

The Scottish Police Federation
Joint Central Committee Voluntary Fund
Accounts
For the Year to 31 March 2021

Chair :	David Hamilton (appointed on 5th April 2020)
	Andrea MacDonald (resigned on 4th April 2020)
Vice Chair :	Brian Jones (appointed on 5th April 2020)
	David Hamilton (resigned on 4th April 2020)
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 2021**

	Note	£	2021 £	2020 £
Income				
Contributions from members			2,299,122	2,257,379
Legal contributions from members			1,265,651	1,246,135
Investment income - Quoted investments			174,697	206,706
Interest received - Quoted investments		201		1,393
- Other		-		-
			201	
Grant (PNB handbook)			5,000	-
Corporation tax recoverable			1,090	856
Management income - Members' Benefit Trust			87,000	87,000
			<u>3,832,761</u>	<u>3,799,469</u>
Expenditure				
Wages and national insurance	4	946,972		1,075,925
Annual conference production costs		-		1,728
Courses, meetings, travelling and subsistence	5	127,661		353,299
Printing, stationery and publications		8,616		24,963
Advertising and video production costs		-		847
Telephone		12,036		18,286
Professional fees	6	1,357,507		1,280,833
Death benefits		28,000		86,500
Donations		5,650		78,973
Repairs, renewals and maintenance		79,581		114,630
Computer maintenance and consumables		77,218		69,681
IT support		83,962		75,363
Property costs	7	268,174		273,181
Depreciation	10	77,613		71,620
Loss on disposal of fixed assets		4,138		-
Miscellaneous expenses	8	13,771		45,913
			<u>3,090,899</u>	<u>3,571,742</u>
Operating surplus for the year			<u>741,862</u>	<u>227,727</u>
Investment transactions				
Realised gain / (loss) on sale of quoted investments			50,267	(45,884)
Unrealised gain / (loss) on revaluation of quoted investments			1,453,711	(517,634)
Surplus / (deficit) for the year before taxation			<u>2,245,840</u>	<u>(335,791)</u>
Taxation	9		(286,744)	140,824
Surplus / (deficit) for the year after taxation			<u><u>1,959,096</u></u>	<u><u>(194,967)</u></u>

The notes on pages 4 to 11 form part of these accounts.

Balance Sheet
As at 31 March 2021

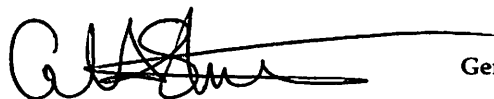
	Note	£	2021 £	2020 £
Fixed assets				
Tangible assets	10		1,593,939	1,633,984
Investments - Quoted	11		9,414,778	7,459,775
			<u>11,008,717</u>	<u>9,093,759</u>
Current assets				
Debtors	12	422,064		342,361
Cash and bank balances	13	1,391,965		1,135,113
		<u>1,814,029</u>		<u>1,477,474</u>
Creditors : Amounts falling due within one year	14	<u>(310,076)</u>		<u>(304,404)</u>
Net current assets			1,503,953	<u>1,173,070</u>
Provisions for liabilities	15		(470,757)	(184,013)
Net assets			<u><u>12,041,912</u></u>	<u><u>10,082,816</u></u>
 Represented by:				
General fund	16		2,433,465	2,106,511
Investment fund	17		9,608,447	7,976,305
			<u><u>12,041,912</u></u>	<u><u>10,082,816</u></u>

Approved by the Joint Central Committee on 20 April 2022 and signed on its behalf by :-


 David Hamilton

Chair

Calum Steele



General Secretary and Treasurer

The notes on pages 4 to 11 form part of these accounts.

Notes to the accounts
For the Year Ended 31 March 2021

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.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those 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. There are no key sources of estimation uncertainty which have a significant effect on the amounts recognised in the financial statements.

Expenditure

Costs relating to Voluntary Fund are charged to the income and expenditure account on an accruals basis, including irrecoverable Value added Tax. Expenditure is recognised when there is a legal or constructive obligation to pay for expenditure.

Notes to the accounts
For the Year Ended 31 March 2021

2) ACCOUNTING POLICIES

Revenue recognition

Contributions from members represents the gross amount of subscriptions receivable from members during 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.

Leases

Assets held under finance leases are capitalised at their fair value on the inception of the specific leases. The capital elements of future lease obligations are recorded as a liability on the balance sheet. The financial charges are allocated over the period of the lease and are charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Operating lease rentals are charged to the income and expenditure account in equal installments over the lease term.

Notes to the accounts
For the Year Ended 31 March 2021

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 2021

3) EMPLOYEES AND OFFICE BEARERS

The average number of employees during the year was 38 (2020 - 38).

4) Wages and national insurance	2021	2020
	£	£
Executive salaries	89,500	101,714
Wages and salaries	494,596	479,804
Area committee salaries	194,305	197,808
Social security costs	63,958	89,931
Other pension costs	37,246	36,788
Motor car expenses	67,367	169,880
	<u>946,972</u>	<u>1,075,925</u>

5) Courses, meetings, travelling and subsistence

	£	£
Area committee meetings, secretaries' and chairs	734	29,595
Conferences and seminars	272	6,865
General travel and subsistence	8,916	45,998
JCC meetings and UK joint meetings	896	55,847
Annual conference	54,375	29,415
PTC, Police Care UK, Charities	13,851	81,152
PNB members' meeting expenses	120	438
Political meetings	22,142	19,548
Eurocop	24,474	32,414
Federation study courses	52	27,263
International meetings	-	551
UK Federation & Police	1,829	24,213
	<u>127,661</u>	<u>353,299</u>

6) Professional fees

	£	£
Legal fees including outlays	1,225,316	1,149,309
Audit and accountancy	25,415	25,364
Professional fees	14,373	33,456
Consultants' fees	36,618	17,246
PI insurance	7,843	6,927
Stockbroker's fees	41,182	41,242
Medical fees	6,760	7,289
	<u>1,357,507</u>	<u>1,280,833</u>

Notes to the accounts
For the Year Ended 31 March 2021

	2021	2020
	£	£
7) Property costs		
Rates and water	92,372	93,990
Rent and service charges	113,789	116,239
Heat and light	35,626	40,621
Insurance	13,791	15,523
Cleaning	12,596	6,808
	<u>268,174</u>	<u>273,181</u>
8) Miscellaneous expenses		
	£	£
Sundry expenses	1,373	16,333
Bank charges	2,433	2,374
Car parking	7,262	15,799
Promotional products	-	8,976
Subscriptions	2,703	2,431
	<u>13,771</u>	<u>45,913</u>
9) Taxation		
Analysis of the tax charge		
The tax charge on the income and expenditure account for the year was as follows:		
	£	£
Deferred tax	286,744	(140,824)
	<u>286,744</u>	<u>(140,824)</u>

Notes to the accounts
For the Year Ended 31 March 2021

10) Fixed assets	Heritable Property £	Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
At 01 April 2020	1,941,485	115,359	54,298	171,474	2,282,616
Additions	-	-	40,885	821	41,706
Disposals	-	-	-	(20,623)	(20,623)
At 31 March 2021	<u>1,941,485</u>	<u>115,359</u>	<u>95,183</u>	<u>151,672</u>	<u>2,303,699</u>
Aggregate depreciation					
At 01 April 2020	498,401	6,774	32,516	110,941	648,632
Charge for year	36,353	2,307	27,511	11,442	77,613
On disposal	-	-	-	(16,485)	(16,485)
At 31 March 2021	<u>534,754</u>	<u>9,081</u>	<u>60,027</u>	<u>105,898</u>	<u>709,760</u>
Net book value					
At 31 March 2021	<u>1,406,731</u>	<u>106,278</u>	<u>35,156</u>	<u>45,774</u>	<u>1,593,939</u>
At 31 March 2020	<u>1,443,084</u>	<u>108,585</u>	<u>21,782</u>	<u>60,533</u>	<u>1,633,984</u>

11) Investments	Quoted £
Market value	
At 01 April 2020	7,459,775
Add : Invested during the year	1,274,992
Add: Revaluations	1,523,496
Less : Disposed during the year	(843,486)
Net book value at 31 March 2021	<u>9,414,778</u>
Net book value at 31 March 2020	<u>7,459,775</u>

All quoted investments are listed on a recognised Stock Exchange.

12) Debtors	2021 £	2020 £
Members' contributions	28,323	28,835
Corporation tax recoverable	2,942	1,852
Other debtors and prepayments	118,573	127,768
Other debtors - SPF Members Benefit Trust	272,227	183,906
	<u>422,064</u>	<u>342,361</u>

Notes to the accounts
 For the Year Ended 31 March 2021

13) Cash and bank balances

	2021	2020
	£	£
Funds held with Unity Trust		
Current account	1,140,577	560,681
Grant current account	55,329	55,329
Funds held on deposit with stockbrokers		
Investment account	193,669	516,530
Funds held in cash		
Cash in hand	2,390	2,573
	<u>1,391,965</u>	<u>1,135,113</u>

14) Creditors : Amounts falling due within one year

	£	£
Trade creditors	93,479	89,564
Accruals and deferred income	216,232	193,076
Other creditors	365	21,764
	<u>310,076</u>	<u>304,404</u>

15) Provisions for liabilities

	£	£
Deferred tax		
Balance as at 01 April 2020	184,013	324,837
Deferred tax movement	286,744	(140,824)
Balance at 31 March 2021	<u>470,757</u>	<u>184,013</u>

Notes to the accounts
For the Year Ended 31 March 2021

16) General fund

	£
Balance as at 01 April 2020	2,106,511
Surplus for year from income and expenditure account	1,959,096
	<u>4,065,607</u>
Transferred from Investment fund - Quoted	(1,632,142)
Balance at 31 March 2021	<u><u>2,433,465</u></u>

17) Investment fund

	Quoted £
Balance as at 01 April 2020	7,976,305
Transferred to General fund	1,632,142
Balance at 31 March 2021	<u><u>9,608,447</u></u>

18) Lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	45,180	45,180
Between one and five years	60,000	66,000
	<u><u>105,180</u></u>	<u><u>111,180</u></u>

The lease payments recognised as an expense during the year totalled £53,204 (2020: £55,110).

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

Opinion

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.

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2021 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.

Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Committee.

Based on our understanding of the Federation and industry, discussions with management and directors we identified financial reporting standards as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Federation's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

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

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Federation's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Joint Central Committees' minutes;
- enquiry of management, about litigations and claims and inspection of relevant correspondence
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgements and estimates, including the carrying value of fixed assets and accruals, deferred tax provisions, and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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: