Statement of Accounts presented to Parliament pursuant to Schedule 4 of the Railways and Transport Safety Act 2003

British Transport Police Fund

Statement of Accounts for the year ended 31 March 2011

Ordered by the House of Commons to be printed on
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Statement of Comprehensive Income

for the year ending 31 March 2011

	Note	2010-11 £000	Restated 2009-10 £000
Income			
Police Service Agreement income	3	201,410	199,046
Other Income	3	71,078	69,358
Release from Grant Reserve	3	1,165	932
		273,653	269,336
Expenditure			
Staff costs	4	(233,311)	(211,915)
Depreciation	5	(10,254)	(9,436)
Other Expenditure	5	(50,367)	(56,582)
		(293,932)	(277,933)
Deficit on ordinary activities before interest		(20,279)	(8,597)
Net Interest Receivable		134	10
Net Interest Payable for pension schemes	26	(20,100)	(24,000)
Net Deficit after interest before exceptional items		(40,245)	(32,587)
Credit to past service costs	25	135,700	0
Net Surplus/(Deficit) for the financial year		95,455	(32,587)
Other Comprehensive Income			
Net gain on revaluation of Property, Plant and Equipment		1,666	3,879
Actuarial gains/(losses) on defined benefit pension schemes	26	172,580	(150,390)
Cash Received from debtors and creditors previously written off	24	43	8
		174,289	(146,503)
Total Comprehensive Surplus/(Deficit) for the year ended 31 March 2011		**269,744**	**(179,090)**

The surplus/(deficit) for the financial year is transferred to the Income and Expenditure Reserve. Movements in the Income and Expenditure Reserve are set out in Note 24.

Further details explaining the operational surplus can be found in the Management Commentary.

All operations are classed as continuing; there were no material acquisitions or disposals during the year.

Accounting policies and notes forming part of these accounts are on pages xx to xx.

Statement of Financial Position

as at 31 March 2011

	Note	2011 £000	2011 £000	2010 Restated £000	2010 Restated £000	01 April 2009 Restated £000	01 April 2009 Restated £000
Non-Current Assets:							
Property, Plant and Equipment	6	49,101		44,515		35,613	
Intangible assets	7	5,723		4,178		3,596	
Trade and other receivables	10	172		281		338	
Other assets	10	0		0		1,800	
Total Non-Current assets:			**54,996**		**48,974**		**41,347**
Current Assets							
Inventories	9	445		384		310	
Trade and other receivables	10	24,433		23,264		54,468	
Cash and cash equivalents	11	18,643		35,657		15,037	
Total Current assets:			**43,521**		**59,305**		**69,815**
Total Assets			**98,517**		**108,279**		**111,162**
Current Liabilities							
Trade and other payables	12	(28,794)		(46,983)		(72,715)	
Provisions for liabilities and charges	13	(1,703)		(2,512)		(930)	
Total current liabilities			**(30,497)**		**(49,495)**		**(73,645)**
Non-current assets plus/less net current assets/liabilities			**68,020**		**58,784**		**37,517**
Non-Current Liabilities							
Pension Liabilities	26	(203,260)		(469,000)		(292,110)	
Other payables	12	(6,719)		(18,528)		(18,170)	
Total non-current liabilities			**(209,979)**		**(487,528)**		**(310,280)**
Assets less liabilities			**(141,959)**		**(428,744)**		**(272,763)**
Taxpayers' Equity							
Income and Expenditure Reserve	24	53,279		32,928		13,692	
Grant Reserve		3,664		3,903		3,693	
Revaluation Reserve		4,358		3,425		1,962	
Pension Reserve	26	(203,260)		(469,000)		(292,110)	
			(141,959)		(428,744)		(272,763)
			(141,959)		**(428,744)**		**(272,763)**
			0		0		0

The financial statements on pages xx to yy were approved by the Authority on xx/xx/xx and were signed on its behalf by:

Signed …….

Accounting Officer

Date ……

Accounting policies and notes forming part of these accounts are on pages xx to xx.

Statement of Cashflows

for the Year Ending 31 March 2011

	Note	£000	2010-11 £000	£000	2009-10 £000
Cash flows from operating activities					
Net Surplus/(Deficit) for the financial year		95,455		(32,587)	
Loss on disposal of non-current assets	5	331		236	
less movements in disposals of non-current assets relating to items not passing through the Statement of Comprehensive Income		0		80	
(Increase)/Decrease in trade and other receivables	10	(1,060)		33,061	
Increase in inventories	9	(61)		(74)	
Decrease in trade payables	12	(29,998)		(25,374)	
less movements in payables relating to items not passing through the Statement of Comprehensive Income		36		1	
Use of provisions	13	(809)		1,582	
Depreciation charges	6	8,944		8,315	
Amortisation charges	7	1,310		1,121	
Release of government grant reserve	3	(1,165)		(932)	
MHCA Revaluation Adjustment		1,100		520	
Pension charges	26	22,440		2,500	
Net Interest Payable for pension schemes	26	20,100		24,000	
Credit to past service costs	25	(135,700)		0	
Decrease in tangible asset accruals - non cash additions	6	131		1,689	
Decrease in intangible asset accruals - non cash additions	7	150		154	
Net cash flow from operating activities			(18,796)		14,292
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(13,620)		(16,006)	
Purchase of intangible non-current assets	7	(3,049)		(1,894)	
Proceeds of disposal of property, plant and equipment		245		187	
Net cash flow from investing activities			(16,424)		(17,713)
Cash flows from financing activities					
Grants from parent department		17,694		23,145	
Amounts repayable (to)/from the DfT		(414)		138	
Other grants		926		758	
Net financing			18,206		24,041
Net increase/(decrease) in cash and cash equivalents in the period			(17,014)		20,620
Cash and cash equivalents at the beginning of the period	11		35,657		15,037
Cash and cash equivalents at the end of the period	11		18,643		35,657
	11		17,014		(20,620)
			(0)		**0**

Accounting policies and notes forming part of these accounts are on pages xx to xx.

Statement of Changes in Taxpayers' Equity

for the Year Ending 31 March 2011

	Note	Income and Expenditure Reserve £000	Grant Reserve £000	Revaluation Reserve £000	Pension Reserve £000	Total Reserve £000
Balance at 31 March 2009		13,692	3,693	1,962	(292,110)	(272,763)
Changes in Taxpayers' Equity 2009-10						
Net gain on revaluation of property, plant and equipment and motor vehicles		627	0	3,252	0	3,879
Pension movement		0	0	0	(150,390)	(150,390)
Cash Received from debtors and creditors previously written off		8	0	0	0	8
Transfer between reserves		28,289	0	(1,789)	(26,500)	(0)
Comprehensive Income for the year		(32,587)	0	0	0	(32,587)
Total recognised income and expense for 2009-10		(3,663)	0	1,463	(176,890)	(179,090)
Grants Received						
Revenue Grant Received		15,806	0	0	0	15,806
Capital Grant in Aid Received		6,955	1,142	0	0	8,097
Amounts Repayable from the DfT		138	0	0	0	138
Amortisation of specific capital grants		0	(932)	0	0	(932)
Total Grants Received		22,899	210	0	0	23,109
Balance at 31 March 2010		**32,928**	**3,903**	**3,425**	**(469,000)**	**(428,744)**
Changes in Taxpayers' Equity 2010-11						
Net gain on revaluation of property, plant and equipment and motor vehicles		0	0	1,666	0	1,666
Pension movement		0	0	0	172,580	172,580
Cash Received from debtors and creditors previously written off		43	0	0	0	43
Transfer between reserves		(92,427)	0	(733)	93,160	0
Comprehensive Income for the year		95,455	0	0	0	95,455
Total recognised income and expense for 2010-11		3,071	0	933	265,740	269,744
Grants Received						
Revenue Grant in Aid Received		17,694	0	0	0	17,694
Capital Grant in Aid Received		0	926	0	0	926
Amounts repayable to the DfT		(414)	0	0	0	(414)
Amortisation of specific capital grants		0	(1,165)	0	0	(1,165)
Total Grants Received		17,280	(239)	0	0	17,041
Balance at 31 March 2011		**53,279**	**3,664**	**4,358**	**(203,260)**	**(141,959)**

Accounting policies and notes forming part of these accounts are on pages xx to xx.

Notes To The Accounts

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2010-11 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 the most appropriate to the particular circumstances of the British Transport Police Authority (the Authority) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority for 2010-11 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and follow the requirements of the 2010-11 Government Financial Reporting Manual.

The opening financial position as at 1 April 2010 shows net pension liabilities of £469.0m. This is owing to full implementation of IAS 19 Employee Benefits, requiring the costs and benefits of pension schemes relevant to the Authority to be reflected in the statement of accounts. The net liability of the scheme on 31 March 2011 was £203.3m, a decrease of £265.7m in the year. This decrease was caused by gains on the schemes investments and reduced liabilities (principally from a reduction in both the discount rate and future wage inflation). This liability is accounted for as a negative pension reserve. The Department for Transport, as the Authority's sponsoring department, has agreed to underwrite any pension shortfalls.

BTPA is confident that sufficient resources are available (from Police Service Agreements, from service income and from grants from the DfT) to meet its approved expenditure needs because of the agreement with the DfT. Accordingly it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.2 Recent Accounting Developments

Standards
A number of new standards, amendments and interpretations of standards, effective in 2010 and 2011 were issued. These had no material impact on the Authority's financial statements.

As at 31 March 2011, the following Standards and Interpretations have been issued but are not yet effective (and in some cases not yet adopted by the EU):

IAS 24 Related party disclosures (amended): effective for annual periods beginning on or after 1 January 2011.

IFRS 9 Financial Instruments: effective for annual period beginning on or after 1 January 2013. However, this can be adopted in phases. Phase 1 is on or after 1 January 2009. This is a new standard on classification and measurement of financial assets that will replace IAS39.

The adoption of the above standards and interpretations in future periods will have no material effect on the Authority's financial statements.

FReM
The Government Financial and Reporting Manual (FReM) includes the following accounting change that was issued and was effective in 2010-11:

Notional Cost of Capital charge: the notional Cost of Capital calculated, as required by HM Treasury, is no longer applicable. This has resulted in changes to the Statement of Comprehensive Income, as well as any related notes. The notional value of cost of capital charged to and reversed out of the prior year Statement of Comprehensive Income was £12,276,000 (2008-09 £7,810,000). The prior year Statement of Financial Position was not affected by this change in accounting policy.

1.3 Prior Year Adjustments

Material adjustments applicable to prior periods arising from either changes in accounting policy or the correction of material errors are accounted for as prior year adjustments. Opening balances are adjusted for the cumulative effect of the prior year adjustment and comparative figures for the preceding period are restated.

The only prior year adjustment in 2010-11 is the deletion of the Cost of Capital charge, as described above.

1.4 Non-Current Assets

Non-current assets includes improvements and capital works to leasehold buildings, plant and machinery, IT equipment, fixtures and fittings, and road vehicles required for the ongoing operations of the Force. These non-current assets are restated to current value each year using the relevant modified historic costing indices from the Office for National Statistics(MM17) for the category of non-current asset. All expenditure on the acquisition, creation or enhancement of tangible non-current assets is capitalised, subject to a minimum monetary limit of £1,000, on an accruals basis in accordance with IAS16 Property, Plant and Equipment.

1.5 Intangible Assets

Purchased computer software and software licences are capitalised as intangible fixed assets where expenditure of £1,000 or more is incurred.

Internally developed intangible assets, such as software or databases, are recognised as intangible assets if there is an identifiable asset that will produce future benefits and if the cost can be determined reliably.

All intangible assets are valued at cost. Except where reliable evidence of current value cannot be readily ascertained, these are restated to current value each year. Intangible assets are amortised over their useful lives, on a straight-line basis, over the shorter of the term of the licence or the life of the software package, which is usually five years.

1.6 Assets Under Construction

Assets under construction includes vehicles and buildings under construction. These assets have been purchased but require essential modification before they are safe and fit for purpose. The vehicle cost includes both the original vehicle cost plus the cost of modification. Buildings under construction includes refurbishment costs for buildings held on operating leases that the Authority has yet to occupy.

1.7 Depreciation

Depreciation is provided on a straight-line basis over periods representing the estimated useful lives of assets. Depreciation begins at the start of the period following acquisition.

These useful economic lives are subject to review as appropriate. The lives used for the major categories of assets are:

- Leasehold Improvements – Number of years remaining on the lease at time of purchase
- Plant and machinery – 5 years
- Fixtures and fittings - 5 years
- Information technology – 5 years
- Road vehicles – between 3 and 10 years

No depreciation is provided on assets under construction.

1.8 Disposals

Depreciation is charged on assets in accordance with the Authority's depreciation policy. Depreciation is charged up to the accounting period in which the asset is disposed. Any surplus or deficit is taken to the Statement of Comprehensive Income.

1.9 Income

All income is accounted for by applying the accruals convention, and is recognised in the period in which the services are provided.

Core PSA income is statutory and therefore exempt from value added tax. All other income is regarded as business income for value added tax purposes.

1.10 Leases

The Authority has a number of operating leases in respect of property and office machinery. Rentals under operating leases are charged to the Statement of Comprehensive Income in the period in which they are incurred. Where the arrangement includes incentives, such as rent-free periods, the value is recognised on a straight-line basis over the term of the lease. The Authority currently holds no finance leases.

1.11 Grants

Capital grant in aid, revenue grants and revenue grant in aid received are treated as financing and credited to the Income and Expenditure Reserve as they are regarded as contributions from a controlling party in line with the requirements of the FReM. All financing is on a cash basis.

Capital grants used to acquire specific capital items are credited to the Grant Reserve. The grants are released into the Statement of Comprehensive Income in line with the depreciation charged on the assets purchased.

1.12 Provisions

Provisions for liabilities and charges have been established in accordance with IAS37 Provisions, contingent liabilities and contingent assets and are based on reliable estimates of the expenditure required to settle future legal or constructive obligations that exist at 31 March 2011.

Provisions are charged to the Statement of Comprehensive Income and are released when the transfer of economic benefit to settle the obligation has been made. The key provisions included in these accounts are for claims against the Authority, employment tribunals and dilapidations.

1.13 Contingent Liabilities

In accordance with IAS 37, the Authority discloses as contingent liabilities potential future obligations arising from part obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the Authority's control, unless their likelihood is considered to be remote.

1.14 VAT

Most of the activities of the Authority are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Input VAT on non-statutory services is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Interest Payable / Receivable

Interest payable is accrued so that the period bears the full cost of interest relating to actual borrowings during that period.

Interest receivable is accounted for in the period in which it is due.

1.16 Inventories

Inventories is made up entirely of uniforms. The uniforms are stated at the lower of cost or net realisable value.

1.17 Research and Development

Expenditure on research is not capitalised. Expenditure on development is capitalised and written off over the useful life of the asset if it meets the criteria specified in the FReM. Expenditure that does not meet the criteria for capitalisation is treated as an expense and shown in the Statement of Comprehensive Income in the year in which it is incurred.

Non-current assets acquired for use in research and development are depreciated over the life of the associated project.

1.18 Insurance

The Authority insures its activities by purchasing policies for motor vehicles and travel, professional indemnity, Directors' and Officers' liability, fidelity guarantee and natural damages and business interruption. The cost of repairs and claims for damages, are charged to the Statement of Comprehensive Income as they occur. In the event of a material loss occurring the Authority will consult with the Secretary of State about the action to be taken.

1.19 Financial Instruments

The Authority has adopted IFRS 7 which requires disclosures in the financial statements to enable users to evaluate:

a) The significance of financial instruments for the Authority's financial position and performance; and

b) The nature and extent of risks arising from financial instruments to which the Authority is exposed during the year and at 31 March 2011 and how the Authority manages these risks.

Financial assets and liabilities are recognised on the Authority's Statement of Financial Position when the Authority becomes party to the contractual provisions of the instrument. Further details are shown in Note 8.

1.20 Provision for Bad and Doubtful Debts

All bad and doubtful debts are reviewed on a case by case basis to assess the likelihood of recovery actions being successful. Where appropriate, taking into account the nature of the debt, the payment record of the debtor, whether they have been or are in dispute with the Authority and any other appropriate information, a provision is made.

1.21 Pensions

In compliance with HM Treasury guidelines these accounts comply with IAS19 Employee Benefits which requires a liability to be recognised for retirement benefits as they are earned, and not when they are due to be paid.

Before 1st July 2004 all past and present employees were covered either by the British Transport Police Force Superannuation Fund (BTPFSF) for police officers, which was established by deed; or the Railway Pension Scheme (RPS), a scheme set up by the Railway Pension Scheme Order (1994) for other staff.

After 1st July 2004 the employer for both sections became the British Transport Police Authority and Railway Pension Scheme members (current and past) were transferred from the British Rail section to the British Transport Police section of the Railways Pension Scheme.

On 1 April 2007 the BTPFSF established a new category where all new joiners were enrolled. The existing category was closed to all new members at this time.

All schemes are defined benefit schemes meaning that retirement benefits are determined independently of the investments of the scheme. Under the rules of the scheme contributions are made up in either the ratio of 1.5:1 between employer and member respectively for the old BTPFSF scheme, 2:1 for the new BTPFSF scheme, or in the ratio of 1.5:1 between employer and member respectively in regard to the RPS (previously 1.57:1 until 30 June 2009) .

Further details of the Authority's pension schemes can be found in notes 25 and 26.

1.22 Cash and Cash Equivalents

For the purposes of the Statement of Cashflows, cash includes cash in hand and deposits on call at financial institutions. The Authority does not currently hold any items that meet the definition of cash equivalents such as short term highly liquid investments.

1.23 Estimation Techniques

Estimation techniques are the methods adopted to arrive at estimated monetary amounts for income and expenditure during the reported period and the valuation of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. There may be several alternative estimation techniques, which could produce a range of results. The significant estimation techniques for the Authority include the valuation of property, plant and equipment using the modified historic costing indices from the Office for National Statistics(MM17) for each category of non-current asset.

1.24 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Authority's accounting policies, which are described in note 1, senior management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.25 Critical Judgements in Applying the Accounting Policies

Provisions have been put in place for Employment Tribunals and other Claims against the Authority, based on management decisions and on evidence from the Authority's solicitors.

There are no other significant critical judgements made in applying the accounting policies.

1.26 Key Sources of Estimation Uncertainty

There are no significant sources of estimation uncertainty.

1.27 Exceptional Items

Exceptional items are those items that in the Authority's view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Authority's financial performance.

2 Segmental Analysis

The Authority operates as one class of business, that of policing the railways throughout England, Wales and Scotland, and undertakes that class of business in one geographical segment, Great Britain. Segmental analysis is therefore not appropriate.

3 Income

Police Service Agreement income is received from train operating companies and other organisations for policing and security services provided. It represents the value of services provided from the ordinary activities of the business during the year. Other income mainly comprises additional specific policing services required by train operating companies and other organisations.

	2010-11	2009-10
	£000	£000
Police Service Agreement income	201,410	199,046
Other income		
London Underground income	48,779	46,866
Enhanced Police Service Agreement income	16,035	18,932
Other income	6,264	3,560
	71,078	69,358
Release from Grant Reserve	1,165	932
Total	**273,653**	**269,336**

4 Staff Numbers and Related Costs

Total staff costs consist of:	2010-11 Total £000	Permanently Employed Staff Total £000	Temporary Employed Staff Total £000	2009-10 Total £000
Salaries and Wages	173,821	169,425	4,396	173,048
Social Security Costs	13,222	13,222	0	13,696
Other Pension Costs	46,268	46,268	0	25,171
Sub-total	233,311	228,915	4,396	211,915
Less recoveries in respect of outward secondments	(1,492)	(1,492)	0	(1,169)
Total staff costs	231,819	227,423	4,396	210,746

Between 01 April 2010 and 31 March 2011, contributions of £23.1 million (£22.5million for the year ended 31 March 2010) were paid to the Railway Pension Scheme and the British Transport Police Force Superannuation Fund (BTPFSF) at rates determined by the scheme's Actuary. Employer's contributions are currently 15.09% (+ BRASS matching) for the Railways Pension Scheme, 24% for the BTPFSF and 20% for the BTPFSF (new) . Further details of the Authority's pension schemes can be found in notes 25 and 26.

Between 01 April 2010 and 31 March 2011 6 employees retired early on ill-health grounds (8 persons for the year ended 31 March 2010); There were no additional accrued pension liabilities in the year ended 31 March 2011 (Nil for the year ended 31 March 2010).

Average number of persons employed

The average number of whole-time equivalent persons employed during the period was as follows.

				Period ending 2010-11	2009-10
	Police Officers	Police Community Service Officers	Police Staff	Total	Total
Directly Employed	2,896	316	1,329	4,541	4,581
Other - Agency Staff	0	0	88	88	91
	2,896	316	1,417	4,629	4,672

5 Other Expenditure

The deficit on ordinary activities before interest is stated after charging the following:

	Note	2010-11 £000	Restated 2009-10 £000	
Supplies and services: other staff costs		5,674	5,862	
Supplies and services: communications and computers		11,892	11,225	
Supplies and services: other		10,961	17,669	*
Rentals under operating leases		7,140	6,760	
Premises (excluding rentals under operating leases)		7,715	8,092	
Transport costs		4,522	4,768	
Non-cash items				
Depreciation of property, plant and equipment		8,944	8,315	
Amortisation of intangible assets		1,310	1,121	
MHCA Revaluation		1,100	520	*
(Gain)/Loss on disposal of property, plant and equipment		331	236	
Provision provided for in year		(682)	1,605	*
Bad Debt Write Offs		1,714	(155)	
Total		**60,621**	**66,018**	

During the year the Authority did not purchase any non-audit services from its auditor, The National Audit Office. Included in Supplies and Services: other is a charge of £110,000 for auditors remuneration for audit work related to 2010-11.

* During 2010-11 the Authority reviewed the way in which it analyses expenditure. As a result of this review the Authority have re-classified the allocation of some categories of expenditure to provide a more accurate analysis.

6 Property, plant and equipment

	Leasehold Improvements	Plant and Machinery	Vehicles	Assets Under Construction - Motor Vehicles	Assets Under Construction - Leasehold Improvements	Fixtures & Fittings	IT Equipment	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost								
At 1 April 2010	24,929	14,985	10,414	1,360	3,105	2,461	25,693	82,947
Additions	1,255	1,169	2,202	0	5,536	187	3,140	13,489
Transfers	0	0	49	(49)	0	0	0	0
Write offs	(98)	(2,199)	(54)	0	0	(15)	(7,839)	(10,205)
Disposals	0	0	(1,249)	0	0	0	(6)	(1,255)
Revaluations	1,529	753	8	0	0	141	(1,720)	711
At 31 March 2011	27,615	14,708	11,370	1,311	8,641	2,774	19,268	85,687
Depreciation								
At 1 April 2010	5,336	9,537	5,099	0	0	1,348	17,112	38,432
Charge for the Period	1,859	1,667	2,083	0	0	351	2,984	8,944
Transfers	0	0	0	0	0	0	0	0
Write offs	(56)	(2,209)	95	0	0	(13)	(7,725)	(9,908)
Disposals	0	0	(1,022)	0	0	0	(2)	(1,024)
Revaluations	33	580	17	0	0	115	(603)	142
At 31 March 2011	7,172	9,575	6,272	0	0	1,801	11,766	36,586
NBV at 31 March 2011	20,443	5,133	5,098	1,311	8,641	973	7,502	49,101
NBV at 31 March 2010	19,593	5,448	5,315	1,360	3,105	1,113	8,581	44,515
Asset Financing:								
Owned	20,443	5,133	5,098	1,311	8,641	973	7,502	49,101
NBV at 31 March 2011	20,443	5,133	5,098	1,311	8,641	973	7,502	49,101

	Leasehold Improvements	Plant and Machinery	Vehicles	Assets Under Construction - Motor Vehicles	Assets Under Construction - Leasehold Improvements	Fixtures & Fittings	IT Equipment	Total
	Restated £000	Restated £000	£000	£000	£000	Restated £000	Restated £000	Restated £000
Cost								
At 1 April 2009	18,546	12,071	8,923	1,971	2,115	1,906	21,181	66,713
Additions	4,840	2,313	2,321	0	990	447	3,406	14,317
Transfers	(10)	0	611	(611)	0	0	10	0
Write offs	(177)	(430)	0	0	0	(128)	(373)	(1,108)
Disposals	0	0	(1,552)	0	0	0	0	(1,552)
Revaluations	1,730	1,031	111	0	0	236	1,469	4,577
At 31 March 2010	24,929	14,985	10,414	1,360	3,105	2,461	25,693	82,947
Depreciation								
At 1 April 2009	3,974	7,772	4,517	0	0	940	13,897	31,100
Charge for the Period	1,628	1,479	1,758	0	0	363	3,087	8,315
Transfers	0	0	0	0	0	0	0	0
Write offs	(91)	(398)	0	0	0	(111)	(282)	(882)
Disposals	0	0	(1,243)	0	0	0	0	(1,243)
Revaluations	(175)	684	67	0	0	156	410	1,142
At 31 March 2010	5,336	9,537	5,099	0	0	1,348	17,112	38,432
NBV at 31 March 2010	19,593	5,448	5,315	1,360	3,105	1,113	8,581	44,515
NBV at 31 March 2009	14,572	4,299	4,406	1,971	2,115	966	7,284	35,613
Asset Financing:								
Owned	19,593	5,448	5,315	1,360	3,105	1,113	8,581	44,515
NBV at 31 March 2010	19,593	5,448	5,315	1,360	3,105	1,113	8,581	44,515

Property, plant and equipment have been stated at current cost using the modified historic costing indices from the Office for National Statistics(MM17) for each category of asset.

7 Intangible Non-Current Assets

Intangible assets comprise of purchases of software and software licences.

	Purchased Software Licences	Information Technology	Development Expenditure	Total
	£000	£000	£000	£000
Cost				
At 1 April 2010	3,464	3,281	0	6,745
Additions	662	174	2,063	2,899
Transfers	0	0	0	0
Write offs	(225)	(50)	0	(275)
Disposals	0	0	0	0
At 31 March 2011	3,901	3,405	2,063	9,369
Depreciation				
At 1 April 2010	1,478	1,089	0	2,567
Charge for the Period	679	631	0	1,310
Transfers	0	0	0	0
Write offs	(192)	(39)	0	(231)
Disposals	0	0	0	0
At 31 March 2011	1,965	1,681	0	3,646
NBV at 31 March 2011	1,936	1,724	2,063	5,723
NBV at 31 March 2010	1,986	2,192	0	4,178

	Purchased Software Licences Restated £000	Information Technology Restated £000	Development Expenditure £000	Total Restated £000
Cost				
At 1 April 2009	2,740	2,537	0	5,277
Additions	950	790	0	1,740
Transfers	0	0	0	0
Write offs	(226)	(46)	0	(272)
Disposals	0	0	0	0
At 31 March 2010	3,464	3,281	0	6,745
Depreciation				
At 1 April 2009	1,063	618	0	1,681
Charge for the Period	607	514	0	1,121
Transfers	0	0	0	0
Write offs	(192)	(43)	0	(235)
Disposals	0	0	0	0
At 31 March 2010	1,478	1,089	0	2,567
NBV at 31 March 2010	**1,986**	**2,192**	**0**	**4,178**
NBV at 31 March 2009	**1,677**	**1,919**	**0**	**3,596**

8 Financial Instruments

Owing to the largely non-trading nature of its activities and the way in which the Authority is financed, the Authority is not exposed to the degree of financial risk faced by business entities. The Authority has very limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Authority in undertaking its activities.

Liquidity Risk
The Authority's net revenue and capital resource requirements are financed by resources from the PSA holders, and other Government bodies. There is an agreement with the Department for Transport to provide a loan facility based on cashflow requirement. Therefore the Authority is not exposed to significant liquidity risks.

Interest Rate Risk

All of the Authority's financial assets and all of its financial liabilities carry nil or fixed rates of interest, and the Authority is not therefore exposed to significant interest-rate risk.

Foreign Currency Risk

The Authority's exposure to foreign currency risk is not significant. Foreign currency income and expenditure is negligible.

Fair Values

Set out below is a comparison by category of book values and fair values of the Authority's financial assets and liabilities as at 31 March 2011.

Primary Financial Instruments:	**Book Value £000**	**Fair Value £000**
Financial Assets:		
Cash at Bank	18,643	18,643
Financial Liabilities:		
Provisions	1,703	1,703

9 Inventories

Uniforms	**31 March 2011 £000**	**31 March 2010 £000**	**01 April 2009 £000**
Opening Balance	384	310	0
Additions	518	671	310
Utilisations	(457)	(597)	0
Closing Balance	445	384	310

10 Trade Receivables and other current assets

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Amounts falling due within one year:			
Trade Receivables	16,776	25,767	58,253
PSA Receivable*	0	1,800	1,700
Other Receivables	1,150	1,347	868
Prepayments and accrued income	6,736	5,109	4,658
Less: Provision for Doubtful Debts	(229)	(229)	(229)
Provision for Bad and Doubtful Debts	0	(10,530)	(10,782)
Total	**24,433**	**23,264**	**54,468**

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Amounts falling due after more than one year:			
Other Receivables	0	0	1,800
Prepayments and accrued income	172	281	338
	172	**281**	**2,138**

* The PSA receivables were a result of DfT agreeing a loan of £10m to cover deferred PSA charges for 2005-06. The repayment of this loan has been met by a deferred PSA charge to the PSA holders over four years starting in 2007-08 and the final payments were made in 2010-11.

Amounts in the above figures due to other entities included in the Whole of Government Accounts

	31 March 2011	Restated 31 March 2010	Restated 01 April 2009
	£000	£000	£000
Other central government bodies	3,773	3,622	1,878 *
Local authorities	2,527	2,317	86 *
NHS bodies	0	0	0
Public corporations and trading funds	0	0	0
Intra-government debtors	6,300	5,939	1,964
Bodies external to government	18,305	17,606	54,642 *
	24,605	**23,545**	**56,606**

* During 2010-11 the Authority reviewed the way in which it analyses Trade Receivables and other current assets for the purposes of the Whole of Government Account. As a result of this review the Authority have re-classified some of the Trade Receivables and other current assets from Bodies external to the Government to Other central government bodies. This provides a more accurate analysis of the balances outstanding.

11 Cash and cash equivalents

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Balance at 01 April	35,657	15,037	25,303
Net change in cash and cash equivalent balances	(17,014)	20,620	(10,266)
Balance at 31 March	**18,643**	**35,657**	**15,037**
The following balances at 31 March were held at:			
Government Banking Service	419	8,920	15,028
Commercial banks and cash in hand	18,224	26,737	9
Balance at 31 March	**18,643**	**35,657**	**15,037**

12 Trade Payables and other current liabilities

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Amounts falling due within one year:			
Department for Transport Loan	0	1,798	1,700
Trade payables	2,771	71	594
VAT payable	348	242	384
Other Taxation & Social Security	3,981	3,981	4,047
Other payables	762	21,038	46,660
Accruals & Deferred Income	20,932	19,853	19,330
Total	**28,794**	**46,983**	**72,715**

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Amounts falling due after more than one year			
Department for Transport Loan	0	17,694	16,370
Other payables, accruals and deferred income	6,719	834	1,800
	6,719	**18,528**	**18,170**

Amounts in the above figures due to other entities included in the Whole of Government Account

	31 March 2011	Restated 31 March 2010	01 April 2009
	£000	£000	£000
Other central government bodies	5,322	40,400	24,813 *
Local authorities	1	2	9
Public corporations and trading funds	0	0	1
Intra-government payables and liabilities	**5,323**	**40,402**	**24,823**
Bodies external to government	30,190	25,109	66,062 *
	35,513	**65,511**	**90,885**

* During 2010-11 the Authority reviewed the way in which it analyses Trade Payables and other current liabilities for the purposes of the Whole of Government Account. As a result of this review the Authority have re-classified some of the Trade Payables and other current liabilities from Bodies external to the Government to Other central government bodies. This provides a more accurate analysis of the balances outstanding.

13 Provisions for liabilities and charges

Provisions have been recognised within the accounts where:

(i) The Authority has a present obligation (legal or constructive) as a result of a past event;
(ii) it is probable that a transfer of economic benefits will be required to settle the obligation;
(iii) a reliable estimate can be made of the amount of the obligation;
(iv) it is subject to a case threshold of £50,000.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at 31 March 2011.

	Claims Against the Authority £'000	Employment Tribunals £'000	Dilapidations £'000	Other Provisions £'000	Total £'000
Balance at 1 April 2009	284	396	250	0	930
Provided in the year	367	947	0	563	1,877
Provisions not required written back	(214)	(58)	0	0	(272)
Provisions utilised during the year	(11)	(12)	0	0	(23)
Balance at 1 April 2010	426	1,273	250	563	2,512
Provided in the year	287	200	0	792	1,279
Provisions not required written back	(326)	(843)	0	0	(1,169)
Provisions utilised during the year	0	(356)	0	(563)	(919)
Balance at 31 March 2011	387	274	250	792	1,703

The provisions for the Authority are all expected to be utilised by 31 March 2012.

Claims Against the Authority

This provision applies to claims made by employees of the Authority / Force, members of the public and third parties (for incidents arising from motor vehicle accidents), which are allegedly caused by the Authority's / Force's negligence and result in physical or mental injury, loss, damage or death. The provision is created based on information provided on a regular basis by professional in-house staff, claims advisers and solicitors and is the estimated cost of settlement including legal costs. This provision also applies to loss of or damage to property and equipment belonging to or occupied by the Authority, or for which they are responsible.

Employment Tribunals

This provision is established on an individual case basis in conjunction with external legal advisers, relating to employment disputes, such as unfair dismissal, discrimination, etc. The provision covers estimated costs of any settlement and any legal expenses.

Dilapidations

This provision applies to dilapidations of leasehold properties.

Other Provisions

The provision set up in 2009-10 was established based on the estimate of the Authority's share of the costs of the inquests into the 10 May 2002 train crash at Potters Bar and the 07 July 2005 London bombings. All costs relating to these inquests were incurred during 2010-11.

The provision at 2010-11 was established based on the estimate of the costs for the Voluntary Severance Scheme for senior officers.

14 Capital Commitments

Contracted capital commitments at 31 March 2011 for which no provision has been made:

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Property, plant and equipment	0	1,790	1,010
	0	1,790	1,010

As at 31 March 2011 there were no Capital Commitments relating to work yet to be started on properties. At 31 March 2010 there were four Capital Commitments totalling £1,790,000.

15 Commitments under leases

15.1 Operating Leases

A) Rentals under Operating Leases

	31 March 2011	31 March 2010	01 April 2009
	£000	£000	£000
Land and buildings	6,664	6,392	6,240
Plant and machinery	153	152	150
Total	**6,817**	**6,544**	**6,390**

B) Obligations under Operating Leases for the following periods comprise:

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	31 March 2011	31 March 2010	01 April 2009
Obligations under operating leases comprise:	£000	£000	£000
Buildings:			
Expiry within 1 year	121	62	317
Expiry after 1 year but not more than 5 years	963	1,142	1,609
Expiry thereafter	79,003	75,783	65,476
Total Operating Lease obligations	**80,087**	**76,987**	**67,402**

15.2 Finance Leases

The Authority have no leases that meet the definition of finance leases under IAS17.

16 Other Financial Commitments

The Authority did not enter into any non-cancellable contracts (which are not leases) during 2010-11 (Nil in 2009-10 and previous years).

17 Contingent Liabilities disclosed under IAS 37

The Authority has not entered into any unquantifiable contingent liabilities within the meaning of IAS 37.

18 Related Party Transactions - London Underground Area

The Authority employs police officers who work in the London Underground Area ("L Area") of the Force. This arrangement is embodied within a formal written agreement between the SRA (the predecessor organisation for BTPA) and London Underground Limited (LUL) entitled "For the Provision of Police Services by the British Transport Police for the London Underground", dated 27 May 2002. It remains in force until terminated at any time by either party requiring two years notice of the intention to do so.

Although the agreement was with both LUL and the Authority predecessor organisations, the agreement remains in form and substance and the obligations it contains are assigned to the Authority and TfL/LUL as successor organisations. It stipulates that LUL will indemnify the Authority for all reasonable costs associated with the delivery of police services.

The Chief Constable has legal authority for the Force and, subject to approval by the Authority, and in agreement LUL determines the level of resources required annually. Under the agreement the Authority recharges all payroll and other agreed costs of providing the police service to LUL on a periodic basis. In addition the agreement provides for the recovery of an appropriate share of the Authority's centrally organised services.

In 2010-11 staff costs relating to LUL were £43.7m (£44.0m for the year ended 31 March 2010). The average number of police officers and police staff employed on London Underground during 2010-11 was 932 (956 for the year ended 31 March 2010).

LUL was invoiced by the Authority £10,475,577 in 2010-11 for non staff related costs (£9,686,110 in 2009-10) and as at 31 March 2011 £1,363,477 was outstanding (£1,101,932 at 31 March 2010).

19 Related Party Transactions - Other

The Department for Transport as the Authority's sponsor is a related party. The DfT was invoiced by the Authority £678,543 in 2010-11 (£42,070,060 in 2009-10) and as at 31 March 2011 £649,966 was outstanding, this relates to 2009-10 (£649,966 at 31 March 2010). At 31 March 2010 the Authority had a loan balance with the DfT of £17,693,647. This was transferred in full to grant-in-aid during 2010-11. In addition to this £2,253,194 has been identified as funding relating to 2010-11, which will be subject to a claim to the DfT in 2011-12. The Authority also has a liability with the DfT of £445,448 relating to depreciation on funded capital purchases (£16,232,000 at 31 March 2010).

Network Rail with whom the Authority has a Police Service Agreement is also a related party. Network Rail was invoiced by the Authority £81,528,457 in 2010-11 (£82,925,199 in 2009-10) and as at 31 March 2011 £5,789,218 was outstanding (£304,684 at 31 March 2010).

Due to its status as a national Police Force the Authority has received grants from the Home Office totalling £nil in 2010-11 (£154,560 in 2009-10). There was nothing outstanding at 31 March 2011 (£nil at 31 March 2010). The Home Office is regarded as a related party.

Six members of the Authority are drawn from organisations providing railway services. Some of these members are employed by organisations that have contracts with the Authority. The corporate governance arrangements of the Authority require members to register financial and other interests and also to disclose personal or prejudicial interest where matters are discussed at meetings of the Authority.

Also, four members are drawn from a background which requires them to have an interest with people travelling on the railway. Further details of Authority members and their interests can be found in the Management Commentary.

20 Third Party Assets

The Authority administers funds on behalf of third parties. Money held by the funds is not owned by the Authority and is not included in the Statement of Financial Position. Authority staff administer the British Transport Police Authority Property Act Fund Account and the British Transport Police Cash Seizures Accounts on behalf of the Authority and the remaining funds on behalf of their respective governing bodies. Details of these funds are below:

	31 March 2010 £000	Gross Inflows £000	Gross Outflows £000	31 March 2011 £000
British Transport Police Authority Property Act Fund Account	69	2	(10)	61
British Transport Police Cash Seizures Accounts	634	388	(558)	464
Total Third Party Assets	703	390	(568)	525

British Transport Police Authority Property Act Fund Account

Regulations under the Police (Property) Act 1897 and its subsequent amending legislation permit police to retain the proceeds from the disposal of property that comes into police possession in connection with a criminal charge (or suspicion of a criminal offence being committed) where the owner has not been ascertained or no court order has been made. The legislation stipulates that the income is to be used to meet the cost of the storage and the sale of property with any residual funds being used for charitable purposes in accordance with directions of the Force's Police Authority. The British Transport Police Authority Property Act Fund Account is used for this purpose.

British Transport Police Cash Seizures Accounts

In accordance with the Proceeds of Crime Act 2002 the Authority's Police Officers have the power to seize cash from suspects and hold the money until court proceedings have completed. The cash, with interest, is then either paid back to the defendant or paid over to the Home Office or other relevant authorities. As the cash is not the property of the Authority it does not form part of the Force's normal banking arrangements. As a result the Authority set up a separate interest earning account with Barclays Bank Plc to manage cash seizures. During the previous financial year the Authority transferred its banking operations to Royal Bank of Scotland (RBS). The Authority has now wound up the old Barclays account and has transferred the remaining deposits to the new RBS cash seizures account.

Also, as part of ongoing investigations the Authority, on occasion, holds sealed bags of seized cash. Monies are held in a safe, but the amounts involved are not always known.

21 Charges to Police Service Users

As a result of the Judicial Review in 2009, the core PSA charges are calculated by using two different models for different PSA holders, depending on the contract that the PSA holder has in place. When the charges are calculated using the two different models, the charges do not recover 100% of the Authority's net expenditure. A formal agreement is in place with the DfT which funds this gap. In 2010-11 the gap was £5,218k (2009-10 £6,397k)

22 Losses and Special Payments

Losses and special payments of £12,326,411 were incurred during the year. Of this £12,228,411 related to the failure to make adequate charges. These relate to the Judicial Review and have been met in full by the DfT through Grant in Aid . The remaining £98,000 relates to a special payment.

23 Events After the Reporting Period

On 1 April 2011 an agreement was reached with a PSA holder which reduced their charges by £3,696k which arose directly from the Judicial Review process and a previous mediation. On 31 March 2011 the DfT approved the conversion of this amount from loan to financing. This has been treated as an adjusting event after the reporting period and has therefore been fully reflected in these financial statements.

The date the accounts are authorised for issue is the date that they are certified by the Comptroller and Auditor General.

24 Income and Expenditure Reserve

This comprises the Distributable Reserve, the Revenue Financing Reserve, the Capital Financing Reserve, the Working Capital Reserve and the Contingency Reserve.

	Distributable Reserve	Revenue Financing Reserve	Capital Financing Reserve	Working Capital Reserve	Contingency Reserve	Total
	£000	£000	£000	£000	£000	£000
Opening balance at 01 April 2009 (restated)	(24,243)	0	30,035	6,500	1,400	13,692
Comprehensive Income for the year	(32,587)					(32,587)
Cash Received from debtors and creditors previously written off	8					8
Transfer between reserves	27,465				824	28,289
Indexation	627					627
Revenue Grant Received		15,806				15,806
Capital Grant in Aid Received			6,955			6,955
Amounts repayable from the DfT			138			138
Balance at 31 March 2010 (restated)	(28,730)	15,806	37,128	6,500	2,224	32,928
Comprehensive Income for the year	95,455	0	0	0	0	95,455
Cash Received from debtors and creditors previously written off	43	0	0	0	0	43
Transfer between reserves	(92,927)	0	0	0	500	(92,427)
Revenue Grant Received	0	17,694	0	0	0	17,694
Capital Grant in Aid Received	0	0	0	0	0	0
Amounts repayable to the DfT	0	0	(414)	0	0	(414)
Closing balance at 31 March 2011	(26,159)	33,500	36,714	6,500	2,724	53,279

Distributable Reserve

The Distributable represents the Authority's cumulative past operating surpluses/deficits.

Revenue Financing Reserve

The Revenue Financing Reserve represents the funding received from the DfT to cover the impact of the Judicial Review, which resulted in the core PSA charges being based on two models which do not recover 100% of the Authority's net expenditure. There is a formal agreement with the DfT to fund this gap. The Authority have received formal permission from the DfT to convert these funds from loan to financing. In addition to the financing received there is an additional £2,222k for 2010-11 relating to the Judicial Review that has yet to be claimed from the DfT.

Capital Financing Reserve

The Capital Financing Reserve represents the Government grants received from the DfT for the general acquisition of capital goods. There is an agreement with the DfT over the repayment of these funds.

Working Capital Reserve

The Working Capital Reserve represents Grant in Aid from the DfT to ensure the liquidity of the Authority.

Contingency Reserve

The Contingency Reserve was created with the agreement of HM Treasury and the DfT to provide for unexpected events, such as major incidents and crimes, and to reduce the impact of these events on a single years budget. The reserve is not expected to exceed £3m, with the ceiling being increased by the Retail Price Index each year.

25 Disclosure of Retirement Benefits

The pension costs associated with staff employed by the Authority during the year are £47.4m (£27.0m in 2009-10). This cost is partially offset by employer contributions of £25.0m (£24.5m in 2009-10) and a net return on the pension fund of (£20.1m) ((£24.0m) in 2009-10), leaving a net debit of pensions for the year of £42.5m ((£26.5m in 2009-10). In addition to this there was an exceptional item of £135.7m relating to the credit to past service costs as a result of the change from the Retail Prices Index to the Consumer Prices Index for Pensions Uprating. The total pension liabilities for all staff, past and present, is shown in the Statement of Financial Position. This amounts to £203.3m (£469.0m in 2009-10). HM Treasury have confirmed that the charge or credit to the Statement of Comprehensive Income arising from IAS19 should be excluded from the calculation of the amount to be reclaimed from parties with Police Service Agreements with the Authority.

The fund participates in two pension schemes both of which schemes are the direct responsibility of the Authority: the British Transport Police Force Superannuation Fund (BTPFSF) for police officers and the British Transport Police Section of the Railways Pension Scheme (RPS) for other staff. Both schemes cover present and past employees, and aim to be fully funded.

The position of the schemes at 31 March 2011 were as follows:

Pension Liabilities	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
British Transport Police Force Superannuation Fund (BTPFSF)	181,090	425,900	270,500
British Transport Police Section of the Railways Pension Scheme (RPS)	22,170	43,100	21,600
	203,260	469,000	292,100

Accounting for the Change from the Retail Prices Index to the Consumer Prices Index for Pensions Uprating

In the UK Budget Statement of 22 June 2010, the Chancellor of the Exchequer announced that, with effect from 1 April 2011, the Government would use the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for the price indexation of benefits and tax credits; and that this would also apply to public service pensions through the statutory link to the indexation of the Second State Pension.

The British Transport Police Force Superannuation Fund (BTPFSF) and the Railways Pension Scheme (RPS) are private section schemes, however, according to the rules of both arrangements, pensions in payment and benefits in deferment are increased in the same proportion as official pensions are increased under the Pensions (Increase) Act 1971. The Pensions Increase (Review) Order 2011 provided for official pensions which began before 12 April 2010 to be increased by 3.1% on or after 11 April 2011; this was in line with CPI in September 2010. As a result of this Order an increase of 3.1% was made to benefits in the BTPFSF and the British Transport Police Section of the RPS.

The question of whether, as regards the main public service pension schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when the Government had adjudged that the deficit reduction was a fundamental objective for the country. If the Governments case is proven, there would be no change to the accounting treatment adopted in these accounts.

The effect of this change can be seen in the exceptional items line of the Statement of Comprehensive Income..

Impact on I&E	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
British Transport Police Force Superannuation Fund (BTPFSF)	35,540	23,700	9,300
British Transport Police Section of the Railways Pension Scheme (RPS)	7,000	2,800	4,200
	42,540	26,500	13,500
Exceptional Items			
British Transport Police Force Superannuation Fund (BTPFSF)	(124,600)	0	0
British Transport Police Section of the Railways Pension Scheme (RPS)	(11,100)	0	0
	(135,700)	0	0
Total Impact on I&E	(93,160)	26,500	13,500

Further details can be found in Note 26.

26 British Transport Police Force Superannuation Fund (BTPFSF)

The British Transport Police Force Superannuation Fund was established by a Trust Deed made on 30th December 1974 which amalgamated the British Transport Police Force Superannuation and Retirement Benefit Funds, which itself was established by a Trust Deed made on 1 September 1968, (the 1968 Section), and the British Transport Police Force Superannuation Fund 1970 Section, established by a Trust Deed on 5 April 1972 (the 1970 Section).

From 1 April 2007 the BTPFSF established a new category where all new joiners will be enrolled - hereafter known as BTPFSF (new). The existing category was closed to all new members at this time. The new category is a defined benefit scheme.

The employer contribution includes the benefit support contributions received by the Government.

The BTPFSF provides benefits on a "final salary" basis at a pension age of 55. Pension benefits accrue at the rate of one-forty-fifth of final average salary less one-thirtieth of final average State flat-rate pension for each year of beneficial membership. In addition a lump sum is payable on retirement. This value of this is dependent on the rules applicable to the individual concerned..

Members pay contributions of 16.0% of scheme salary and the employer pays one and a half times the employee contribution, being 24.0%. In addition the employer paid a deficit payment of 1.7% of the benefit outgoings for the 1970 Contributory Section of the BTPFSF for 3 years from 1 April 2005 until 31 March 2008.

The BTPFSF (new) provides benefits on a "final salary" basis at a pension age of 55. Pension benefits accrue at the rate of one-seventieth of final average salary for each year of beneficial membership of the fund (subject to a maximum of thirty-five years). In addition, a tax-free lump sum equivalent to four-seventieths of final average salary for every year of beneficial membership in the fund is payable on retirement.

Members pay contributions of 10.0% of pensionable salary and the employer pays twice the employee contribution, being 20.0%.

The service cost has been calculated as the total cost (including BRASS contributions which are also included in the employer' s contribution figure) less actual employee contributions. BRASS and AVC Extra are additional voluntary contribution arrangements which accept additional employee contributions.

Under the Trust Deed and Rules the pension fund is subject to an independent triennial actuarial valuation to monitor the funding level and determine the employer's and employees' contribution rates. An independent actuarial valuation was carried out as at 31 December 2009 by Towers Watson. The results, which showed a deficit, have now been finalised, and a recovery plan has been agreed with the Trustee. The Authority uses Mercer Limited to provide the IAS19 valuation.

The employer's pension contributions for the current year and the previous four years were

2006-07 19.3% of salaries.
2007-08 12.6% of salaries
2008-09 13.0% of salaries
2009-10 9.7% of salaries
2010-11 16.0% of salaries

The amounts recognised in the statement of financial position are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Present value of funded obligations	1,034,100	1,214,200	862,900
Fair value of plan assets	(853,010)	(788,300)	(592,400)
	181,090	425,900	270,500
Present value of unfunded obligations	-	-	-
Unrecognised actuarial gains (losses)	-	-	-
Unrecognised past service cost	-	-	-
Net liability	181,090	425,900	270,500
Amounts in the statement of financial position:			
liabilities	181,090	425,900	270,500
assets	-	-	-
Net liability	181,090	425,900	270,500

The amounts recognised in the Statement of Comprehensive Income are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Current service cost	38,700	22,200	29,600
Interest on obligation	70,000	58,600	59,100
Expected return on plan assets	(51,900)	(36,300)	(60,000)
Net actuarial losses (gains) recognised in year	-	-	-
Past service cost	(124,600)	-	-
Losses (gains) on curtailments and settlements	-	-	-
	-	-	-
Total pension cost recognised in the income statement	(67,800)	44,500	28,700
Actual return on plan assets	70,100	196,500	(233,400)

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Benefit obligation at beginning of year	1,214,200	862,900	999,000
Current service cost	38,700	22,200	29,600
Interest cost	70,000	58,600	59,100
Plan participants' contributions	12,250	12,000	11,300
Past service costs	(124,600)	-	-
Actuarial (gains)/losses	(137,550)	291,900	(201,400)
Losses (gains) on curtailments	-	-	-
Liabilities extinguished on settlements	-	-	-
Benefits paid (including expenses)	(38,900)	(33,400)	(34,700)
Effect of exchange rate changes	-	-	-
Benefit obligation at end of year	1,034,100	1,214,200	862,900
Analysis of defined benefit obligation			
Plans that are wholly or partly funded	1,034,100	1,214,200	862,900
Plans that are wholly unfunded	-	-	-
Total	1,034,100	1,214,200	862,900

Changes in the fair value of plan assets are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Fair value of plan assets at beginning of year	788,300	592,400	829,800
Expected return on plan assets	51,900	36,300	60,000
Actuarial gains / (losses)	18,200	160,200	(293,400)
Business combinations	-	-	-
Assets distributed on settlements	-	-	-
Employer contribution	19,420	18,800	17,400
Member contributions	12,250	12,000	11,300
Government support payments	1,840	2,000	2,000
Benefits paid (including expenses)	(38,900)	(33,400)	(34,700)
Effect of exchange rate changes	-	-	-
Fair value of plan assets at end of year	853,010	788,300	592,400

The Authority expects to contribute around £22.5m to this pension scheme in the year ending 31 March 2012 (£19.4m in the year ended 31 March 2011).

To develop the expected long-term rate of return on assets assumption, Mercers considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations of future returns for each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 7.26% assumption for the year ended 31 March 2008, 6.16% for the year ended 31 March 2009, 6.60% for the year ended 31 March 2010 and 6.70% for the year ended 31 March 2011.

Plan assets at the year end (expressed as weighted averages)

Percentage of plan assets by asset allocation	31 March 2011	31 March 2010	01 April 2009
Equities	68.70%	68.90%	64.10%
Bonds	17.10%	11.50%	13.10%
Real Estate	8.00%	8.60%	9.70%
Other	4.20%	9.00%	10.50%
Allowance for Government Support Payments	2.00%	2.00%	2.60%
	100.00%	100.00%	100.00%

Expected return on assets by asset allocation	31 March 2011	31 March 2010	01 April 2009
Equities	7.60%	7.70%	7.20%
Bonds	4.95%	5.10%	5.40%
Real Estate	6.30%	6.40%	6.30%
Other	5.50%	5.70%	5.70%
Allowance for Government Support Payments	0.50%	0.50%	0.50%
	6.70%	6.60%	6.80%

Principal actuarial assumptions as at the end of the reporting period (expressed as weighted averages)

Weighted average assumptions used to determine benefit obligations at:	31 March 2011	31 March 2010	01 April 2009
Discount rate	5.50%	5.70%	6.80%
Rate of compensation increase *	4.50%	5.20%	4.80%
Rate of RPI price inflation	3.50%	3.70%	3.30%
Rate of CPI price inflation	2.75%	n/a	n/a
Rate of deferred pension increases	2.75%	3.70%	3.30%
Rate of pensions increases	2.75%	3.70%	3.30%

* allowance has been made for a pay freeze until 2013 and then increases of 4.5% pa thereafter.

Weighted average assumptions used to determine net pension cost for the year ended:	31 March 2011	31 March 2010	01 April 2009
Discount rate	5.70%	6.80%	5.90%
Expected long-term return on plan assets	6.71%	6.16%	7.26%
Rate of compensation increase	5.20%	4.80%	5.00%
Rate of RPI price inflation	3.70%	3.30%	3.30%
Rate of CPI price inflation	n/a	n/a	n/a
Rate of deferred pension increases	3.70%	3.30%	3.30%
Rate of pensions increases	3.70%	3.30%	3.30%

Weighted average life expectancy for mortality tables used to determine benefit obligations at:

	31 March 2011	31 March 2010	01 April 2009
Male member age 65 (current life expectancy)	21.7	19.4	19.4
Female member age 65 (current life expectancy)	24.5	21.7	21.7
Male member age 45 (life expectancy at age 65)	24.0	22.3	22.2
Female member age 45 (life expectancy at age 65)	26.9	24.4	24.3

Amounts for the current year and previous four years are as follows:	31 March 2011 £000	31 March 2010 £000	31 March 2009 £000	31 March 2008 £000	31 March 2007 £000
Benefit obligation at the end of year	1,034,100	1,214,200	862,900	999,000	898,100
Fair value of plan assets at end of year	853,010	788,300	592,400	829,800	869,600
Surplus / (deficit)	(181,090)	(425,900)	(270,500)	(169,200)	(28,500)
Difference between expected and actual return on scheme assets:					
amount (£ '000)	34,000	160,200	(293,400)	(101,100)	20,300
percentage of scheme assets	3%	20%	(50%)	(12%)	2%
Experience gains and losses on scheme liabilities:					
amount (£ '000)	31,600	13,800	(200)	(35,800)	17,800
percentage of scheme liabilities	3%	1%	0%	(4%)	2%

The actuarial update as at 31 March 2011 showed a decrease in the shortfall from £425,900,000 to £181,090,000.

British Transport Police Section of the Railways Pension Scheme (RPS)

The Railways Pension Scheme (RPS) was established by the Railways Pension Scheme Order 1994 (SI No 1433). The British Transport Police Shared Cost Section of the Scheme was established on 1 July 2004 by a Deed of Establishment and Participation between the British Transport Police Authority (the "Participating Employer") and Railways Pension Trustee Company Limited as Trustee of the Scheme (the Trustee).

This section is open to new members.

The RPS provides benefits on a defined benefit "final salary" basis at a pension age of 60. Pension benefits accrue at the rate of one-sixtieth of final average pay less one-fortieth of the final average basic State pension for each year of pensionable service. In addition, a lump sum equivalent to one fortieth of final average pay for every year of pensionable service is payable on retirement.

Members pay contributions of 10.06 % of section pay (this was 9.2% up to 30 June 2009). The employer contribution is one and a half times the members', being 15.09% + plus BRASS matching of up to 5% of eligible members' pensionable pay (this was 14.46% with no BRASS matching up to 30 June 2009).

The service cost has been calculated as the total cost (including BRASS contributions which are also included in the current employer's contribution figure) less actual employee contributions. BRASS contributions are additional voluntary contributions made by the employee. Members are entitled to receive employer contributions matching their own contribution up to a set level. Prior to 1 July 2009 this was being met from the sections assets. Since 1 July 2009 the employer now pays BRASS matching contributions directly. Increases to BRASS matching contributions were frozen with effect from 2 July 2004.

Under the Pension Trust and Regulations the RPS is subject to an independent triennial actuarial valuation to monitor the funding level and determine the employer's and employees' contribution rates. An independent actuarial valuation is being carried out as at 31 December 2010 by Towers Watson. The results are due to be finalised in March 2012. The Authority uses Mercer Limited to provide the IAS19 valuation.

The employer's pension contributions for the current year and the previous four years were

The employer's pension contributions for the two years from 2005-06 are nil, as the employer had a contribution holiday until 31 March 2007.

2007-08 2.7% of salaries

2008-09 3.1% of salaries

2009-10 2.3% of salaries

2010-11 3.8% of salaries

The amounts recognised in the statement of financial position are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Present value of funded obligations	80,300	92,400	53,600
Fair value of plan assets	(58,130)	(49,300)	(32,000)
	22,170	43,100	21,600
Present value of unfunded obligations	-	-	-
Unrecognised actuarial gains (losses)	-	-	-
Unrecognised past service cost	-	-	-
Net liability	22,170	43,100	21,600
Amounts in the statement of financial position:			
liabilities	22,170	43,100	21,600
assets	-	-	-
Net liability	22,170	43,100	21,600

The amounts recognised in the Statement of Comprehensive Income are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Current service cost	8,700	4,800	6,600
Interest on obligation	5,500	3,800	3,700
Expected return on plan assets	(3,500)	(2,100)	(3,000)
Net actuarial losses (gains) recognised in year			
Past service cost	(11,100)	-	-
Losses (gains) on curtailments and settlements	-	-	-
	-	-	-
Total pension cost recognised in the income statement	(400)	6,500	7,300
Actual return on plan assets	4,000	12,200	(11,470)

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Benefit obligation at beginning of year	92,400	53,600	60,100
Current service cost	8,700	4,800	6,600
Interest cost	5,500	3,800	3,700
Plan participants' contributions	2,430	2,400	2,000
Past service costs	(11,100)	0	0
Actuarial (gains)/losses	(16,330)	28,800	(17,700)
Losses (gains) on curtailments	-	-	-
Liabilities extinguished on settlements	-	-	-
Benefits paid (including expenses)	(1,300)	(1,000)	(1,100)
Effect of exchange rate changes	-	-	-
Benefit obligation at end of year	80,300	92,400	53,600
Analysis of defined benefit obligation			
Plans that are wholly or partly funded	80,300	92,400	53,600
Plans that are wholly unfunded	-	-	-
Total	80,300	92,400	53,600

Changes in the fair value of plan assets are as follows:

	31 March 2011 £000	31 March 2010 £000	01 April 2009 £000
Fair value of plan assets at beginning of year	49,300	32,000	39,470
Expected return on plan assets	3,500	2,100	3,000
Actuarial gains / (losses)	500	10,100	(14,470)
Business combinations	-	-	-
Assets distributed on settlements	-	-	-
Employer contribution (including BRASS matching)	3,700	3,700	3,100
Member contributions	2,430	2,400	2,000
Benefits paid (including expenses)	(1,300)	(1,000)	(1,100)
Effect of exchange rate changes	-	-	-
Fair value of plan assets at end of year	58,130	49,300	32,000

The Authority expects to contribute around £3.7m to this pension scheme in the year ending 31 March 2012 (£3.7m in the year ended 31 March 2011).

Plan assets at the year end (expressed as weighted averages)

Percentage of plan assets by asset allocation	31 March 2011	31 March 2010	01 April 2009
Equities	75.40%	75.60%	73.90%
Bonds	10.70%	5.70%	5.10%
Real Estate	8.20%	8.60%	8.90%
Other	5.70%	10.10%	12.10%
	100.00%	100.00%	100.00%

Expected return on assets by asset allocation	31 March 2011	31 March 2010	01 April 2009
Equities	7.60%	7.70%	7.20%
Bonds	4.95%	5.10%	5.40%
Real Estate	6.30%	6.40%	6.30%
Other	0.50%	0.50%	0.50%
	6.80%	6.71%	6.22%

Principal actuarial assumptions as at the end of the reporting period (expressed as weighted averages)

Weighted average assumptions used to determine benefit obligations at:	31 March 2011	31 March 2010	01 April 2009
Discount rate	5.50%	5.70%	6.80%
Rate of compensation increase *	4.50%	5.20%	4.80%
Rate of RPI price inflation	3.50%	3.70%	3.30%
Rate of CPI price inflation	2.75%	n/a	n/a
Rate of deferred pension increases	2.75%	3.70%	3.30%
Rate of pensions increases	2.75%	3.70%	3.30%

* allowance has been made for a pay freeze until 2013 and then increases of 4.5% pa thereafter.

Weighted average assumptions used to determine net pension cost for the year ended:	31 March 2011	31 March 2010	01 April 2009
Discount rate	5.70%	6.80%	5.90%
Expected long-term return on plan assets	6.71%	6.22%	7.23%
Rate of compensation increase	5.20%	4.80%	5.00%
Rate of RPI price inflation	3.70%	3.30%	3.30%
Rate of CPI price inflation	n/a	n/a	n/a
Rate of deferred pension increases	3.70%	3.30%	3.30%
Rate of pensions increases	3.70%	3.30%	3.30%

Weighted average life expectancy for mortality tables used to determine benefit obligations at:		31 March 2011	31 March 2010	01 April 2009
Male age 65 (current life expectancy)	Pension under £8,500 pa or pensionable pay under £30,000 pa	19.8	19.8	19.8
	Others	21.5	21.5	21.5
Male age 45 (life expectancy at age 65)	Pension under £8,500 pa or pensionable pay under £30,000 pa	22.2	22.2	22.2
	Others	23.7	23.7	23.7
Female age 65 (current life expectancy)	Pension under £3,000 pa or pensionable pay under £30,000 pa	21.7	21.7	21.7
	Others	22.7	22.7	22.7
Female age 45 (life expectancy at age 65)	Pension under £3,000 pa or pensionable pay under £30,000 pa	23.2	23.2	23.2
	Others	24.2	24.2	24.2

To develop the expected long-term rate of return on assets assumption, Mercers considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 7.23% assumption for the year ended 31 March 2008, 6.22% for the year ended 31 March 2009, 6.71% for the year ended 31 March 2010 and 6.80% for the year ended 31 March 2011.

Amounts for the current year and previous four years are as follows:	31 March 2011 £000	31 March 2010 £000	31 March 2009 £000	31 March 2008 £000	31 March 2007 £000
Benefit obligation at the end of year	80,300	92,400	53,600	60,100	39,160
Fair value of plan assets at end of year	58,130	49,300	32,000	39,470	37,460
Surplus / (deficit)	(22,170)	(43,100)	(21,600)	(20,630)	(1,700)
Difference between expected and actual return on scheme assets:					
amount (£ '000)	(3,100)	10,100	(14,470)	(4,400)	1,300
percentage of scheme assets	5%	20%	(45%)	(11%)	3%
Experience gains and losses on scheme liabilities:					
amount (£ '000)	0	(100)	800	(8,570)	630
percentage of scheme liabilities	0%	0%	1%	(14%)	2%

The actuarial update as at 31 March 2011 showed a decrease in the shortfall from £43,100,000 to £22,170,000.

(10,475,576.52)

CONTINGENCY RESERVE

	ACTUAL	RPI INC	MAX
START 31/03/08	1,400		3,000
31/03/2009	1,400	-0.5%	2,985
31/03/2010	2,224	4.6%	3,122
31/03/2011	2,724	5.3%	3,288

########
64.1%

13.1%
9.7%
10.5%
2.6%
100.0%

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6.80%
4.80%

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5.90%
7.26%
5.00%

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73.90%
5.10%
8.90%
12.10%
100.00%

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0.00%

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6.80%
4.80%

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5.90%
7.26%
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19.8

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24.2