

The Scottish Police Federation
Joint Central Committee Voluntary Fund

Accounts

For the Year to 31 March 2018



Chair :	Andrea MacDonald
Vice Chair :	David Hamilton
General Secretary and Treasurer :	Calum Steele
Deputy General Secretary :	David Kennedy
Auditors :	Hardie Caldwell LLP Registered Auditors Chartered Accountants Citypoint 2 25 Tyndrum Street Glasgow G4 0JY
Solicitors :	Levy and McRae, Glasgow Slater & Gordon, Edinburgh PBW Law, Glasgow
Bankers :	Unity Trust Bank PLC 9 Brindleyplace Birmingham B1 2HB
Stockbrokers :	Smith & Williamson Investment Management 206 St Vincent Street Glasgow G2 5SG
Central Office Address :	5 Woodside Place Glasgow G3 7QF

Income and Expenditure Account
For the year ended 31 March 2018

	Note	£	2018 £	2017 £
Income				
Contributions from members	4		2,297,490	2,321,310
Legal contributions from members	4a		1,265,797	1,280,634
Investment income - Quoted investments			197,755	188,467
				<u>3,790,411</u>
Interest received - Quoted investments		-		137
- Other		73		714
			73	<u>851</u>
Grant in aid			196,000	368,788
Corporation tax recoverable			(959)	4,463
Management income - Members' Benefit Trust			87,000	87,000
			<u>4,043,156</u>	<u>4,251,513</u>
Expenditure				
Wages and national insurance	5	1,072,846		1,182,731
Annual conference production costs		600		35,656
Courses, meetings, travelling and subsistence	6	310,450		417,681
Printing, stationery and publications		26,286		35,351
Advertising and video production costs		634		16,738
Telephone and fax		16,361		17,346
Professional fees	7	1,835,904		1,499,828
Death benefits		56,000		56,000
Donations		26,877		13,964
Repairs, renewals and maintenance		64,714		126,969
Computer maintenance and consumables		54,287		43,332
IT support		88,055		84,280
Property costs	8	264,403		287,977
Depreciation		76,112		72,896
Loss on disposal of fixed assets		195		-
Miscellaneous expenses	9	44,061		35,137
			<u>3,937,785</u>	<u>3,925,886</u>
Operating surplus for the year			<u>105,371</u>	<u>325,627</u>
Investment transactions				
Realised gain / (loss) on sale of quoted investments			(17,288)	84,177
Unrealised gain / (loss) on revaluation of quoted investments			93,217	875,065
Surplus for the year before taxation			<u>181,300</u>	<u>1,284,869</u>
Taxation	10		7,002	(147,772)
Surplus for the year after taxation			<u>188,302</u>	<u>1,137,097</u>

The notes on pages 4 to 10 form part of these accounts.

Balance Sheet
As at 31 March 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	11		1,628,951	1,538,640
Investments - Quoted	12		7,758,561	7,240,631
			<u>9,387,512</u>	<u>8,779,271</u>
Current assets				
Debtors	13	802,537		460,017
Cash and bank balances	14	<u>925,072</u>		<u>1,755,351</u>
		1,727,609		2,215,368
Creditors : Amounts falling due within one year	15	<u>(800,410)</u>		<u>(861,228)</u>
Net current assets			927,199	<u>1,354,140</u>
Creditors : Amounts falling due after one year	15		(96,630)	(96,630)
Provisions for liabilities	16		(302,498)	(309,500)
Net assets			<u><u>9,915,583</u></u>	<u><u>9,727,281</u></u>
Represented by:				
General fund	17		1,848,504	1,876,442
Investment fund	18		<u>8,067,079</u>	<u>7,850,839</u>
			<u><u>9,915,583</u></u>	<u><u>9,727,281</u></u>

Approved by the Joint Central Committee on 17 June 2019 and signed on its behalf by :-

Andrea MacDonald  Chair

Calum Steele  General Secretary and Treasurer

The notes on pages 4 to 10 form part of these accounts.

Notes to the accounts

For the year ended 31 March 2018

1) STATUTORY INFORMATION

The Scottish Police Federation Joint Central Committee Voluntary Fund's registered office is 5 Woodside Place, Glasgow G3 7QF.

2) ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

The Voluntary Fund has cash resources and has no requirement for external funding. The Joint Central Committee have a reasonable expectation that the Voluntary Fund has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements. There are no known, material uncertainties regarding the Voluntary Fund's ability to continue as a going concern.

Revenue recognition

Contributions from members represents the gross amount of subscriptions receivable from members for the financial year.

Tangible fixed assets

Depreciation of fixed assets is charged at rates calculated to write off the cost of the assets less any residual value over their expected useful lives as follows:-

Heritable property	- 2% straight line
Computer equipment	- 33.3% straight line
Fixtures and fittings	- 20% reducing balance

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market value. The Income and Expenditure Account includes net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All realised and unrealised investment gains and losses are taken to the Income and Expenditure Account as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Investment income represents dividends received from quoted investments.

Interest received on quoted investments is shown separately in the Income and Expenditure Account.

Notes to the accounts
For the year ended 31 March 2018

2) ACCOUNTING POLICIES (continued)

Taxation

Taxation for the year comprises deferred tax.

Deferred taxation liabilities are not discounted.

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the balance sheet date.

Other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial instruments

The Voluntary Fund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Members contributions and other debtors are recognised at the settlement amount due with appropriate allowances for any irrecoverable amount when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and cash at bank with a short term of maturity, being twelve months or less, from the opening of the deposit or similar account.

Creditors

Trade creditors, accruals and deferred income and other creditors are recognised where the company has a present obligation resulting from a past event and are recognised at the settlement amount due after allowing for any trade discounts due.

Loans

Loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the accounts
For the year ended 31 March 2018

3) EMPLOYEES AND OFFICE BEARERS

The average number of employees during the year was 39 (2017 - 41).

4) Contributions from members	2018	2017
	£	£
Central	109,859	113,139
Dumfries and Galloway	62,297	61,922
Fife	134,689	138,216
Grampian	230,006	208,388
Lothian and Borders	388,280	393,866
Northern	104,428	103,027
Strathclyde	1,099,542	1,136,011
Tayside	168,389	166,741
	<u>2,297,490</u>	<u>2,321,310</u>

4a) Legal Contributions from members

	£	£
Central	61,021	62,867
Dumfries and Galloway	34,616	37,842
Fife	74,676	76,580
Grampian	118,313	114,289
Lothian and Borders	215,227	218,074
Northern	57,736	57,044
Strathclyde	610,675	621,321
Tayside	93,533	92,617
	<u>1,265,797</u>	<u>1,280,634</u>

5) Wages and national insurance

	£	£
Executive salaries	289,632	284,239
Retired office bearers' pension	(110,134)	60,396
Wages and salaries	420,098	412,052
Area committee salaries	182,194	180,367
Social security costs	113,102	60,252
Other pension costs	32,438	32,845
Motor car expenses	145,516	152,580
	<u>1,072,846</u>	<u>1,182,731</u>

Notes to the accounts
For the year ended 31 March 2018

6) Courses, meetings, travelling and subsistence	2018	2017
	£	£
Area committee meetings, secretaries' and chairs	45,567	45,426
Conferences and seminars	54,423	18,684
General travel and subsistence	43,896	19,310
JCC meetings and UK joint meetings	41,119	40,986
Annual conference	1,987	143,952
Police treatment centres	44,512	44,120
PNB members' meeting expenses	1,310	2,995
Political meetings	9,596	46,326
Eurocop	31,527	24,039
Federation study courses	210	864
ICPRA meetings & membership	783	14
UK Federation & Police	35,520	30,965
	<u>310,450</u>	<u>417,681</u>

7) Professional fees	£	£
Legal fees	1,672,921	1,173,574
Audit and accountancy	31,350	23,475
Professional fees	27,580	22,640
Consultants' fees	58,181	232,125
PI insurance	6,618	10,260
Stockbroker's fees	39,104	35,284
Medical fees	150	2,470
	<u>1,835,904</u>	<u>1,499,828</u>

Consultant's fees includes £nil (2017: £134,733) of costs from Tinker Taylor in relation to the '#itswhatwedo' video production.

8) Property costs	£	£
Rates and water	90,074	103,197
Rent and service charges	117,526	114,451
Cleaning	4,099	21,844
Heat and light	39,555	34,239
Insurance	13,149	14,246
	<u>264,403</u>	<u>287,977</u>

Notes to the accounts
For the year ended 31 March 2018

9) Miscellaneous expenses	2018	2017
	£	£
Sundry expenses	14,963	13,756
Equipment rental	501	2,686
Presentations and gratuities	2,120	2,385
Bank charges	4,194	3,872
Car parking	11,277	8,131
Promotional products	8,406	2,076
Subscriptions	2,600	2,231
	<u>44,061</u>	<u>35,137</u>

10) Taxation

Analysis of the tax charge

The tax charge on the income and expenditure account for the year was as follows:

	£	£
Deferred tax	(7,002)	147,772
	<u>(7,002)</u>	<u>147,772</u>

11) Fixed assets	Heritable Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
At 01 April 2017	1,817,047	0	121,438	359,309	2,297,794
Additions	25,390	110,909	12,327	17,992	166,618
Disposals	-	-	(585)	-	(585)
At 31 March 2018	<u>1,842,437</u>	<u>110,909</u>	<u>133,180</u>	<u>377,301</u>	<u>2,463,827</u>
Aggregate depreciation					
At 01 April 2017	391,380	0	92,149	275,625	759,154
Charge for year	34,372	2,218	19,670	19,852	76,112
On disposal	-	-	(390)	-	(390)
At 31 March 2018	<u>425,752</u>	<u>2,218</u>	<u>111,429</u>	<u>295,477</u>	<u>834,876</u>
Net book value					
At 31 March 2018	<u>1,416,685</u>	<u>108,691</u>	<u>21,751</u>	<u>81,824</u>	<u>1,628,951</u>
At 31 March 2017	<u>1,425,667</u>	<u>0</u>	<u>29,289</u>	<u>83,684</u>	<u>1,538,640</u>

Notes to the accounts
For the year ended 31 March 2018

12) Investments	Quoted £
Market value	
At 01 April 2017	7,240,631
Add : Invested during the year	1,361,881
Add: Revaluations	75,928
Less : Disposed during the year	(919,879)
Net book value at 31 March 2018	<u>7,758,561</u>
Net book value at 31 March 2017	<u>7,240,631</u>

All quoted investments are listed on a recognised Stock Exchange.

13) Debtors	2018 £	2017 £
Members' contributions	104,931	63,713
Corporation tax recoverable	4,562	10,157
Other debtors and prepayments	432,044	212,147
Other debtors - Trust fund account	261,000	174,000
	<u>802,537</u>	<u>460,017</u>

14) Cash and bank balances

	£	£
Funds held with The Co-operative Bank		
Current account	1,109	(482)
Funds held with Unity Trust		
Current account	595,337	1,009,628
Grant current account	18,735	134,372
Funds held on deposit with stockbrokers		
Client money deposit account	-	579,944
Investment account	308,517	30,264
Funds held in cash		
Cash in hand	1,374	1,625
	<u>925,072</u>	<u>1,755,351</u>

Notes to the accounts
For the year ended 31 March 2018

15) Creditors : Amounts falling due within one year	2018	2017
	£	£
Trade creditors	495,097	363,460
Accruals and deferred income	195,639	259,015
Loan - Trust fund account	96,630	193,260
Other creditors	13,044	45,493
	<u>800,410</u>	<u>861,228</u>

Creditors : Amounts falling due after one year

	£	£
Loan - Trust fund account	96,630	96,630
	<u>96,630</u>	<u>96,630</u>

16) Provisions for liabilities		
Deferred tax		
	£	£
Balance as at 01 April 2017	309,500	161,728
Deferred tax movement	(7,002)	147,772
Balance at 31 March 2018	<u>302,498</u>	<u>309,500</u>

17) General fund	£
Balance as at 01 April 2017	1,876,442
Surplus for year from income and expenditure account	188,302
	<u>2,064,744</u>
Transferred to Investment fund - Quoted	(216,240)
Balance at 31 March 2018	<u>1,848,504</u>

18) Investment fund	Quoted £
Balance as at 01 April 2017	7,850,839
Transferred from General fund	216,240
Balance at 31 March 2018	<u>8,067,079</u>

Independent Auditors' Report to the Joint Central Committee of the Scottish Police Federation

Opinion

We have audited the financial statements of The Scottish Police Federation Joint Central Committee Voluntary Fund for the year ended 31 March 2018 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 18. The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice.

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Rule 17 of the Police Federation (Scotland) Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the voluntary fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The committee is responsible for the other information. The other information comprises the information in the Report of the Joint Central Committee Voluntary Fund, but does not include the financial statements and our Report of the Auditors thereon. Our Report of the Auditors does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Joint Central Committee of the Scottish Police Federation

Responsibilities of the Joint Central Committee

In accordance with Rule 17 of the Police Federation (Scotland) Rules the Joint Central Committee are responsible for the preparation of the financial statements of the Voluntary Fund and for being satisfied that they give a true and fair view.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/audit-responsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the organisation's Joint Central Committee, as a body, in accordance with Rule 17 of the Police Federation (Scotland) Rules. Our audit work has been undertaken so that we might state to the organisation's Joint Central Committee those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the organisation's Joint Central Committee as a body, for our audit work, for this report, or for the opinions we have formed.



Angus McCuaig (Senior Statutory Auditor)
for and on behalf of Hardie Caldwell LLP
Statutory Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow G4 0JY

Date: 17 June 2019.