

The Scottish Police Federation
Joint Central Committee Voluntary Fund
Accounts
For the Year to 31 March 2017

Chair : Brian Docherty (resigned 31/12/2016)
Andrea MacDonald (appointed 01/01/17)

Vice Chair : Graeme Ednie (resigned 25/08/2016)
David Hamilton (appointed 07/02/2017)

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 2017**

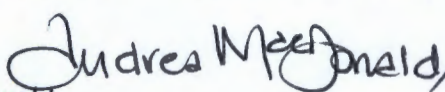
	Note	£	2017 £	2016 £
Income				
Contributions from members	4		2,321,310	2,259,768
Legal contributions from members	4a		1,280,634	648,695
Investment income - Quoted investments			188,467	178,713
				<u>3,087,176</u>
Interest received - Quoted investments		137		270
- Other		714		277
			851	<u>547</u>
Grant in aid			368,788	374,400
Corporation tax recoverable			4,463	5,695
Management income - Members' Benefit Trust			87,000	87,000
			<u>4,251,513</u>	<u>3,554,818</u>
Expenditure				
Wages and national insurance	5	1,182,731		1,291,602
Annual conference production costs		35,656		19,232
Courses, meetings, travelling and subsistence	6	417,681		344,036
Printing, stationery and publications		35,351		30,822
Advertising and video production costs		16,738		58,020
Telephone and fax		17,346		16,020
Professional fees	7	1,499,828		672,902
Death benefits		56,000		31,500
Donations		13,964		2,454
Repairs, renewals and maintenance		126,969		30,970
Computer maintenance and consumables		43,332		41,252
IT support		84,280		92,619
Property costs	8	287,977		285,852
Depreciation		72,896		68,081
Miscellaneous expenses	9	35,137		28,920
			<u>3,925,886</u>	<u>3,014,282</u>
Operating surplus for the year			<u>325,627</u>	<u>540,536</u>
Investment transactions				
Realised gain / (loss) on sale of quoted investments			84,177	(69,831)
Unrealised gain / (loss) on revaluation of quoted investments			875,065	(24,413)
Loss on sale of other investments			-	(447)
Surplus for the year before taxation			<u>1,284,869</u>	<u>445,845</u>
Taxation	10		(147,772)	33,597
Surplus for the year after taxation			<u><u>1,137,097</u></u>	<u><u>479,442</u></u>

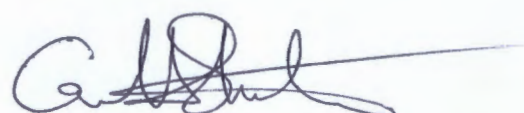
The notes on pages 4 to 11 form part of these accounts.

Balance Sheet
As at 31 March 2017

	Note	£	2017 £	2016 £
Fixed assets				
Tangible assets	11		1,538,640	1,570,936
Investments - Quoted	12		7,240,631	6,360,163
			<u>8,779,271</u>	<u>7,931,099</u>
Current assets				
Debtors	13	460,017		272,828
Cash and bank balances	14	<u>1,755,351</u>		<u>1,049,849</u>
		2,215,368		1,322,677
Creditors : Amounts falling due within one year	15	<u>(861,228)</u>		<u>(308,604)</u>
Net current assets			1,354,140	<u>1,014,073</u>
Creditors : Amounts falling due after one year	15		(96,630)	(193,260)
Provisions for liabilities	16		(309,500)	(161,728)
Net assets			<u><u>9,727,281</u></u>	<u><u>8,590,184</u></u>
 Represented by:				
General fund	17		1,876,442	1,673,576
Investment fund	18		<u>7,850,839</u>	<u>6,916,608</u>
			<u><u>9,727,281</u></u>	<u><u>8,590,184</u></u>

Approved by the Joint Central Committee on 08 May 2018 and signed on its behalf by :-

Andrea MacDonald  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 2017

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

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.

This is the first year in which the financial statements have been prepared under FRS 102. The transition from preparing the financial statements in accordance with FRSSE 2015 to FRS 102 has had a material impact on the financial position and the financial performance as previously reported by the company as detailed at note 19.

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 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. Realised and unrealised investment gains and losses are shown in the Income and Expenditure Account.

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 2017

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.

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.

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.

3) EMPLOYEES AND OFFICE BEARERS

The average number of employees during the year was 41 (2016 - 44).

Notes to the accounts
 For the year ended 31 March 2017

4) Contributions from members	2017	2016
	£	£
Central	113,139	110,447
Dumfries and Galloway	61,922	60,734
Fife	138,216	136,806
Grampian	208,388	206,225
Lothian and Borders	393,866	382,219
Northern	103,027	97,671
Strathclyde	1,136,011	1,107,773
Tayside	166,741	157,893
	<u>2,321,310</u>	<u>2,259,768</u>

4a) Legal Contributions from members

	£	£
Central	62,867	32,566
Dumfries and Galloway	37,842	24,450
Fife	76,580	36,730
Grampian	114,289	56,509
Lothian and Borders	218,074	111,906
Northern	57,044	31,883
Strathclyde	621,321	308,597
Tayside	92,617	46,054
	<u>1,280,634</u>	<u>648,695</u>

5) Wages and national insurance

	£	£
Executive salaries	284,239	356,967
Retired office bearers' pension	60,396	59,813
Wages and salaries	412,052	414,469
Area committee salaries	180,367	175,693
Social security costs	60,252	80,492
Other pension costs	32,845	30,806
Motor car expenses	152,580	173,362
	<u>1,182,731</u>	<u>1,291,602</u>

Notes to the accounts
For the year ended 31 March 2017

6) Courses, meetings, travelling and subsistence	2017	2016
	£	£
Area committee meetings, secretaries' and chairs	45,426	37,531
Conferences and seminars	18,684	29,272
General travel and subsistence	19,310	45,151
JCC meetings and UK joint meetings	40,986	36,894
Annual conference	143,952	115,093
Police treatment centres	44,120	15,786
PNB members' meeting expenses	2,995	2,303
Political meetings	46,326	6,254
Eurocop	24,039	12,038
Federation study courses	864	22,254
ICPRA meetings & membership	14	-
UK Federation & Police	30,965	21,460
	<u>417,681</u>	<u>344,036</u>

7) Professional fees	£	£
Legal fees	1,173,574	522,187
Audit and accountancy	23,475	20,576
Professional fees	22,640	19,387
Consultants' fees	232,125	86,057
PI insurance	10,260	10,497
Stockbroker's fees	35,284	12,994
Medical fees	2,470	1,204
	<u>1,499,828</u>	<u>672,902</u>

Consultants' fees includes £134,733 of costs from Tinker Taylor in relation to the "#itswhatwedo" video production.

8) Property costs	£	£
Rates and water	103,197	100,479
Rent and service charges	114,451	101,542
Cleaning	21,844	31,653
Heat and light	34,239	38,688
Insurance	14,246	13,490
	<u>287,977</u>	<u>285,852</u>

Notes to the accounts
For the year ended 31 March 2017

9) Miscellaneous expenses	2017	2016
	£	£
Sundry expenses	13,340	6,271
Postage	416	1,359
Equipment rental	2,686	2,702
Presentations and gratuities	2,385	5,272
Bank charges	3,872	2,464
Car parking	8,131	7,877
Promotional products	2,076	17
Subscriptions	2,231	2,958
	<u>35,137</u>	<u>28,920</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	147,772	-33,597
	<u>147,772</u>	<u>-33,597</u>

11) Fixed assets

	Heritable Property £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 01 April 2016	1,817,047	80,838	359,309	2,257,194
Additions	0	40,600	0	40,600
Disposals	0	0	0	0
At 31 March 2017	<u>1,817,047</u>	<u>121,438</u>	<u>359,309</u>	<u>2,297,794</u>
Aggregate depreciation				
At 01 April 2016	356,403	74,555	255,300	686,258
Charge for year	34,977	17,594	20,325	72,896
On disposal	-	-	-	-
At 31 March 2017	<u>391,380</u>	<u>92,149</u>	<u>275,625</u>	<u>759,154</u>
Net book value				
At 31 March 2017	<u>1,425,667</u>	<u>29,289</u>	<u>83,684</u>	<u>1,538,640</u>
At 31 March 2016	<u>1,460,644</u>	<u>6,283</u>	<u>104,009</u>	<u>1,570,936</u>

Notes to the accounts
For the year ended 31 March 2017

12) Investments	Quoted £
Market value	
At 01 April 2016	6,360,163
Add : Invested during the year	1,216,081
Add: Revaluations	959,242
Less : Disposed during the year	(1,294,855)
Net book value at 31 March 2017	<u>7,240,631</u>
Net book value at 31 March 2016	<u>6,360,163</u>

All quoted investments are listed on a recognised Stock Exchange.

13) Debtors	2017 £	2016 £
Members' contributions	63,713	73,259
Corporation tax recoverable	10,157	10,501
Other debtors and prepayments	212,147	94,568
Other debtors - Trust fund account	174,000	87,000
Other debtors - Death benefit account	-	7,500
	<u>460,017</u>	<u>272,828</u>

14) Cash and bank balances

Funds held with The Co-operative Bank	£	£
Current account	(482)	56,037
Police central government account	-	1,412
Business select instant access account	134,372	1
Deposit account	-	58
Funds held with Unity Trust		
Current account	1,009,628	609,746
Funds held on deposit with stockbrokers		
Client money deposit account	579,944	380,585
Investment account	30,264	-
Funds held by cash		
Cash on hand	1,625	2,010
	<u>1,755,351</u>	<u>1,049,849</u>

Notes to the accounts
For the year ended 31 March 2017

19) Reconciliation on adoption of FRS 102
First year adoption

Net income / (expenditure) for the year ended 31 March 2016	£
Net income / (expenditure) for the year under former UK GAAP	621,705
Add : Realised and unrealised loss on investments	(175,860)
Add : Decrease in deferred taxation	33,597
Net income / (expenditure) for the year under FRS 102	<u>479,442</u>
Balance Sheet at 31 March 2016	
Funds under former UK GAAP	7,900,714
Add : Investments increased to market value	851,198
Less: Provision for deferred taxation	(161,728)
Funds under FRS 102	<u>8,590,184</u>
Balance Sheet at 1 April 2015	
Funds under former UK GAAP	7,279,009
Add : Investments increased to market value	1,028,029
Less: Provision for deferred taxation	(195,325)
Funds under FRS 102	<u>8,111,713</u>

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

We have audited the financial statements of The Scottish Police Federation Joint Central Committee Voluntary Fund for the year ended 31 March 2017 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the organisation's Joint Central Committee, as a body, in accordance with Rule 21 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 an auditor's report 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 its Joint Central Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Joint Central Committee and auditors

In accordance with Rule 21 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.

We have been appointed as auditors under Rule 21 of the Police Federation (Scotland) Rules and report in accordance with that rule.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant regulatory requirements and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Joint Central Committee; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of Rule 21 of the Police Federation (Scotland) Rules.

Hardie Caldwell LLP

Hardie Caldwell LLP

Statutory Auditors

Chartered Accountants

Citypoint 2

25 Tyndrum Street

Glasgow

G4 0JY

Date:

8 May 2018