



Civil Nuclear Police Authority



**Annual Report
& Accounts 2014/15**

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Civil Nuclear Police Authority

Annual Report & Accounts
2014/15

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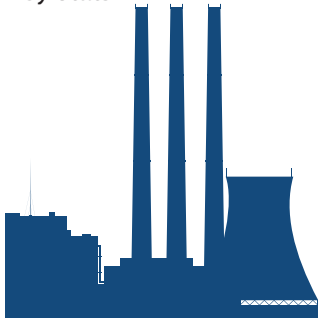
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Chairman and Chief Constable's Statement

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Key Stats



We
protect
11 nuclear
sites
across
the country

.....

This comprehensive report clearly demonstrates that the year has been both busy and challenging. It also shows that: the Civil Nuclear Constabulary (CNC) has achieved their mission; the Civil Nuclear Police Authority has continued to deliver an effective and efficient organisation; and the Executive Team has continued to manage the difficult business of strategic planning and day-to-day delivery.

A flavour of what the CNC has been involved with can be gained from this far from exhaustive list.

Highlights have included:

- Providing mutual aid to the policing operation at the NATO summit in Wales in September 2014. CNC officers were deployed over a period of six days as the main armed protection at Bristol and Cardiff airports, where world leaders were arriving to take part in the summit;
- Deployment of the Strategic Escort Group for three months to support the de-fuelling process of the Imperial College reactor. This operation concluded in a successful multi-force road escort;
- The embedding of the College of Policing's Code of Ethics across all Constabulary employees in line with Home Office forces;
- The introduction of Ballistic Protected Vehicles;
- The first CNC internal course to train our own National Firearms Instructors;
- Delivering for the first time 'on site, on shift' training to all operational firearms officers; and
- Awarded a firearms licence by the College of Policing and receiving praise for our best practice approach.

Against this backdrop, the CNC has continued to expand as an armed police service capable of deploying high profile counter terrorist patrols.

We continue to work towards employing all the techniques and tactics of Home Office armed police units, so that we can reach the highest level of interoperability. We do this while recognising that we have a defined and specialist role which is, and will remain, our primary focus.

Finally let us not forget that this year saw the threat level to UK police officers increase. CNC is an essential part of the protection provided to the United Kingdom's critical national infrastructure and our staff are proud of what they do to keep the country safe.



Sir Philip Trousdell
Chairman



Mike Griffiths
Chief Executive Officer
and Chief Constable

Ambition, Mission & Credo



Key Stats



Over
1,000
Authorised
Firearms
Officers



Our Ambition

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

Our 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.

Our 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

The Civil Nuclear Police Authority (CNPA) is an executive non-departmental public body (NDPB) of the Department of Energy and Climate Change (DECC). It was established by the Energy Act 2004 and is responsible for securing an efficient and effective Civil Nuclear Constabulary (CNC) whose primary function is the protection of licensed nuclear sites and the safe movement of nuclear material in the UK and abroad. The CNPA has oversight of the CNC and employs its officers and staff. The CNC provides an armed response capability to the civil nuclear industry with operational units based at licensed nuclear sites. The 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 2014/15 were attributed to the following 4 strategic objectives:

Strategic Objective 1 Prevention and Deterrence	To prevent and deter Nuclear Industries Malicious Capabilities Planning Assumptions (NIMCA)-defined threats to licensed nuclear sites and escorted materials.
Strategic Objective 2 Capability to Respond	To develop and maintain our capability to respond to NIMCA-defined threats to licensed nuclear sites and escorted materials.
Strategic Objective 3 Stakeholder Confidence	To earn the confidence of our stakeholders in delivering our ambition and mission.
Strategic Objective 4 Efficiency and Effectiveness	To optimise the efficiency and effectiveness with which we deliver our services.

Each strategic objective is supported by up to five strategic priorities. Performance against these priorities is managed by the Executive Team and reported to the CNPA Board.



Key Stats



Over
140
Female AFOs



Key Performance Indicators

Strategic objective 1 is underpinned by three strategic priorities:

Prevention and Deterrence	Performance 2014-15
Maintain 24/7 armed response at licensed nuclear sites	Achieved
Provide armed escort for movements of nuclear materials	Achieved
Complete capability and capacity uplift and increase deployment levels	Largely achieved

Strategic objective 2 is underpinned by five strategic priorities:

Capability to Respond	Performance 2014-15
Develop integrated policies/ doctrines supported by strong assurance mechanisms	Largely achieved
Increase operational capability levels through training and exercising programmes	Largely achieved
Implement effective command and control systems across CNC	Largely achieved
Provide recovery capabilities	Partly achieved
Develop our operational leaders and managers	Largely achieved

Strategic objective 3 is underpinned by four strategic priorities:

Stakeholder Confidence	Performance 2014-15
Increase stakeholder confidence and work effectively in partnership with site operators, local constabularies and our sponsoring department	Largely achieved
Build collaboration and partnership working internally across CNC	Delayed to 2015/16
Increase the morale and improve the development, performance and retention of our people	Delayed to 2015/16
Deliver high impact engagement and communications	Partly achieved

Strategic objective 4 is underpinned by four strategic priorities:

Efficiency and Effectiveness	Performance 2014-15
Effective delivery of corporate services	Largely achieved
Have transformed our business efficiency	Delayed to 2015/16
Modernise and improve our ICT infrastructure and improve its security	Partly achieved
Develop our corporate leaders and managers	Delayed to 2015/16



Business Model

Who are we	The 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	The CNPA is charged, pursuant to the 2004 Act, with maintaining an efficient and effective CNC and employs its police officers and police staff. The CNC provides an armed response capability for the UK's civil nuclear industry. The CNC operates from 11 units based at licensed nuclear sites throughout the UK and provides armed escorts for movements of nuclear materials within the UK and abroad.
How we do it	The 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. Our patrol strategy is designed to constrain the operating environment for anyone with malicious intent, to deter and disrupt their potential operations and to reassure the public close to nuclear sites.
Why we do it	The 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, 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 has the potential to expand our operational remit in the longer term.



Principal Risks and Uncertainties

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

The principal risks and uncertainties facing the 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.	Increasing number of armed officers deployed to licensed nuclear sites
	Improving capability through specialist recovery and rifle teams
	Better equipment and improving training and tactics
	Increasing numbers of officers qualified as operational firearms commanders
	Improving response and deployment through investment in Information Technology
	Rigorous exercising programme to test and continually improve command and control

FAILURE OF TRANSFORMATION PROGRAMMES

Risk	Mitigation
CNC fails to transform its front line operations and to provide appropriate resources and capabilities to the front line or to comply with government expectations or to transform its back and mid office functions to support the operational front line.	Managing high value and high risk programmes and projects using Managing Successful Programmes and PRINCE2
	Monthly reporting to project and programme boards and the Executive Team
	Applying assurance mechanisms to high value and high risk projects and programmes (e.g. Gateway Reviews)
	Periodic review of resources, tied to quarterly planning and forecasting

LOSS OF STAKEHOLDER CONFIDENCE

Risk	Mitigation
Regulatory or operational failures (e.g. loss of firearms licence, failed exercises) or failures with our transformation programmes leads to a loss of reputation, increased government scrutiny and reduced investment from site operators that reduces our operational effectiveness and ability to defeat a terrorist threat.	Developing stakeholder handling strategies
	Successful delivery of operations transformation and business transformation programmes
	Complying with all government spending controls and approval mechanisms
	Implementing our communications strategy and employee engagement forums

FAILURE IN EMPLOYER'S DUTY OF CARE

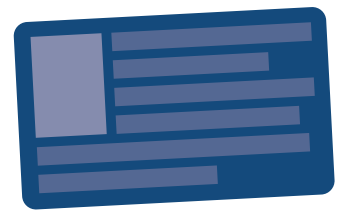
Risk	Mitigation
CNC fails in its duty of care responsibilities, causing death or serious injury.	Implementation of the health, welfare and fitness policy
	Compliance with working time directive, HSE safe system of work and the CNC driving policy
	Sufficient and appropriate occupational health provision
	Delivery of annual health and safety plan and programme of health and safety audits

FAILURE TO MATCH STRATEGIC DEMANDS WITH AVAILABLE RESOURCES

Risk	Mitigation
Mismatch between strategic demands and available resources leads to a shortfall in resources required (people and money) and resources available (people and money).	Executive Team sponsorship of strategic initiatives with projects and programmes headed by executive level senior responsible owners
	Governance processes in place for each major strategic initiative, programme and project
	Balancing workloads through strict prioritisation to match scarce resources to business needs
	Management and operational structures reviewed to ensure they remain appropriate to support delivery of the strategic priorities
	Realistic budgets and delivery plans reviewed quarterly
	Board input and challenge to strategy and budget



Key Stats



1 full
firearms licence
granted for
4
years





Key Stats



8
different
weapons
systems



INABILITY TO TRANSITION TO MODERN WORKFORCE

Risk	Mitigation
CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	Deliver pensions work stream of people programme Fitness programmes, secure funding for capability payments, recruit replacement officers Review appropriateness of 100% AFO force

WITHDRAWAL FROM DECOMMISSIONED 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.	Regularly reviewing decommissioning timescales with Site License Companies (SLC), 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 to withdrawal dates Scenario planning and identifying options for absorbing reductions in officer numbers

Review of Performance

The CNPA has reported an operating deficit of £668,000 for the year ended 31 March 2015. This is due to incurring the following expenditure:

- The CNPA has provided an additional £500,000 to settle claims following judgements that found against it at an employment tribunal. The CNPA considers that these costs are non-operating and cannot be recharged to its customers. In such circumstances these costs will be met by DECC through grant-in-aid and recognised on a cash basis when the payment is received.
- The balance on the operating deficit of £168,000 is due to unwinding the discount on future payments for early departure costs and changes to the provision for early departure costs due to changes in forecast rates for the Consumer Price Index that underpin future pension payments for employees who have received voluntary early retirement from sites that CNC no longer police.

Operating Costs

The CNPA is expected to recover its operating costs in full each year. Income of £93,367,000 (2013/14: £87,750,000) for the year ended 31 March 2015 represents a re-charge of running costs to SLCs of £92,633,000 (2013/14: £87,614,000) and miscellaneous income of £734,000 (2013/14: £136,000). Miscellaneous income included recharging secondment costs, providing policing services to non-SLCs and communications support for the unescorted transport of nuclear materials throughout the UK.

Expenditure for the year ended 31 March 2015 was £94,035,000 (2013/14: £88,948,000). The increase in expenditure was due largely to increased staff costs of £3,558,000 to £71,300,000. The increase was due to recruitment of increased numbers of officers deployed to licensed nuclear sites and staff employed at corporate departments. Other expenditure increased by £1,529,000 to £22,735,000. This increase included increased travel costs and professional services.

Interest receivable of £16,000 (2013/14: £16,000) was earned on cash balances held by the CNPA. This was matched by interest payable of the same amount, as the 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 2015 was £6,348,000 (31 March 2014: £6,713,000). Asset additions amounted to £1,838,000 and comprised £258,000 for 10 replacement vehicles, £504,000 on plant and machinery, operational and firearms training equipment and £50,000 of IT equipment. Payments on account and assets under construction of £986,000 and furniture and fittings of £40,000 made up the balance of asset purchases. Depreciation of £1,723,000 was charged to the Statement of Comprehensive Net Expenditure.

The carrying value of intangible assets was £624,000 at 31 March 2015 (31 March 2014: £334,000). Intangible asset additions of £98,000 comprised the purchase of software licences and hardware integral to IT applications. Amortisation of £277,000 was charged to the Statement of Comprehensive Net Expenditure.

Trade and other receivables due after one year amounted to £739,000. These balances represent amounts owed by the CNPA's pension scheme for staff who retired early and housing loans to staff. The CNPA pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to the CNPA by the pension scheme when the employees reach normal retiring age. Inventories at 31 March 2015 amounted to £1,512,000 (31 March 2014: £1,519,000).

Provisions for liabilities and charges decreased to £2,711,000 (31 March 2014: £2,793,000). Provisions were increased by £934,000 to settle claims following judgements that found against the CNPA at two employment tribunals. Payments of £693,000 were made against existing provisions and £391,000 was released to the Statement of Comprehensive Net Expenditure for unused provisions. The provision was increased by a further £68,000 due to unwinding the discount on early departure costs by 1 year.

Taxpayers' equity decreased by 2% at 31 March 2015 to £14,047,000 (31 March 2014: £14,334,000). This comprised a £677,000 income and expenditure reserve movement less a net increase in financing of £390,000.





Cash Flows

Cash generated from operations in 2014/15 was an outflow of £3,980,000 (2013/14: outflow of £1,265,000). Interest received on the CNPA's cash balances amounted to £16,000. Payments of £2,133,000 were made to purchase property, plant and equipment and £96,000 were made to acquire intangible assets. The net cash inflow from financing was £1,366,000, which comprised capital grant receipts of £991,000, grants from the CNPA's parent department, DECC, of £277,000 and other financing contributions of £98,000. This resulted in an overall decrease in cash held in 2014/15 of £4,827,000 (2013/14: increase of £1,076,000).

The CNPA maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. It has agreed credit terms of 15 days with SLCs to improve and maintain higher cash balances to ensure it meets its financial obligations. The CNPA banks with the Royal Bank of Scotland Plc (RBS). It had an overdraft facility of £1m 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 the CNPA and is treated as a receipt from an Exchequer source and is credited to Financing on the CNPA's Statement of Financial Position. The 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 (DTI) provided working capital of £6m on start-up, which was commuted to grant-in-aid and forms part of Taxpayers' Equity. This is used to fund timing differences between receipts from SLCs and payments to creditors.

Resources Required in 2015/16

The Executive Team submitted a revenue expenditure budget of £111m and capital budget of £4.3m. This represented an increase of 13% and 30% over our 2014/15 budgets. The drivers behind our budgeted cost increases continue to be our programme to increase our capability and capacity. Since 2010/11 the CNC has increased its capacity year-on-year to close the gap between its target numbers of officers and staff and mitigate the risk of a successful terrorist attack by increasing the number of officers deployed to the front line and by increasing the size of the training and HQ functions to support their continued deployment.

The CNPA Board has not approved its 2015/16 revenue and capital budgets. To maintain business continuity the Board has approved a temporary budget based on the 2014/15 final quarter spend profile and the CNPA meeting all of its contractual and committed obligations entered into up to 25 March 2015. All new spend on 2015/16 initiatives has been suspended until a budget has been agreed by all SLCs and NDA and approved by the CNPA Board.

The CNPA Board remains confident that agreement will be secured from SLCs and NDA to fund the 2015/16 budget and therefore continues to adopt the going concern basis in preparing the financial statements.

Future Funding Requirements

Approximately 75% of CNC's annual expenditure is on staff costs. Changes to public sector pensions are likely to result in higher employer pension charges and removal of the national insurance discount for public sector employees contracting out of the State Earnings-Related Pension Scheme or State Second Pension leading to higher employer national insurance costs. Both events are likely to increase CNC's staff costs in future years.

Budget Revision Process

The CNPA's financial resources are reviewed at least each quarter by the Executive Team and 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 11 male executive and non-executive members and 1 female non-executive member. Of the 8 heads of department and divisional commanders' roles, 6 were occupied by males and 2 by females. The CNPA had 1,253 male (2013/14: 1,187) and 300 female (2013/14: 291) 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.

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2015

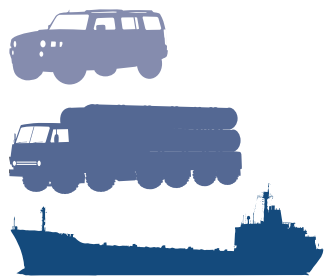
Key Stats



Over
200
police staff
supporting the
front line



Key Stats



Over
50
officers in our
Strategic Escort
Group



Sustainability Report

The CNPA has been granted exemptions from the Greening Government Commitment's reduction targets for delivering sustainable operations and procurement.

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

The CNPA's headquarters and training school are located at the Culham Science Centre. It rents office space from the UK Atomic Energy Authority (UKAEA), which is an executive non-departmental body (NDPB) of the Department for Business, Innovations and Skills (BIS). The UKAEA does not individually meter its tenants' 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 the CNPA and not attributable to other co-located organisations.

The 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 the CNPA's greenhouse gas emissions, waste disposal, water, electricity and gas consumption at its Oxfordshire headquarters and training school up to 31 March 2015.

Greenhouse Gas Emissions

Greenhouse gas emissions		2011/12	2012/13	2013/14	2014/15
Non-financial indicators (CO ₂ e in tonnes)	Scope 1 emissions (Vehicle fleet)	605.50	615.00	639.84	531.98
	Scope 2 emissions (Energy)	329.72	430.06	389.96	336.77
	Scope 3 emissions (Official business travel)	851.74	806.34	1,231.53	1,296.29
Financial indicators (£000)	Carbon Reduction Commitment gross expenditure	CNPA does not participate in this scheme			
	Expenditure on accredited offsets	CNPA does not participate in this scheme			
	Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,191	2,314	2,250	1,974

Controllable Impacts

The CNPA's scope 1 emissions include mileage and consequent CO₂ emissions from our operational vehicle fleet which are linked to our patrol strategy and are driven by operational need, rather than environmental impact. Scope 3 emissions include all business mileage relating to personal vehicles used for work purposes as well as hire cars, domestic flights and rail use. A key driver of business mileage is officers attending training courses. The increase in scope 3 emissions is linked to a steady 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 two years.

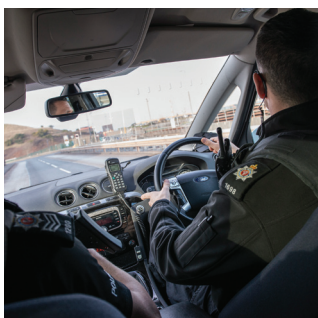


Influenced Impacts

The 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	2014/15	
Non-financial indicators (tonnes)	Total waste	4.86	2.35	2.80	2.83	
	Hazardous waste total	0.07	0.07	-	0.09	
	Non-hazardous waste	Landfill	-	-	-	-
		Reused/ recycled	4.79	2.28	2.80	2.70
	Incinerated/ energy reused			Not available		
Financial indicators (£000)	Total disposal cost	31	54	64	41	
	Hazardous waste - total disposal cost	Not reported. Included in total disposal cost				
	Non-hazardous waste - total disposal cost	Landfill	Nil			
		Reused/ recycled	Not reported. Included in total disposal cost			
	Incinerated/ energy reused	Not available				



Controllable Impacts

The CNPA recycles waste using the UKAEA 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.

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

Influenced Impacts

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

Water

Finite resource consumption			2011/12	2012/13	2013/14	2014/15
Non-financial indicators (m ³)	Water consumption	Supplied	2,023	1,705	1,748	1,311
		Abstracted	-	-	-	-
Financial indicators (£000)	Water supply costs		2	1.9	1.7	1.4

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, the CNPA's water consumption is not metered and scope to reduce its usage is limited to employee awareness campaigns.

Influenced Impacts

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

Electricity and Gas

Finite resource consumption			2011/12	2012/13	2013/14	2014/15
Non-financial indicators (kWh)	Energy consumption	Electricity - non-renewable	484,140	617,476	499,389	420,193
		Electricity - renewable	-	-	-	-
		Gas	412,493	578,013	680,645	633,855
		LPG	-	-	-	-
		Other	-	-	-	-
Financial indicators (£000)	Total energy expenditure		69	86	75	69

Controllable Impacts

Our main direct impacts for energy consumption are office and training areas. The CNPA's energy use is not metered and, like water usage, scope to reduce consumption is limited to employee awareness campaigns.

Influenced Impacts

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



Key Stats



Over
40
 stakeholders



Directors' Report

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 the 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.

The Board Members who served during the period were:

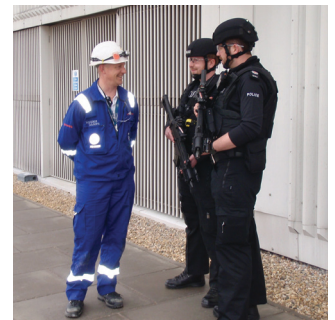
Lt Gen (Ret'd) Sir Philip Trousdell KBE CB	Chairman and Independent Member and Chairman of the Senior Appointments Committee
Mike Griffiths CBE	Chief Executive Officer and Chief Constable
Ian Abbott OBE	Industry Member and member of the Audit, Risk and Governance Committee
Stephen Barrett	Independent Member and member of the Senior Appointments Committee
George Beveridge	Industry Representative and member of the Senior Appointments Committee
Simon Chesterman QPM	Capability Director and Deputy Chief Constable
Alistair Cook	Business Transformation Director (to 6 January 2015)
Alan Cooper	Operations Director and Assistant Chief Constable
Paul Kernaghan CBE QPM	Independent and Police Advising Member
Kenneth Kilpatrick	Business Director (from 29 September 2014)
Gwen Parry-Jones OBE	Industry Member and member of the Audit, Risk and Governance Committee (from 1 June 2014)
Justin Rees	Corporate Services Director (to 16 August 2014)
Mark Rouse	Industry Member
Matt Sykes	Industry Member and member of the Audit, Risk and Governance Committee (to 28 May 2014)
Rob Wright	Independent Member and Chairman of the Audit, Risk and Governance Committee

Board members terms of appointment and service contracts are provided on page 28 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 the CNPA.

Executive Team

The Executive Team comprised:

Mike Griffiths CBE	Chief Executive Officer and Chief Constable
Simon Chesterman QPM	Capability Director and Deputy Chief Constable
Alistair Cook	Business Transformation Director (to 6 January 2015)
Alan Cooper	Operations Director and Assistant Chief Constable
Kenneth Kilpatrick	Business Director (from 29 September 2014)
Justin Rees	Corporate Services Director (to 16 August 2014)



Employees

The CNPA provides equal opportunity for employment; training; career development; and promotion regardless of sex; age; race; religion; and ethnic origin or sexual orientation. The 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 the CNPA will fairly consider whether reasonable adjustments can be made in the workplace to accommodate applicants' disabilities. The CNPA will make appropriate arrangements to provide reasonable adjustments should employees 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 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.



Key Stats



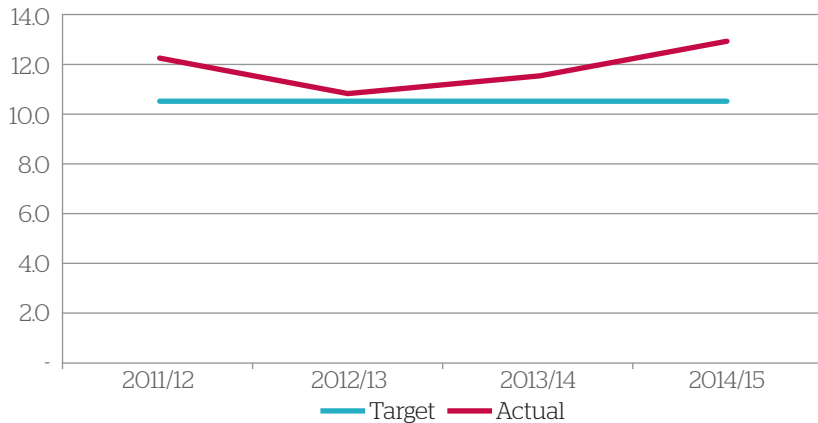
Over
7,000
AFO
applications to
join us last year



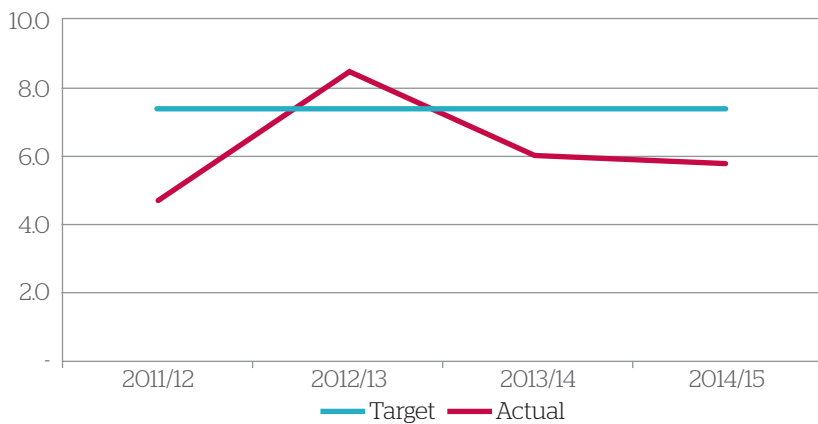
Sickness absences

The 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 have increased this year to 13 days per officer and remain above their target of 10.5 days. Police staff sickness rates have improved during the last 12 months falling to under 6 days per police staff member and below its target of 7.5 days.

Police officer sickness absence rates have increased and remain above target levels
Average days



Police staff sickness absence rates continue to improve and remain below target levels
Average days



The following actions have been implemented or are due to be implemented in 2015/16 to address the rising trend in police officer sickness absence.

- Increased intervention by health and wellbeing advisors to aid returns to work, especially in supporting muscular skeletal injuries, and speeding up the recuperative period;
- Increased funding to help recovery, such as physiotherapy and counselling;

- A health and wellbeing group to begin to provide corporate oversight of sickness absence rates and to analyse trends across the organisation; and
- Increased internal provision of specialised occupational health services.

Health and Safety

Our health and safety policy and procedures comply with all relevant legislation and are reviewed annually. During 2014/15, 11 incidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) with the majority reported in the over 7 days lost time category (2013/14: 14). This continues the trend in the reduction in the number of reportable incidents compared to the last three reporting years. All CNC police officers and a small number of police staff are designated as 'monitored workers' and are tested for exposure to radiation. Over 80% of our monitored workers did not receive a measureable dose during 2014/15. The remaining workers had an individual average radiation dose of 0.01 millisievert (mSv), which was lower than last year.



Security Breaches and Security Incidents

There were no security breaches involving protected personal data that were reportable to the Information Commissioners Office (ICO) in 2014/15 (2013/14: 1).

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

Nature of incident	2011/12	2012/13	2013/14	2014/15
Loss of assets; electronic equipment; and 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	1
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	3	4	2	5
Compromise of personal data	-	-	1	-
Other 'low level' breaches/incidents	27	20	32	7
Total	34	25	37	13

All security breaches involving assets or Sensitive Nuclear Information Government Security Classification 'Official Sensitive' and above were reported to the appropriate regulatory body: DECC, ONR (CNS), National Police Information Risk Management Team and Communications Electronics Security Group, the information security arm of Government Communications Headquarters.



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 the 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

The 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 2014/15, the CNPA paid 97% of its invoices on time (2013/14: 96%). The 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 2015, the CNPA paid 87% of its invoices within 10 working days (2013/14: 87%).

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 (2013/14: £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 they ought to have taken to make themselves aware of any relevant audit information and to establish that the CNPA's auditor is aware of that information.

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2015

Remuneration Report

The Civil Nuclear Police Authority Board (CNPA) operates within the principles set out in the Framework Document between the CNPA and DECC 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' are 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. The 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 the 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 UKAEA 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 Board Members make their own pension arrangements through their employers.

Key Stats



Over
125,000
hits to our new
webpages
www.gov.uk/cnc
www.gov.uk/cnpa

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 2015	Notice period
Ian Abbott Industry Member (Nuclear Decommissioning Authority)	13 July 2012	4 months	Not stated
Stephen Barrett Independent Member	1 April 2010	1 year	3 months
George Beveridge Industry Member (Sellafield Ltd)	3 August 2009	1 year	3 months
Simon Chesterman ¹ Deputy Chief Constable	6 January 2014	3 years, 9 months	6 months
Alistair Cook Business Transformation Director	7 January 2013	-	Contract expired 6 January 2015
Alan Cooper ² Assistant Chief Constable	7 January 2008	3 months	6 months
Mike Griffiths Chief Executive Officer and Chief Constable	1 October 2012	2 years, 6 months	6 months
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	10 months	3 months
Kenneth Kilpatrick ³ Business Director	29 September 2014	4 years, 6 months	6 months
Gwen Parry-Jones ⁴ Industry Member (EDF Energy Nuclear Generation Ltd)	1 June 2014	2 years, 2 months	Not stated
Justin Rees Corporate Services Director	17 August 2009	-	Contract expired 16 August 2014
Mark Rouse Industry Member (Dounreay Site Restoration Ltd)	1 April 2013	1 year	Not stated
Matt Sykes ⁴ Industry Member (EDF Energy Nuclear Generation Ltd)	1 April 2007	-	End of appointment 28 May 2014
Sir Philip Trousell Chairman and Independent Member	23 May 2011	6 months	3 months
Robert Wright Independent Member	4 January 2010	6 months	3 months

Notes

- 1 Simon Chesterman was seconded from West Mercia Police. Mr Chesterman's secondment ended on 15 April 2014 and he joined the CNPA on a fixed term contract from 16 April 2014
- 2 Alan Cooper left CNPA on 6 April 2015
- 3 Kenneth Kilpatrick took up appointment as Business Director on 29 September 2014
- 4 Matt Sykes's contract expired on 28 May 2014 and he has been succeeded by Gwen Parry-Jones from 1 June 2014

The provision for compensation for early termination and the CNPA's 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 2014/15 was as follows:

Executive Team

Name	Salary and allowances £000		Benefits in kind (to nearest £100) ¹		Pension benefits (to nearest £000) ²		Total £000	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Simon Chesterman Deputy Chief Constable	105-110 ³	40-45	3,300	-	-	-	110-115	40-45
Alistair Cook Business Transformation Director	100-105 ⁴	125-130	-	-	20,000	27,000	120-125	150-155
Alan Cooper Assistant Chief Constable	100-105	95-100	7,200	7,200	30,000	23,000	135-140	125-130
Mike Griffiths Chief Executive Officer and Chief Constable	130-135	120-125	7,200	7,200	32,000	27,000	170-175	155-160
Kenneth Kilpatrick Business Director	45-50 ⁵	-	3,000	-	23,000	-	70-75	-
Justin Rees Corporate Services Director	80-85 ⁶	90-95	2,700	7,200	52,000	31,000	135-140	130-135

Notes

- Benefits in kind for Alan Cooper, Mike Griffiths and Justin Rees comprised a fully maintained car. Simon Chesterman received a fully maintained car from 13 October 2014 and Kenneth Kilpatrick from 1 November 2014.
- The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual.
- Full year equivalent salary and allowances was £110-115k
- Full year equivalent salary and allowances was £125-130k
- Full year equivalent salary and allowances was £90-95k
- Full year equivalent salary and allowances was £95-100k. The salary and allowances includes a termination payment.

.....

Key Stats



Strategic Escort
Group helped
safely transit
nuclear material
over
61,000
miles in 4 years

.....

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 the CNPA's highest-paid director, who was the Chief Executive Officer/Chief Constable, in the financial year 2014/15 was £140,000-£145,000 (2013/14: £130,000-£135,000). This was 4.3 times the median remuneration of the CNPA's employees (2013/14: 3.4 times), which was £32,483 (2013/14: £38,651). Median remuneration decreased by approximately 16% between 2013/14 and 2014/15. The average salary cost per employee fell in 2014/15 due to the increase in new officer recruits employed at the lower end of the salary scale part off set by police officers as well as civilian staff receiving a 1% pay award from September 2014. This was offset by lower overtime costs incurred in providing additional capacity at operational sites.

In 2014/15, nil employees received remuneration in excess of the highest paid director (2013/14: nil). Remuneration, excluding that of the highest-paid director, ranged from £16,218 to £127,000 (2013/14: £16,058 to £127,000).

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 2015 and include the value of added years paid for by members of the CPS. The pension figures relate to the benefits that the individual has accrued as a total of their service to the CNPA, not just under their current appointment. Members of the pension scheme have the option to pay Additional Voluntary Contributions (AVC); neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2015 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2015 £000	Cash equivalent transfer value at 31 March 2014 ¹ £000	Real increase in cash equivalent transfer value £000
Executive Team					
Alistair Cook	0-5 plus 5-10 lump sum	0-2.5 plus 2.5-5 lump sum	55	34	21
Alan Cooper	5-10 plus 25-30 lump sum	0-2.5 plus 5-7.5 lump sum	188	160	28
Mike Griffiths	0-5 plus 10-15 lump sum	0-2.5 plus 5-7.5 lump sum	91	51	40
Kenneth Kilpatrick	10-15 plus 55-60 lump sum	0-2.5 plus 5-7.5 lump sum	287	252	35
Justin Rees	25-30 plus 85-90 lump sum	0-2.5 plus 5-7.5 lump sum	549	503	46

Notes

- 1 CETVs have been restated as at 31 March 2014 due to changes in actuarial assumptions used to calculate them.
- 2 Simon Chesterman is not a member of CPS.

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 pensionable service and not just their service in a senior capacity to which disclosure applies. They may also include amounts transferred into the scheme.

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 (CS) 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.

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 and industry representative members

Name	Fees £000		Benefits in kind (to nearest £100)		Total £000	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Ian Abbott Industry Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Stephen Barrett Independent Member	15-20	15-20	-	-	15-20	15-20
George Beveridge Industry Member (Sellafield Ltd)	-	-	-	-	-	-
Paul Kernaghan Independent and Policing Advisor Member	15-20	15-20	-	-	15-20	15-20
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Mark Rouse Industry Member (Dounreay Site Restoration Ltd)	-	-	-	-	-	-
Matt Sykes Industry Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Sir Philip Trousell ¹ Chairman and Independent Member	65-70	65-70	7,200 ¹	7,200	70-75	70-75
Robert Wright Independent Member	15-20	15-20	-	-	15-20	15-20

Notes

¹ Benefits in kind for Sir Philip Trousell comprised a fully maintained car.

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2015

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

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority (CNPA) 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 CNPA 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 (FReM) and in particular to:

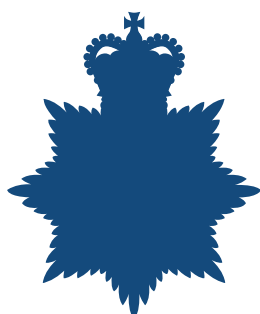
- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the FReM 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 (DECC) has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the CNPA. 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 CNPA's assets, are set out in Managing Public Money published by HM Treasury.



Governance Statement

.....
Key Stats



1 Police
Authority with
8
members

.....

Introduction

As Accounting Officer, and working with the Civil Nuclear Police Authority Board (CNPA), I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the CNPA's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the CNPA's sponsoring department, the Department of Energy and Climate Change (DECC).

The Governance Framework

The CNPA works within a Framework Document with DECC. This sets out the purpose of the CNPA, the core elements of the relationship with DECC and the framework within which the CNPA will operate. I am supported in my role as Accounting Officer by the Police Authority, the CNPA Board and its committees and an Executive Team as outlined opposite:

The Police Authority

The role of the Police Authority is defined by the Energy Act 2004. The Authority's members are appointed by the Secretary of State and are independent from the Civil Nuclear Constabulary's (CNC's) management. The Authority's principal duty is to secure the maintenance of an efficient and effective CNC. The Authority has oversight of the CNC, which it exercises through the CNPA Board. It appoints members of the senior management team and employs its officers and staff. A number of its functions have been delegated to the CNPA Board.

The Authority met four times in 2014/15. In the course of the year, DECC undertook a Triennial Review of the purpose and effectiveness of the CNPA. The review team's draft report provided positive evidence of the continuing need for the CNPA and a strong case for its functions to continue to be delivered by a non-departmental public body (NDPB). The review team also concluded that the controls and governance arrangements in place were both proportionate and appropriate. Ministerial sign-off of the review team's draft report remained outstanding at the end of the financial year.

The CNPA Board

The Board is a committee of the CNPA and is composed of 8 Authority members and 4 members of the Executive Team. It challenges and supports the Executive Team and scrutinises our proposals and performance, particularly in relation to the development of the three-year strategy and business plan; delivery of the approved annual plan and budget; including performance against output metrics; and the annual report on the CNPA's activities. In addition, the CNPA Board takes an overview of corporate risk and works with the Executive Team to agree the organisation's risk appetite.

The Chairman is responsible for leading the Board and ensuring that it is effective



The Police Authority

The Police Authority has delegated a number of its responsibilities to the CNPA Board. It remains responsible for:

- Securing the maintenance of an efficient and effective CNC and determining its policing objectives;
- Appointing members of the Executive Team and the Head of Executive Office and Legal Services and employing members of the CNC; and
- Accounting for CNC's operational and managerial performance to the Secretary of State and to the public.

The Authority's members are appointed by the Secretary of State and are independent of CNC management.

CNPA Board

The CNPA Board is made up of 8 Authority members and all members of the 4 person Executive Team.

The role of the Board is to:

- Set the strategic policy, resource and performance management framework for the CNC;
- Monitor CNC overall performance against the agreed strategies and agree remedial action if needed; and
- Support and advise the CEO/Chief Constable in the exercise of his functions.

Executive Team

The CEO/Chief Constable is supported in his role by an Executive Team which:

- Is responsible for implementing the CNPA Board's strategic decisions; and
- Provides executive management and governance to the operations delivery of the CNC.
- The team is led by the CEO/Chief Constable and its membership is composed of the Capability Director, the Operations Director and the Business Director.





in discharging its role. His is supported by independent non-executives and non-executives drawn from senior roles within the nuclear industry, all of whom are chosen to ensure an appropriate mix of skills and experience to inform the strategic thinking of the CNPA. The Board met six times in 2014/15. During 2014/15, Matt Sykes stepped down as an industry non-executive board member and was replaced by Gwen Parry-Jones OBE. Two executive board members, Justin Rees and Alistair Cook, left the CNPA. Kenneth Kilpatrick, the Business Director was appointed as an executive Board member, taking up his role in September 2014.

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee (ARGC) is chaired by an independent non-executive Board member. The Committee met four times in 2014/15 and considered the findings contained in reports prepared by the CNPA's Internal Auditors, Baker Tilly, based on an audit plan agreed in advance by the ARGC Committee. These reports covered the following risk management and governance issues:

- Corporate governance
- Procurement and contract management
- Risk management and assurance
- Core accounting systems
- Business transformation (and follow-up report)
- Strategic planning and organisational performance
- Budgeting, planning and control
- Use of stocks and stores - weapons and ammunition

In five of the reviews, the Board was able to take reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective. The Board was able to take only some assurance on the internal controls' design, application and effectiveness for the following reviews:

Corporate Governance

To ensure that effective corporate governance arrangements are operating in the CNC.

- Some internal committees are not operating effectively with lack of attendance and structure and no agreed terms of reference.
- A high volume of reports being prepared with ad hoc meeting agendas.
- Reports not prepared and distributed in a timely manner.

Procurement and Contract Management

To ensure that efficient, effective, economic and transparent processes are in place for making payments and awarding contracts.

- Weakness in quotation process cannot demonstrate value for money has been achieved for purchases under £10,000.
- No processes in place to deal with procurement non-conformance, single tender waiver non-conformance and identifying suppliers required to complete a security aspects letter.

Business Transformation

To ensure that appropriate project management arrangements are maintained for CNPA's headquarters reorganisation, shared services and IT modernisation projects to enable benefits to be realised.

- Programme and project-related risks and mitigating actions and controls are not always included on the corporate risk register.
 - No overarching programme board to manage the interrelationships between constituent projects and out of date policy for the management of programmes and projects.
 - No project plan, risk and issues log and defined governance structure for CNPA's headquarters reorganisation project.
-

Action plans are in place to address weaknesses in internal controls that have been identified. None of them has a material bearing on the overall governance or financial strength of the organisation. Internal Audit has also followed up its recommendations in its review of Business Transformation and reported that good progress had been made; 89% of actions to address its recommendations have been completed. It will follow up its reviews of corporate governance and procurement and contract management in 2015/16.

ARGC annually reviews the effectiveness of the internal and external audit functions, and has expressed the view that these functions continue to operate effectively for 2014/15 in the provision of assurance on the CNPA standards of governance, risk management and internal control.

The Committee also undertakes an annual self-assessment applying the National Audit Office (NAO) checklist of good practice. The results of the 2014/15 self-assessment demonstrate a continued high degree of compliance with good practice.

Senior Appointments Committee

The Senior Appointments Committee (SAC) held five meetings in 2014/15 that focussed on a review of the terms and conditions of employment of the Executive Team members, benchmarking them with other public sector organisations. SAC oversaw senior leadership, development and succession planning with recommendation of an appointment to a new executive role of Business Director and it set in train the executive selection processes for Operations Director/Assistant Chief Constable and a newly created fixed term executive appointment of a Programme Director to oversee the CNPA's People Programme. SAC also requested a review of Executive Team performance monitoring, which will be delivered in 2015/16.

Key Stats



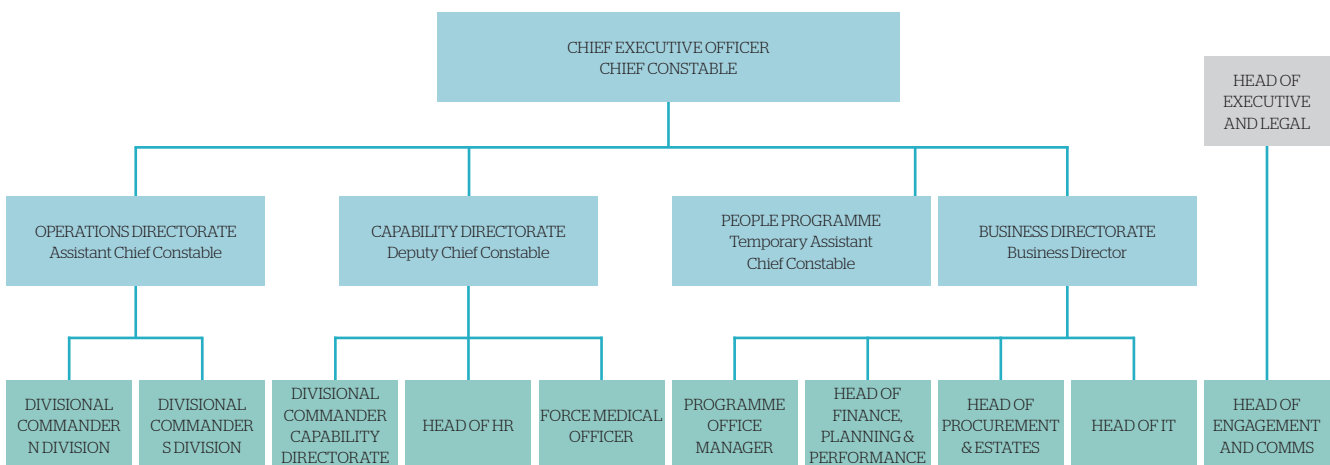
Over
120
Firearms
Instructors

The Executive Team

I am supported by an Executive Team, which meets weekly and provides executive management and governance of the operations and delivery of the CNC. During 2014/15, there were changes in the Executive Team. Justin Rees, Corporate Services Director and Alistair Cook, Business Transformation Director, left the CNC. A new post of Business Director was created that combined both of these roles and Kenneth Kilpatrick was promoted to this position with effect from 29 September 2014. The Executive Team is supported by senior operational and non-operational managers. An organisation chart is provided below.

During 2014/15, the Executive Team was supported by four committees: the Planning and Performance Committee, which is the key business decision-making body and a forum for business prioritisation and performance monitoring; the Operations sub-Committee which has responsibility for the governance, direction and co-ordination of all operational policing; the Policy Governance sub-Committee that provides a forum for reviewing and implementing all policies and procedures; and the Strategic Workforce Planning Committee that focuses on the CNC's workforce planning policy and procedures.

Internal Audit reviewed the governance arrangements of these committees. They noted that whilst the design of the committee structure remains appropriate, the committees are not operating as effectively as intended. The committees Internal Audit highlighted the high volume of reports being prepared for meetings and, perhaps relatedly, that reports were not produced and distributed sufficiently in advance of meetings. An action plan has been developed and is being implemented to address these weaknesses.



Note

Head of Executive Office and Legal reports to the CNPA Chairman

CNPA Board Performance and Effectiveness Review

Members' attendance records at Police Authority, Board and Committee meetings held in 2014/15 are shown below:

Members Non-Executive (NE)	Police Authority (4 in year)	CNPA Board (6 in year)	Audit, Risk and Governance Committee (4 in year)	Senior Appointments Committee (5 in year)
Sir Philip Trousdell (Chairman) (NE)	4	6	¹	5
Mike Griffiths (CEO/ Chief Constable)	¹	6	²	²
Ian Abbott (NE)	4	6	4	¹
Stephen Barrett (NE)	4	5	¹	4
George Beveridge (NE)	3	4	¹	3
Simon Chesterman	¹	3	¹	¹
Alistair Cook ³	¹	3 (of 4)	²	¹
Alan Cooper	¹	2	¹	¹
Paul Kernaghan (NE)	3	5	¹	¹
Kenneth Kilpatrick ⁴	¹	3 (of 3)	²	¹
Gwen Parry-Jones (NE)	2 (of 3)	4 (of 5)	2 (of 2)	
Justin Rees ⁵	¹	0 (of 2)	²	¹
Mark Rouse (NE)	2	5	¹	¹
Matt Sykes (NE) ⁶	1 (of 1)	1 (of 1)	0 (of 1)	¹
Rob Wright (NE)	4	6	4	¹

Notes

- 1 Not members of the Committees
- 2 Not members of the Committees, but standing invitation to attend
- 3 Alistair Cook left CNPA in January 2015
- 4 Kenneth Kilpatrick was appointed as an executive member of the board in September 2014
- 5 Justin Rees left CNPA in August 2014
- 6 Matt Sykes stepped down in May 2014 and was replaced by Gwen Parry-Jones in June 2014

Internal Audit undertook a review of the governance arrangements of the CNPA Board and sub-committees. They reported that substantial assurance could be taken over the design, application and effectiveness of the governance arrangements of the CNPA Board and its sub-committees.

Internal Audit further reported that the Board reports were issued sufficiently in advance of meetings and that they were of a quality that informed Board members allowing them to issue appropriate challenges. The Board has asked for metrics around CNC's performance at managing risks in the form of a dashboard showing whether its risk exposure is increasing or decreasing and its performance at managing and mitigating these risks is improving or worsening. This information will be provided for the Board in 2015/16.



The Board held a strategic conference in November 2014. The focus of this meeting was on discussing the need for a 'people programme' to review police officer terms and conditions, performance management and talent management, and to review the impact of remaining a 100% firearms response service. Strategic forward looks were also provided by CNPA's sponsoring department and key partners in the nuclear industry.

The CNPA maintains a register of interests to ensure potential conflicts of interest can be identified and addressed in advance of Board discussions. Where potential conflicts exist, they are recorded in the board minutes, along with any appropriate action to address them. During 2014/15, no Board member declared a conflict of interest.

Risk Management and Control

Risk Management

Risk workshops were undertaken in 2014/15 to align the key corporate risks to the CNPA's three-year strategy and business plan. This has produced a principal risk register that includes all strategic risks (risks to the achievement of the Strategy and Business Plan) but also includes other significant risks (programme, project or operational) that should be brought to the attention of the Executive Team, ARGC and the CNPA Board. The principal risks and uncertainties facing the CNPA are presented in the Strategic Report.

The nature and status of key corporate risks are now reported routinely to ARGC along with mitigating actions being taken. The Committee challenges management where necessary to gain the assurance it needs over the robustness of these actions. Specific challenges in 2014/15 have been on the completeness of the corporate risk register and the process for risk escalation to ARGC and the CNPA Board. Actions have been taken to run biannual externally facilitated risk workshops for corporate and operational risks to ensure risks and mitigations remain complete, up-to-date and relevant. The ARGC has asked for an assurance map based on HM Treasury's '3 lines of defence'.

Risk Management Assurance

The annual risk management audit undertaken by the CNPA's Internal Auditors, Baker Tilly, concluded that reasonable assurance could be taken on the design, application and effectiveness of internal controls operating over risk management. Internal audit reported that good progress had been made in developing principal risks and linking strategy, performance and risks, but further work was required to ensure that the risk register fully reflected the risk profile and key risks discussed at Board.

Internal Audit made a number of recommendations including finalising the CNPA's risk policy and risk management framework document updates; providing formal training for risk owners; improving compliance with Cabinet Office guidance on risk management; and ensuring all project and programme risks were recorded on the CNPA's risk register. Actions to implement these recommendations will be undertaken in 2015/16.

Risk Appetite

Risk appetite is defined as the level of risk that the CNPA is willing to face to achieve its objectives, whilst continuing to provide the required level of assurance to stakeholders that assets are safeguarded.

The CNPA has a low risk appetite. This statement demonstrates clearly to stakeholders that the CNPA will not expose them to unnecessary risk. The only element that will stop the continued pursuit for risk mitigation is the availability of resources that may be required to achieve the desired level of risk control.

Statement of Information Risk

The CNPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely.

The CNPA complies with the Cabinet Office and the Office for Nuclear Regulation's (ONR) Security Policy Frameworks (SPFs) for information security. ONR's framework follows broadly that of the Cabinet Office, but sets standards for the protection of sensitive nuclear material that are necessary to protect licensed nuclear sites and material in transit.

As required by the SPFs, the CNPA uses the Government Protective Marking System (GPM) and has policies and controls in place to ensure that access to information is correctly managed and safeguarded throughout its life cycle including creation, storage, transmission and destruction. I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level. I am supported in the discharge of this responsibility by the Board level Senior Information Risk Owner (SIRO), the IT and Security departments and a network of Information Asset Owners (IAOs) who cover all the information assets held.

The CNPA has agreed to achieve and maintain Level 3 on the government's Information Assurance Maturity Model (IAMM). Level 3 means that information assurance awareness across the organisation leads to a measured improvement in information risk management behaviours at all levels within the organisation, its delivery partners and third party suppliers. It is the police service target level set by the Police Information Assurance Board and has been adopted by the CNPA. The CNC undertook an IAMM Supported Self-Assessment with Communications Electronic Security Group (CESG), the information security arm of Government Communications HQ, in October 2014, which resulted in the achievement of Level 3 in all areas. Whilst this is the target required by the CNPA, this achievement was qualified as it was agreed that the CNC would seek to strengthen its supplier management, SIRO and IAO training and internal processes on reporting and compliance. These will be re-evaluated by CESG in 2015/16.

Personal Data-Related Incidents

There were no protected personal data-related incidents reportable to the Information Commissioner's Office (ICO) in 2014/15.

One security breach involving protected personal data was reported to the ICO last year and disclosed in last year's Governance Statement. The ICO concluded its investigations with no further action required.

Key Stats





Key Stats



Home Office

Working closely with Home Office forces providing front line support over

30

times



Compliance with the Corporate Governance Code

The CNPA has complied with the Code of Good Practice for corporate governance in central government in so far as it is relevant and practical for an Arm's Length Body of its size and complexity. I can confirm that the CNPA is compliant with the MacPherson recommendations for quality assuring analytical models and that I have not received any Accounting Officer directions in 2014/15.

Other Governance Assurance Activities

Her Majesty's Inspectorate of Constabulary (HMIC) undertook an inspection of the effectiveness and efficiency of CNC's operational arrangements to protect the civil nuclear estate and nuclear materials in 2014/15. HMIC's findings showed that CNC is appropriately resourced, structured, trained and led in a way that enables it to respond to a terrorist attack. The report does contain some areas for improvement that will be considered and responded to in 2015/16.

The CNC's Internal Inspections team undertook a programme of testing of compliance with operational policies and procedures alongside 'spot inspections' directed by the Executive Team. The Inspections team did identify areas of good practice. Their reports do contain some areas for improvement that will be actioned in 2015/16.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review is informed by the work of Internal Audit, HMIC and the CNPA's internal inspections department and the Executive Team who have responsibility for the development and maintenance of the governance structures and internal control framework and comments made by the CNPA's external auditors, the National Audit Office in their management letter.

The CNPA's Internal Auditors, Baker Tilly, submit regular reports on the management of key business risks and the effectiveness of the CNPA's system of governance, risk management and internal control and make recommendations for improvement. For 2014/15, Baker Tilly concluded that the CNPA has adequate and effective governance, risk and control arrangements. Where opportunities for improvement in the framework of governance, risk management or control or a significant degree of non-compliance, an action plan has been agreed by the CNC management. Internal Audit's follow-up testing of prior year recommendations has revealed a reasonable level of 80% of recommendations implemented. The status of these recommendations is regularly reported to the Audit, Risk and Governance Committee.

The Board keeps its governance, risk management and internal control arrangements under review in response to internal and external developments. The Board is independently advised by the Audit, Risk and Governance Committee and received assurance on the CNPA's systems of corporate governance, risk management and internal control. There were no issues identified by Internal Audit that requires mentioning in the Governance Statement as significant control weaknesses.

Significant Internal Control Weaknesses

I am able to report that there were no significant weaknesses in the CNPA's system of internal controls in 2014/15 that affected the achievement of its key policies, aims and objectives.

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2015



Audit Report

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

I certify that I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2015 under the Energy Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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 the 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 the Civil Nuclear Police Authority's affairs as at 31 March 2015 and of the net expenditure for the year then 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 Management Commentary 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 2015

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

Financial Statements 2014/15

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2015

	Notes	2014/15 £000	2013/14 £000
Income	3	93,367	87,750
Expenditure			
Staff costs	4	(71,300)	(67,742)
Other expenditure	6	(22,735)	(21,206)
Operating deficit		(668)	(1,198)
Loss on disposal of property, plant and equipment		(9)	(67)
Deficit on ordinary activities before financing costs		(677)	(1,265)
Financial income - interest receivable		16	16
Financial expense - interest payable		(16)	(16)
Net financing costs		-	-
Total comprehensive expenditure for the year		(677)	(1,265)

All operations are continuing.

The notes on pages 50 to 73 form part of these financial statements.

Statement of Financial Position

As at 31 March 2015

	Note	2014/15 £000	2013/14 £000
Non-current assets			
Property, plant and equipment	7	6,348	6,713
Intangible assets	8	624	334
Trade and other receivables	11	739	563
Total non-current assets		7,711	7,610
Current assets			
Inventories	10	1,512	1,519
Trade and other receivables	11	13,551	9,723
Cash and cash equivalents	12	4,776	9,603
Total current assets		19,839	20,845
Total assets		27,550	28,455
Current liabilities			
Trade and other payables	13	(8,509)	(9,165)
Provisions	14	(982)	(860)
Total current liabilities		(9,491)	(10,025)
Non-current assets plus net current assets		18,059	18,430
Non-current liabilities			
Trade and other payables	13	(2,283)	(2,163)
Provisions	14	(1,729)	(1,933)
Total non-current liabilities		(4,012)	(4,096)
Assets less liabilities		14,047	14,334
Taxpayers' equity			
Income and expenditure reserve	15	(5,494)	(4,817)
Financing reserve	15	19,541	19,151
		14,047	14,334

The financial statements on pages 46 to 73 were approved by the CNPA Board on 11 June 2015 and signed on its behalf by:

Mike Griffiths

Chief Executive Officer and Chief Constable
12 June 2015

The notes on pages 50 to 73 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2015

	Note	2014/15 £000	2013/14 £000
Cash flows from operating activities			
Retained deficit for the year		(677)	(1,265)
Adjustments for:			
Loss on disposal of property, plant and equipment		9	67
Amortisation of intangible assets		277	184
Depreciation of property, plant and equipment		1,723	1,586
Release of capital grant		(838)	(545)
Operating cash flows before changes in working capital and provisions		494	27
(Increase)/decrease in trade and other receivables		(4,004)	680
Decrease/(increase) in inventories		7	(327)
Decrease in trade and other payables		(395)	(12)
Decrease in provisions		(82)	(1,633)
Cash generated from operations		(3,980)	(1,265)
Interest received		16	16
Net cash outflow from operating activities		(3,964)	(1,249)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,133)	(1,807)
Purchase of intangible assets		(96)	(4)
Net cash outflow from investing activities		(2,229)	(1,811)
Cash flows from financing activities			
Capital grant received		991	851
Grants from parent department		277	3,151
Other financing contributions		98	134
Net financing		1,366	4,136
Net (decrease)/increase in cash and cash equivalents in the period	12	(4,827)	1,076
Cash and cash equivalents at the beginning of the period	12	9,603	8,527
Cash and cash equivalents at the end of the period	12	4,776	9,603

The notes on pages 50 to 73 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2015

	Note	Income and expenditure reserve £000	Financing reserve £000	Total £000
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
Changes in taxpayers' equity 2014/15	15			
Grant-in-aid received		-	277	277
Amounts payable to DECC		-	113	113
Comprehensive expenditure for the year		(677)	-	(677)
Balance at 31 March 2015		(5,494)	19,541	14,047

The notes on pages 50 to 73 form part of these financial statements.

Notes to the Accounts

Statement of Accounting Policies

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

1. Statement of Compliance

These financial statements have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) 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 the CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the 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.

The CNPA has reported an operating deficit of £668,000 for the year ended 31 March 2015. This is due to incurring the following expenditure:

- The CNPA has provided an additional £500,000 to settle claims following judgements that found against it at an employment tribunal. The CNPA considers that these costs are non-operating and cannot be recharged to its customers. In such circumstances these costs will be met by DECC through grant-in-aid and recognised on a cash basis when the payment is received.
- The balance on the operating deficit of £168,000 is due to unwinding the discount on future payments for early departure costs and changes to the provision for early departure costs due to changes in forecast rates for the Consumer Price Index that underpin future pension payments for employees who have received voluntary early retirement from sites that CNC no longer police.

The CNPA Board has not secured approval for its 2015/16 revenue and capital budgets. To maintain business continuity the Board has approved a temporary budget, based on the 2014/15 final quarter spend profile and the CNPA meeting all of its contractual and committed obligations entered into up to 25 March 2015. All new spend on 2015/16 initiatives has been suspended until a budget has been agreed by all SLCs and the NDA and approved by the Board.

The CNPA Board remains confident that agreement will be secured from SLCs and the NDA to fund the 2015/16 budget and therefore continues to adopt the going concern basis in preparing the financial statements. Further information about the 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 (IASB) are not yet effective for the year ended 31 March 2015 and have not been applied in preparing these financial statements. These are:

- IFRS 13 Fair Value Measurement;
- IFRS 14 Regulatory Deferral Accounts; and
- IFRS 15 Revenue from Contracts with Customers.

The 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 as a proxy for fair value. 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 the 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 VAT. Income is recognised in the Statement of Comprehensive Net Expenditure when the 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 the CNPA. No income is recognised if there are significant uncertainties regarding recovery of the consideration due.

1.7 Taxation

The 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.

The 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 the CNPA is obligated to pay them. This includes the cost of any untaken annual leave that is carried forward to the following financial year. The CNPA recognises as an obligation the value of untaken annual leave carried forward at the end of the reporting period. The 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 (CPS) of the United Kingdom Atomic Energy Authority (UKAEA), which is an unfunded defined benefit pension scheme which prepares its own scheme statements. The 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 the CNPA will be required to settle the obligation and is unable to reliably estimate the amount, or where it is possible that the 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 the 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 and 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 the CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The CNPA has one reportable segment: Operational Policing Units (OPUs). These units provide an armed response at licensed nuclear 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 the CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The CNPA has one reportable segment: Operational Policing Units. The CNPA operates 11 separate OPUs that provide a policing service to licensed nuclear 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 the CNPA's accounting policy in note 1.

The financial performance of all non-operating segments covers back office functions such as Human Resources; Finance; 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.

2014/15	Operational Policing Units	Corporate Departments	Total
	£000	£000	£000
Income	93,367	-	93,367
Expenditure			
Staff costs	(57,259)	(14,041)	(71,300)
Other expenditure	(6,930)	(14,032)	(20,962)
Depreciation and amortisation	(981)	(1,019)	(2,000)
Release of capital grants	590	248	838
Movement in provisions	-	(611)	(611)
Operating surplus/(deficit)	28,787	(29,455)	(668)
Loss on disposal of property, plant and equipment	(6)	(3)	(9)
Surplus/(deficit) on ordinary activities before financing costs	28,781	(29,458)	(677)
Finance income - interest receivable	-	16	16
Finance charges - interest payable	-	(16)	(16)
Retained surplus/(deficit) for the year	28,781	(29,458)	(677)
Assets and liabilities			
Segment assets	4,334	23,216	27,550
Segment liabilities	(5,893)	(7,610)	(13,503)
Net (liabilities)/assets	(1,559)	15,606	14,047
Taxpayers' equity			
Income and expenditure reserve	(5,494)	-	(5,494)
Financing reserve	-	19,541	19,541
Taxpayers' equity	(5,494)	19,541	14,047

2013/14	Operational Policing Units £000	Corporate Departments £000	Total £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

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

The CNPA is reliant on income from a small number of Site License Companies (SLCs) for a significant proportion of its income. Transactions with three SLCs (2013/14: three SLCs) each amounted to 10% or more of the CNPA's total income. This income is reported within the OPUs operating segment. A breakdown of income by major customer is provided below:

	2014/15		2013/14	
	£000	%	£000	%
SLC1	32,930	35	31,716	36
SLC 2	32,170	34	24,542	28
SLC 3	13,107	14	11,883	14
Others	15,160	17	19,609	22
Total	93,367	100	87,750	100

3. Income

The CNPA is required to recover its full operating costs each year. Income of £93,367,000 for the year to 31 March 2015 (2013/14: £87,750,000) represents a re-charge of running costs to SLCs of £92,633,000 (2013/14: £87,614,000) and miscellaneous income of £734,000 (2013/14: £136,000). All activities are regarded as continuing.

4. Staff Numbers and Related Costs

Staff costs comprise:

2014/15	Permanently employed staff	Temporary and agency staff	Total
	£000	£000	£000
Wages and salaries	56,464	1,520	57,984
Social security costs	5,280	147	5,427
Other pension costs	7,626	169	7,795
Agency staff	-	94	94
Sub-total	69,370	1,930	71,300
Less costs recovered in respect of outward secondments	(67)	-	(67)
Total staff costs	69,303	1,930	71,233

2013/14	Permanently employed staff	Temporary and agency staff	Total
	£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

Average number of persons employed

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

2014/15	Permanently employed staff	Temporary and agency staff	Total
Total average staff numbers	1,446	38	1,484

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

Exit packages

2014/15	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
Less than £9,999	-	1	1
£10,000 - £24,999	-	1	1
£25,000 - £49,999	1	-	1
£100,000 - £149,999	-	5	5
Total number of exit packages	1	7	8

	£000	£000	£000
Total value of exit packages	43	694	737

2013/14	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
£10,000 - £24,999	12	-	12
£25,000 - £49,999	6	-	6
£50,000 - £99,999	2	-	2
£200,000 - £249,999	2	-	2
£250,000 - £299,999	2	-	2
Total number of exit packages	24	-	24

	£000	£000	£000
Total value of exit packages	1,520	-	1,520

Redundancy and other departure costs have been paid in accordance with the provisions of the 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 CPS of the UKAEA. Ill-health retirement costs are met by the pension scheme and are not included in the above table.

5. Pension Costs

All employees of the CNPA are eligible to be members of the CPS of the UKAEA for the year ended 31 March 2015. 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 the CNPA effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2015/16 scheme year.

The CNPA employees also participate in the UKAEA 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 the CNPA, and of other employers, who are members of the CPS and who have opted to pay additional voluntary contributions.

6. Other Expenditure

	Notes	2014/15 £000	2013/14 £000
Goods and services			
Travel and subsistence		5,507	5,055
Consultancy services		150	76
Training and development costs		786	745
Other professional services		1,144	693
Legal fees		410	268
Insurance		531	398
Regulatory and assurance		309	299
Audit fees		42	42
Personnel related costs		877	972
Marketing and media related costs		91	163
Accommodation and building management services		1,181	1,094
Managed and shared services		2,729	2,399
Telecoms and radio costs		1,108	1,072
ICT goods and services		343	412
Firearms goods and services		2,222	2,201
Energy, utilities and waste management costs		612	584
Vehicle maintenance		218	248
Purchase of other goods and services		2,189	2,052
Rentals under operating leases - buildings		338	338
Rentals under operating leases - office equipment		47	45
Loss on disposal of inventories		66	81
Total goods and services purchased		20,900	19,237
Other operating charges		62	104
Non-cash items			
Depreciation of property, plant and equipment	7	1,723	1,586
Amortisation of intangible assets	8	277	184
Capital grants released		(838)	(545)
Movement in provisions	14	543	531
Unwinding of discount on provisions	14	68	109
Total non-cash items		1,773	1,865
		22,735	21,206

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 2014	3,759	4,468	576	2,702	1,226	12,731
Additions	258	504	40	50	986	1,838
Disposals	(227)	(86)	(10)	(195)	-	(518)
Reclassifications	10	676	(12)	47	(1,190)	(469)
At 31 March 2015	3,800	5,562	594	2,604	1,022	13,582
Depreciation						
At 1 April 2014	1,767	2,042	320	1,889	-	6,018
Charged in year	634	633	45	411	-	1,723
Disposals	(227)	(78)	(7)	(195)	-	(507)
At 31 March 2015	2,174	2,597	358	2,105	-	7,234
Net book value at 31 March 2015	1,626	2,965	236	499	1,022	6,348
Asset financing						
Owned	1,626	2,965	236	499	1,022	6,348
Net book value at 31 March 2015	1,626	2,965	236	499	1,022	6,348

	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

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2015 this related to £877,000 for vehicles (2013/14: £nil), £96,000 for information technology equipment (2013/14: £540,000) and £49,000 for police control room equipment (2013/14: £nil).

8. Intangible Assets

	Software licences £000	Information Technology £000	Total £000
Cost or valuation			
At 1 April 2014	389	741	1,130
Additions	96	2	98
Disposals	-	(10)	(10)
Reclassifications	23	446	469
At 31 March 2015	508	1,179	1,687
Amortisation			
At 1 April 2014	276	520	796
Charged in year	100	177	277
Disposals	-	(10)	(10)
At 31 March 2015	376	687	1,063
Net book value at 31 March 2015	132	492	624
Asset financing			
Owned	132	492	624
Net book value at 31 March 2015	132	492	624
	Software licences £000	Information Technology £000	Total £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

Amortisation charge

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

9. Financial Instruments

The 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 the 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 the CNPA's risk management framework. The Audit, Risk and Governance Committee oversees how management monitors compliance with the CNPA's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the CNPA.

Credit risk

Credit risk is the risk of financial loss to the CNPA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from the 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	2014/15	2013/14
	£000	£000
Total receivables (excluding prepayments)	14,030	10,018
Cash and cash equivalents	4,776	9,603
	18,806	19,621

Credit risk for receivables at the reporting date was wholly in relation to the United Kingdom. The 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. The 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 (RBS).

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

	2014/15	2013/14
	£000	£000
Not past due	10,731	10,013
Past due less than 1 month	3,286	5
Between 1 and 2 months	13	-
	14,030	10,018

No receivables balances were considered impaired at the end of the reporting period (2013/14: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2013/14: £nil).

Liquidity risk

Liquidity risk is the risk that the 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 2015	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	251	-	-	251
Accrued expenses	-	5,028	-	5,028
Other payables	1,056	-	-	1,056
	1,307	5,028	-	6,335

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

The former Department of Trade and Industry (DTI) provided working capital of £6 million when the CNPA was established. This is used to fund timing differences between receipts from customers and payments to creditors. In addition, the CNPA has an overdraft facility of £1 million with the RBS, 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 the CNPA's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk. The CNPA's exposure to these components of market risk is described below:

Currency risk

The foreign currency risk to the 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 the 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. The CNPA had no significant interest rate risk.

Other price risk

The 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 2015	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Total fair value £000
Financial assets				
Trade receivables	11,660	-	11,660	11,660
Early departure receivables	826	-	826	826
Other receivables	734	-	734	734
Cash at bank and in hand	4,776	-	4,776	4,776
Financial liabilities				
Trade payables	-	(251)	(251)	(251)
Accrued expenses	-	(5,028)	(5,028)	(5,028)
Other payables	-	(1,056)	(1,056)	(1,056)
	17,996	(6,335)	11,661	11,661
At 31 March 2014				
	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Total fair value £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

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

	2014/15 £000	2013/14 £000
Clothing	87	186
Ammunition	1,345	1,107
Other inventory items	80	226
	1,512	1,519

During the reporting period £66,000 (2013/14: £81,000) of obsolete, slow moving or defective items of inventory was written off.

11. Trade Receivables and Other Assets

11(a) Analysis by type

	2014/15 £000	2013/14 £000
Amounts falling due within one year:		
Trade receivables	11,660	8,276
Early departure receivables due from pension scheme	137	99
Prepayments and accrued income	1,070	268
Other receivables	684	1,080
	13,551	9,723
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	689	508
Other receivables	50	55
	739	563

11(b) Intra-government balances

	2014/15 £000	2013/14 £000
Amounts falling due within one year:		
Balances with other central government bodies	6,343	5,013
Balances with public corporations and trading funds	538	1,048
Balances with local authorities	12	-
Intra-government balances	6,893	6,061
Balances with bodies external to government	6,658	3,662
Total receivables at 31 March	13,551	9,723
Amounts falling due after one year:		
Balances with other central government bodies	689	508
Intra-government balances	689	508
Balances with bodies external to government	50	55
Total receivables at 31 March	739	563

12. Cash and Cash Equivalents

	2014/15	2013/14
	£000	£000
Balance at 1 April	9,603	8,527
Net change in cash and cash equivalent balances	(4,827)	1,076
Balance at 31 March	4,776	9,603

The following balances at 31 March were held at:

	2014/15	2013/14
	£000	£000
Commercial bank	4,776	9,603
	4,776	9,603

13. Trade Payables and Other Current Liabilities

13(a) Analysis by type

	2014/15	2013/14
	£000	£000
Amounts falling due within one year		
Trade payables	251	441
Other taxation and social security	1,515	1,935
Accrued expenses	5,028	4,920
Deferred income	659	898
Other payables	1,056	971
	8,509	9,165
Amounts falling due after more than one year:		
Deferred income	2,283	2,163
	2,283	2,163

13(b) Intra-government balances

	2014/15 £000	2013/14 £000
Amounts falling due within one year:		
Balances with other central government bodies	3,831	3,898
Balances with public corporations and trading funds	204	65
Balances with local authorities	229	102
Intra-government balances	4,264	4,065
Balances with bodies external to government	4,245	5,100
Total payables at 31 March	8,509	9,165
Amounts falling due after one year:		
Balances with other central government bodies	1,573	1,541
Balances with public corporations and trading funds	220	209
Intra-government balances	1,793	1,750
Balances with bodies external to government	490	413
Total payables at 31 March	2,283	2,163

14. Provisions for Liabilities and Charges

	Legal £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 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
Provided in the year	556	-	378	934
Provisions utilised in the year	(416)	-	(277)	(693)
Provisions not required written back	(391)	-	-	(391)
Unwinding of discount	-	-	68	68
At 31 March 2015	666	243	1,802	2,711
Expected timings of cash flows				
Within one year	666	-	316	982
Between two and five years	-	-	817	817
After five years	-	243	669	912
	666	243	1,802	2,711

Legal

Of the two provisions that were open at 1 April 2014 to settle claims following judgements at two employment tribunals that found against the CNPA, one has been settled including transferring £329,000 to the early departure cost provision, the other provision remains open. The provision has 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 up to £10,000 each. Of the four claims open at 1 April 2014 the provision is unchanged for one and the remaining three have been utilised or written back during the reporting period.

Dilapidations

The 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. 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 (CPI) to the previous September. Forecast CPI has been taken from the Budget Report published in March 2015 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of 1.3%. Payments after age 60 are discounted using the real discount rate of 1.3%.

15. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
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 1 April 2014	(4,817)	19,151	14,334
Grant-in-aid received	-	277	277
Other financing contributions	-	113	113
Comprehensive expenditure for the year	(677)	-	(677)
At 31 March 2015	(5,494)	19,541	14,047

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. The CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £5,494,000 (2013/14: £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 OPUs and compensation payments following two employment tribunals that found against the CNPA. These costs are not considered operating costs and cannot be recharged to the 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 the 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 the 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 the CNPA. Other financing contributions comprised £16,000 (2013/14: £16,000) of interest earned on the CNPA's bank accounts and £97,000 (2013/14: £134,000) 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 2015 not otherwise included in these financial statements comprised:

	2014/15 £000	2013/14 £000
Property, plant and equipment	1,024	379
Intangible assets	38	-
	1,062	379

17. Commitments Under Operating Leases

The 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 2015, £386,000 (2013/14: £383,000) 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:

	2014/15 £000	2013/14 £000
Leasehold properties		
Less than one year	338	338
Between one and five years	113	451
	451	789

	2014/15 £000	2013/14 £000
Leasehold office equipment		
Less than one year	12	45
Between one and five years	-	11
	12	56

18. Other Financial Commitments

The 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 the CNPA is committed are as follows:

	2014/15 £000	2013/14 £000
Less than one year	929	952
Between one and five years	2,664	4,092
Later than five years	-	-
	3,593	5,044

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 the 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 2015.

21. Related-Party Transactions

The CNPA is an executive non-departmental public body of DECC. DECC is regarded as a related party. During the year, the 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, the 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;
- Office for Nuclear Regulation; and
- Home Office.

No CNPA Board member, key manager or other related parties has undertaken any material transactions with the 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 2015 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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