12	-
£25,000 - £49,999	6	-
£50,000 - £99,999	2	-
£200,000 - £249,999	2	-
£250,000 - £299,999	2	-
Total number of exit packages	24	-
	£000	£000
Total value of exit packages	1,520	-

Redundancy and other departure costs have been paid in accordance with the provisions of CNPA's terms and conditions. Exit costs are accounted for in full in the year of departure. Where the CNPA has agreed early retirements, the additional costs are met by it and not by the Combined Pension Scheme of the United Kingdom Atomic Energy Authority. Ill-health retirement costs are met by the pension scheme and are not included in the above table.

5. Pension Costs

All employees of CNPA are eligible to be members of the Combined Pension Scheme of the United Kingdom Atomic Energy Authority for the year ended 31 March 2014. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

The scheme is managed and administered by Aon Hewitt Limited with the approval of the Department for Business, Innovation and Skills. Contributions made to the scheme are used to meet the payment of scheme benefits. Any surplus of contributions over payments is surrendered to HM Government via the Consolidated Fund. Any deficit is met by Parliamentary Vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the scheme's future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and Parliament votes the necessary funds.

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience (SCAPE) methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from CNPA effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2014/15 scheme year.

CNPA employees also participate in the United Kingdom Atomic Energy Authority and Associated Employers Additional Voluntary Contribution Scheme (AVC) which is a defined contribution arrangement. There is no employer contribution to this arrangement. The scheme is fully insured and administered by the Prudential Assurance Company Limited to whom contributions are paid. The AVC scheme covers those employees of CNPA, and of other employers, who are members of the CPS and who have opted to pay additional voluntary contributions.

6. Other Expenditure

		2013/14	2012/13
	Notes	£000	£000
Goods and services			
Travel and subsistence		5,055	4,455
Consultancy services		76	82
Training and development costs		745	716
Other professional services		693	523
Legal fees		268	106
Insurance		398	359
Regulatory and assurance		299	384
Audit fees		42	42
Personnel related costs		972	993
Marketing and media related costs		163	72
Accommodation and building management services		1,094	902
Managed and shared services		2,399	1,998
Telecoms and radio costs		1,072	1,005
ICT goods and services		412	216
Firearms goods and services		2,201	1,526
Energy, utilities and waste management costs		584	551
Vehicle maintenance		248	267
Purchase of other goods and services		2,052	1,734
Rentals under operating leases - buildings		338	338
Rentals under operating leases - office equipment		45	36
Loss on disposal of inventories		81	-
Total goods and services purchased		19,237	16,305
Other operating charges		104	152
Non-cash items			
Depreciation of property, plant and equipment	7	1,586	1,408
Amortisation of intangible assets	8	184	209
Capital grants released		(545)	(321)
Movement in provisions	14	531	4,133
Unwinding of discount on provisions	14	109	-
Total non-cash items		1,865	5,429
		21,206	21,886

7. Property, Plant and Equipment

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2013	3,990	4,225	523	2,598	355	11,691
Additions	765	249	53	67	927	2,061
Disposals	(996)	(6)	-	(10)	-	(1,012)
Reclassifications	-	-	-	47	(56)	(9)
At 31 March 2014	3,759	4,468	576	2,702	1,226	12,731
Depreciation						
At 1 April 2013	2,052	1,510	283	1,515	-	5,360
Charged in year	627	538	37	384	-	1,586
Disposals	(912)	(6)	-	(10)	-	(928)
At 31 March 2014	1,767	2,042	320	1,889	-	6,018
Net book value at 31 March 2014	1,992	2,426	256	813	1,226	6,713
Asset financing						
Owned	1,992	2,426	256	813	1,226	6,713
Net book value at 31 March 2014	1,992	2,426	256	813	1,226	6,713

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2012	3,817	3,889	438	2,589	38	10,771
Additions	506	361	85	22	317	1,291
Disposals	(333)	(25)	-	(13)	-	(371)
At 31 March 2013	3,990	4,225	523	2,598	355	11,691
Depreciation						
At 1 April 2012	1,921	1,004	249	1,141	-	4,315
Charged in year	458	529	34	387	-	1,408
Disposals	(327)	(23)	-	(13)	-	(363)
At 31 March 2013	2,052	1,510	283	1,515	-	5,360
Net book value at 31 March 2013	1,938	2,715	240	1,083	355	6,331
Asset financing						
Owned	1,938	2,715	240	1,083	355	6,331
Net book value at 31 March 2013	1,938	2,715	240	1,083	355	6,331

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by CNPA. At 31 March 2014 this related to £nil (2012/13: £56,000) for police control room equipment, £686,000 for weaponry (2012/13: £287,000) and £540,000 for information technology equipment (2012/13: £12,000).

8. Intangible Assets

	Software licences	Information Technology	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2013	389	732	1,121
Reclassifications	-	9	9
At 31 March 2014	389	741	1,130
Amortisation			
At 1 April 2013	180	432	612
Charged in year	96	88	184
At 31 March 2014	276	520	796
Net book value at 31 March 2014	113	221	334
Asset financing			
Owned	113	221	334
Net book value at 31 March 2014	113	221	334

	Software licences	Information Technology	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2012	376	718	1,094
Additions	13	14	27
At 31 March 2013	389	732	1,121
Amortisation			
At 1 April 2012	75	328	403
Charged in year	105	104	209
At 31 March 2013	180	432	612
Net book value at 31 March 2013	209	300	509
Asset financing			
Owned	209	300	509
Net book value at 31 March 2013	209	300	509

Amortisation charge

The amortisation charge is recognised in other expenditure in the Statement of Comprehensive Net Expenditure.

9. Financial Instruments

CNPA has exposure to the following risks from its use of financial instruments.

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about CNPA's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk. The CNPA Board has overall responsibility for the establishment and oversight of CNPA's risk management framework. The Audit, Risk and Governance Committee oversees how management monitors compliance with CNPA's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by CNPA.

Credit risk

Credit risk is the risk of financial loss to CNPA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from CNPA's debtors and cash balances held in a commercial bank.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

Loans and other receivables	2013/14	2012/13
	£000	£000
Total receivables (excluding prepayments)	10,018	10,705
Cash and cash equivalents	9,603	8,527
	19,621	19,232

Credit risk for receivables at the reporting date was wholly in relation to the United Kingdom. CNPA's exposure is concentrated among a small number of customers. No collateral or other credit enhancements are held as security over the recoverability of these balances. CNPA expects its receivable balances to be recovered in full due to its customers' past payment histories and high credit ratings. Cash balances are held in highly rated, short-term fixed rate deposits with the Royal Bank of Scotland Plc.

An analysis of total receivables (excluding prepayments) including those which are past due but not impaired is set out below:

	2013/14	2012/13
	£000	£000
Not past due	10,013	10,281
Past due less than 1 month	5	343
Between 1 and 2 months	-	81
	10,018	10,705

No receivables balances were considered impaired at the end of the reporting period (2012/13: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2012/13: £nil).

Liquidity risk

Liquidity risk is the risk that CNPA will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities at the end of the reporting period:

At 31 March 2014	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	441	-	-	441
Accrued expenses	-	4,920	-	4,920
Other payables	971	-	-	971
	1,412	4,920	-	6,332

At 31 March 2013	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	99	-	-	99
Accrued expenses	-	5,169	-	5,169
Other payables	1,226	-	-	1,226
	1,325	5,169	-	6,494

The former Department of Trade and Industry provided working capital of £6 million when CNPA was established. This is used to fund timing differences between receipts from customers and payments to creditors. In addition, CNPA has an overdraft facility of £1 million with the Royal Bank of Scotland Plc, repayable on demand, and used to meet short-term working capital requirements. This facility was not used during the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect CNPA's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk. CNPA's exposure to these components of market risk is described below:

Currency risk

The foreign currency risk to CNPA is minimal as very little trading is done except in sterling and all sales invoices are raised in sterling. All material monetary assets and liabilities are held in sterling, so CNPA is not exposed to foreign currency risk.

Interest rate risk

All cash balances were positive during the reporting period and held in highly rated short-term fixed rate deposits. CNPA had no significant interest rate risk.

Other price risk

CNPA had no significant other price risk.

Carrying amount and fair value of financial assets and liabilities

An analysis of the carrying value and fair values at 31 March, by category and by class, of financial assets and liabilities is set out below:

At 31 March 2014	Loans and receivables	Other financial liabilities	Total carrying amount	Total fair value
	£000	£000	£000	£000
Financial assets				
Trade receivables	8,276	-	8,276	8,276
Early departure receivables	607	-	607	607
Other receivables	1,135	-	1,135	1,135
Cash at bank and in hand	9,603	-	9,603	9,603
Financial liabilities				
Trade payables	-	(441)	(441)	(441)
Accrued expenses	-	(4,920)	(4,920)	(4,920)
Other payables	-	(971)	(971)	(971)
	19,621	(6,332)	13,289	13,289

At 31 March 2013	Loans and receivables	Other financial liabilities	Total carrying amount	Total fair value
	£000	£000	£000	£000
Financial assets				
Trade receivables	8,201	-	8,201	8,201
Early departure receivables	732	-	732	732
Other receivables	1,772	-	1,772	1,772
Cash at bank and in hand	8,527	-	8,527	8,527
Financial liabilities				
Trade payables	-	(99)	(99)	(99)
Accrued expenses	-	(5,169)	(5,169)	(5,169)
Other payables	-	(1,226)	(1,226)	(1,226)
	19,232	(6,494)	12,738	12,738

Estimation of fair values

Trade receivables, accrued income and other receivables/payables and accrued expenses

The carrying values of trade and other receivables and trade and other payables and accrued income and accrued expenses are assumed to approximate their fair value due to their short-term nature.

Early departure receivables

The carrying amount of this asset approximates to its fair value.

Cash at bank and in hand

The carrying amount of this asset approximates to its fair value.

10. Inventories

	2013/14	2012/13
	£000	£000
Clothing	186	251
Ammunition	1,107	712
Other inventory items	226	229
	1,519	1,192

During the reporting period £81,000 (2012/13: £nil) of obsolete, slow moving or defective items of inventory was written off.

11. Trade Receivables and Other Assets

11(a) Analysis by type

	2013/14	2012/13
	£000	£000
Amounts falling due within one year:		
Trade receivables	8,276	8,201
Early departure receivables due from pension scheme	99	201
Prepayments and accrued income	268	261
Other receivables	1,080	1,711
	9,723	10,374
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	508	531
Other receivables	55	61
	563	592

11(b) Intra-government balances

	2013/14	2012/13
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	5,013	6,186
Balances with public corporations and trading funds	1,048	-
Balances with English local government	-	26
Balances with Scottish local government	-	6
Intra-government balances	6,061	6,218
Balances with bodies external to government	3,662	4,156
Total receivables at 31 March	9,723	10,374
Amounts falling due after one year:		
Balances with other central government bodies	508	531
Intra-government balances	508	531
Balances with bodies external to government	55	61
Total receivables at 31 March	563	592

12. Cash and Cash Equivalents

	2013/14	2012/13
	£000	£000
Balance at 1 April	8,527	6,292
Net change in cash and cash equivalent balances	1,076	2,235
Balance at 31 March	9,603	8,527

The following balances at 31 March were held at:

	2013/14	2012/13
	£000	£000
Commercial bank	9,603	8,527
	9,603	8,527

13. Trade Payables and Other Current Liabilities

13(a) Analysis by type

	2013/14	2012/13
	£000	£000
Amounts falling due within one year		
Trade payables	441	99
Other taxation and social security	1,935	1,508
Accrued expenses	4,920	5,169
Deferred income	898	778
Other payables	971	1,226
	9,165	8,780
Amounts falling due after more than one year:		
Deferred income	2,163	2,021
	2,163	2,021

13(b) Intra-government balances

	2013/14	2012/13
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	3,898	2,656
Balances with public corporations and trading funds	65	2
Balances with English local government	50	81
Balances with Welsh local government	33	8
Balances with Scottish local government	17	-
Balances with Northern Ireland	2	2
Intra-government balances	4,065	2,749
Balances with bodies external to government	5,100	6,031
Total payables at 31 March	9,165	8,780
Amounts falling due after one year:		
Balances with other central government bodies	1,541	-
Balances with public corporations and trading funds	209	-
Intra-government balances	1,750	-
Balances with bodies external to government	413	2,021
Total payables at 31 March	2,163	2,021

14. Provisions for Liabilities and Charges

	Legal	Dilapidations	Early departure costs	Total
	£000	£000	£000	£000
At 1 April 2012	90	208	86	384
Provided in the year	67	-	4,132	4,199
Provisions utilised in the year	(31)	-	(60)	(91)
Provisions not required written back	(66)	-	-	(66)
At 31 March 2013	60	208	4,158	4,426
Provided in the year	947	35	-	982
Provisions utilised in the year	(88)	-	(2,184)	(2,272)
Provisions not required written back	(2)	-	(450)	(452)
Unwinding of discount	-	-	109	109
At 31 March 2014	917	243	1,633	2,793
Expected timings of cash flows				
Within one year	591	-	269	860
Between two and five years	104	-	791	895
After five years	222	243	573	1,038
	917	243	1,633	2,793

Legal

A provision has been made of £877,000 to settle claims following judgements that found against the CNPA at two employment tribunals. The provisions have been estimated on the basis of potential financial losses and injury to feelings suffered by the successful claimants.

Further provision has been made for seven smaller claims of £10,000 each. Of the six claims open at 1 April 2013 the provision is unchanged for one and the remaining five have been utilised or written back during the reporting period.

Dilapidations

CNPA is legally obliged to restore the properties it occupies under lease to their original condition at the end of the lease term. Significant alterations have been made to offices leased at Constabulary headquarters in Culham. The cost of restoring the property was estimated by an external specialist organisation and includes VAT. This provision is expected to be used in 2021/22 on expiry of the lease term.

Early departure costs

This provision has been made to cover pension payments to former employees who have retired early following withdrawal from Springfields, Capenhurst and Chapelcross sites in 2013-14. Payments are made to the date on which the employee reaches normal retirement age 60 after which the employee's pension costs will be borne by the pension scheme. Payments are made to the pension scheme after age 60 for an average of 22 years to cover the unenhanced elements of these pensions. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index to the previous September. Forecast Consumer Prices Index (CPI) has been taken from the Budget Report published in March 2014 by HM Treasury. Pension payments to age 60 have been discounted using a discount rates based on the prevailing CPI and real discount. Payments after age 60 are discounted using the real discount rate.

15. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
At 1 April 2012	-	14,867	14,867
Grant-in-aid received	-	818	818
Other financing contributions	-	165	165
Comprehensive expenditure for the year	(3,552)	-	(3,552)
At 1 April 2013	(3,552)	15,850	12,298
Grant-in-aid received	-	3,151	3,151
Other financing contributions	-	150	150
Comprehensive expenditure for the year	(1,265)	-	(1,265)
At 31 March 2014	(4,817)	19,151	14,334

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. CNPA is required to recover it full operating costs each year through charges to customers to whom it provides a service. The deficit of £4,817,000 is due to the provision of early departure costs for non-AFOs and police staff following withdrawal from Springfields, Capenhurst and Chapelcross OPU and compensation payments following two employment tribunals that found against CNPA. These

costs are not considered operating costs and cannot be recharged to CNPA's customers. They will be met in full by DECC, through grant-in-aid funding, as and when they fall due for payment and will be recognised by CNPA on a cash basis in the year in which the payment is received.

Financing reserve

The finance reserve relates to grant-in-aid provided by CNPA's sponsoring department. It is credited to the financing reserve as it is regarded as a contribution

from a controlling party giving rise to a financial interest in the residual interest of CNPA. Other financing contributions comprised £16,000 (2012/13: £14,000) of interest earned on CNPA's bank accounts and £134,000 (2012/13: £151,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to DECC and, by agreement with DECC, included within financing.

16. Capital Commitments

Contracted capital commitments at 31 March 2014 not otherwise included in these financial statements comprised:

	2013/14	2012/13
	£000	£000
Property, plant and equipment	379	474
Intangible assets	-	-
	379	474

17. Commitments Under Operating Leases

CNPA leases office accommodation and office equipment under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Typical lease terms are shown below:

Office accommodation	15 years
Office equipment	3 - 4 years

During the year to 31 March 2014, £383,000 (2012/13: £374,000) was recognised as an expense in respect of operating leases in the Statement of Comprehensive Net Expenditure.

Total future minimum lease payments under non-cancellable operating leases are set out below:

	2013/14 £000	2012/13 £000
Leasehold properties		
Less than one year	338	345
Between one and five years	451	806
	789	1,151

	2013/14 £000	2012/13 £000
Leasehold office equipment		
Less than one year	45	44
Between one and five years	11	56
	56	100

18. Other Financial Commitments

CNPA has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts) for access to the Airwave communication network and for rental and licence contracts for business premises. The payments to which CNPA is committed are as follows:

	2013/14 £000	2012/13 £000
Less than one year	952	805
Between one and five years	4,092	3,893
Later than five years	-	1,068
	5,044	5,766

19. Contingent liabilities

There are a number of potential liabilities in respect of claims from employees, which depend on actual or potential proceedings. The timing and amounts of any payment are uncertain. These liabilities have not been provided for as CNPA believes that the claims are unlikely to be successful and unlikely to lead to a transfer of economic benefits.

20. Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2014.

21. Related-Party Transactions

CNPA is an executive non-departmental public body of DECC. DECC is regarded as a related party. During the year, CNPA has had various material transactions with DECC and with the following organisations for which DECC is regarded as the parent department:

International Nuclear Services Ltd a subsidiary of the Nuclear Decommissioning Authority; Dounreay Site Restoration Site Limited (DSRL); Research Site Restoration Limited (RSRL); Sellafield Limited; and Magnox Limited

In addition, CNPA has had a small number of material transactions with other government departments and other central government bodies. Most of these transactions have been with:

United Kingdom Atomic Energy Authority; United Kingdom Atomic Energy Authority Pension Scheme; Health and Safety Executive; and Home Office.

No CNPA Board member, key manager or other related parties has undertaken any material transactions with CNPA during the year.

22. Events After the Reporting Period

There are no reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 17 June 2014 the date that the accounts were certified by the Comptroller and Auditor General.

23. Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.



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