

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**FOR**

**THE POLICE TREATMENT CENTRES**

**Charity Number: 1147449  
Scottish Charity Number: SC043396  
Company Number: 07822534**

## THE POLICE TREATMENT CENTRES

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**THE POLICE TREATMENT CENTRES**

**LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Charity Number:</b>	1147449
<b>Scottish Charity Number:</b>	SC043396
<b>Company Number:</b>	07822534
<b>Business Address:</b>	St. Andrews Harlow Moor Road Harrogate HG2 0AD
<b>Registered Office:</b>	St. Andrews Harlow Moor Road Harrogate HG2 0AD
<b>Auditor:</b>	Murray Harcourt Limited Registered Auditors 6 Queen Street Leeds LS1 2TW
<b>Bankers:</b>	Barclays Bank Plc 25 James Street Harrogate HG1 1QX
<b>Investment Advisors:</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA

**THE POLICE TREATMENT CENTRES**  
**TRUSTEES' REPORT**  
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The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, submit their Annual Report and audited accounts for The Police Treatment Centres (the Company) for the year ended 31 December 2019. The Trustees confirm that the Annual Report and financial statements comply with current statutory requirements. The principal site and registered office for the Charity is St Andrews, Harlow Moor Road, Harrogate, HG2 0AD.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a. Constitution**

The Police Treatment Centres was registered as an incorporated charity on 25 October 2011 and commenced trading on 1 January 2013. On 1 January 2013 the trade and assets, not restricted by permanent endowment, of the Northern Police Convalescent and Treatment Centres were transferred to The Police Treatment Centres at fair market value. The Police Treatment Centres has been granted a linking order between the two Charities to enable consolidated accounts to be prepared. The Police Treatment Centres, therefore, acts as the corporate trustee of the existing charity. The Northern Police Convalescent and Treatment Centres remains registered with the Charities commission (1147449-1).

The Police Treatment Centres is registered as a charitable company limited by guarantee, Charity Commission number 1147449 and OSCR SC043396 and was set up by a Trust deed and is governed by the Memorandum and Articles of Association. The governing documents were last reviewed on 8 August 2016.

The principal objective of The Police Treatment Centres is contained in the Memorandum and Articles of Association as follows:-

- i. The Charity's objects are specifically restricted to the advancement of health and the relief of those in need by reason of ill health, disability or other disadvantage and the promotion of the efficiency and effectiveness of the Police Service for the public benefit in particular but not limited to;
- ii. Provide treatment and/or facilities for ill or injured police officers to support their return to better health and wellbeing;
- iii. Provide treatment, at the Trustees' discretion and where capacity allows, for retired police officers and police cadets who are ill or injured to support their return to better health and wellbeing;
- iv. Provide treatment, at the Trustees' discretion and where capacity allows, in significant and unique cases to members of a policing organisation who are ill or injured to support their return to better health and wellbeing;

**Organisational Structure**

The Charity is run by Trustees (Directors of the Company) which are elected from the following organisations:

- i. Six Trustees appointed by the National Police Chiefs' Council of England, Wales and Northern Ireland (NPCC);
- ii. One Trustee appointed by the Scottish Chief Police Officers' Staff Association (SCPOSA);
- iii. Two Trustees appointed by the Police Superintendents' Association of England and Wales (PSAEW);
- iv. One Trustee appointed by the Association of Scottish Police Superintendents (ASPS);
- v. One Trustee appointed by the Superintendents' Association of Northern Ireland (SANI);
- vi. Six Trustees appointed by the Police Federation of England and Wales (PFEW), of whom at the date of their appointment two are to be Police Inspectors, two are to be Police Sergeants and two are to be Police Constables;
- vii. Three Trustees appointed by the Scottish Police Federation (SPF) of whom at the date of their appointment one is to be a Police Inspector, one is to be a Police Sergeant and one is to be a Police Constable;
- viii. One Trustee appointed jointly by the Police Federations of the British Transport Police, Civil Nuclear Constabulary and the Ministry of Defence Police;
- ix. Three Trustees appointed by the Police Federation of Northern Ireland (PFNI) of whom at the date of their appointment one is to be a Police Inspector, one is to be a Police Sergeant and one is to be a Police Constable; and
- x. Up to six Co-Opted Trustees at any one time who are appointed by the Trustees.

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The current membership is as follows:

Name	Force	Appointment Date PTC	Termination Date
L Kelly (Chair)	Police Service of Northern Ireland	09/04/2015	
J Skelton	Nottinghamshire	12/05/2016	
P Clark	Lincolnshire	16/07/2019	
R Barber	South Yorkshire	25/05/2016	
N Bathgate	Police Service of Scotland	12/05/2015	
P Booth	North Yorkshire	01/10/2016	
J Harwin	Cleveland Police	12/04/2018	
M Davls	Co-opted	19/05/2017	
C Moore	Police Service of Northern Ireland	09/04/2015	
R Dutton	Co-opted	21/11/2013	
M Fotheringham	Police Service of Scotland	22/09/2014	10/08/2019
P Hilman	Police Service of Northern Ireland	01/02/2019	
M Lally	Greater Manchester	01/08/2017	
A McLaren	Police Service of Scotland	01/12/2018	
A MacDonald	Police Service of Scotland	11/05/2017	06/02/2020
G King	West Yorkshire	20/10/2014	
A Lees	Co-Opted (NARPO)	02/08/2016	
E Shakespeare	Co-Opted	31/10/2019	
W Carle	Police Service of Scotland	06/02/2020	
D Hamilton	Police Service of Scotland	08/04/2020	
R Wood	Police Service of Scotland	08/04/2020	
G McDowall	Police Service of Scotland	11/05/2017	06/02/2020
A Grandison (Vice Chair)	West Yorkshire	22/09/2014	
D Murphy	Police Superintendents' Association	02/11/2017	
D Orford	Durham	20/05/2015	
D Townsend	British Transport Police	01/09/2015	31/03/2020
T Purcell	Police Service of Northern Ireland	16/07/2018	
I Hopkins	Greater Manchester	21/01/2016	
J Robins	West Yorkshire	16/06/2016	
S Martin	Police Service of Northern Ireland	01/11/2018	31/01/2020
D Simpson	Northumbria Police	14/03/2018	
L Winward	North Yorkshire	21/07/2016	

#### **Trustee Induction and Training**

With the increasing size and complexity of The Police Treatment Centres it is important that the Trustees have the necessary skills and experience to both fulfil their legal duties and also ensure that the appropriate management and internal controls are in place for the charity's efficient running. The Trustees review both their membership and their performance regularly and training or professional advice is used as appropriate.

When a new Trustee is appointed they have an induction meeting with the Chief Executive. This covers all the activities of the Charity, future strategy and also their legal responsibilities and duties. An annual Trustee Training Day was run for the Trustees by an external trainer in June 2019 and this is now an annual event. Further appropriate training is organised if required.

The charity appointed Patrick Cairns to the position of Chief Executive (CEO) in June 2014. The CEO is appointed to manage the day-to-day running of the organisation and provide support to the Trustees in the strategic direction. To discharge this function the CEO works closely with his senior management team. The senior management team consists of Paul Grant (Deputy Chief Executive), Peter Moore (Chief Finance Manager), Steve Cook (Human Resources Manager) and Mark Oxley (Head of Clinical Services).

## THE POLICE TREATMENT CENTRES

### TRUSTEES' REPORT (Including Directors' Report and Strategic Report) For the Year Ended 31 December 2019

The Trustees have the following sub-committees to assist their operation:

#### **Finance and Human Resources Committee**

This committee meets on a quarterly basis and oversees financial performance and human resources issues.

#### **Investment Sub-Committee**

This sub-committee meets twice a year to oversee the performance of the investment portfolio and its managers.

#### **Public Benefit**

The Police Treatment Centres is a charity working for serving and retired police officers. The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Charity's aims and objectives and in planning future activities.

All our charitable activities focus on improving the health and wellbeing of serving and retired police officers and are undertaken to further our charitable purposes for public benefit.

Our objects and funding limit the services provided to serving and retired police officers in the North of England, North Wales, Scotland and Northern Ireland as well as British Transport Police, the Civil Nuclear Constabulary and the Ministry of Defence Police. The number of serving police officers in this catchment area is now approximately 70,000 and the number of police officers making the voluntary donation is around 43,000 (the number of eligible retired police officers is likely to be similar). During 2019 around 3,750 beneficiaries received support from the Police Treatment Centres.

Demand for services is prioritised firstly to serving police officers who have a clinical need which is endorsed by a medical practitioner and is also based on an assessment by the charity's physiotherapy and nursing teams. PCSOs, Special Constables and Custody Detention Officers are now being routinely treated.

Every officer in the charity's catchment area is eligible to apply for treatment. The eligibility policy is available from the website ([www.thepolicetreatmentcentres.org](http://www.thepolicetreatmentcentres.org)).

Further information about the direct beneficiaries of the charity's services is provided in the Annual Report. However, the impact of the charity's work goes beyond those helped directly and includes reducing the distress suffered by families and friends of the injured and ill officers, through to a positive impact on the efficiency of police forces within the charity's catchment areas.

The main areas of charitable activity are the provision of intensive physiotherapy treatment; fitness and strength classes; psychological support together with advice and education.

## THE POLICE TREATMENT CENTRES

### TRUSTEES' REPORT (Including Directors' Report and Strategic Report) For the Year Ended 31 December 2019

#### Strategic Report

#### Financial and Operational Review 2019

The Police Treatment Centres has posted strong financial results for 2019 despite difficult economic times and the reduction in police officer numbers. The total operating surplus for the Charity in 2019 from unrestricted and endowed funds was £579,779 which was a decrease from 2018 where the operating surplus was £802,792. This excludes £4 million in restricted funds which is made up of £2.5 million from Police Care UK and £1.5million from LIBOR. This money is restricted to building of two new wings to allow the Charity to extend its Psychological Wellbeing Programme with work expected to commence in 2020. The income is included in the 2019 accounts as the Charity received entitlement to the money although it will not be used until 2020.

These outcomes were in line with financial predictions with the decrease in surpluses a result of inflationary increases, such as pay awards, together with no increase to the donation rate in 2019. In 2016, to ensure the long-term financial viability of the Charity the Trustees approved the introduction of a donation rate for retired officers. This has proved to be hugely successful and generated £294,800, which is an increase of £52,800 on the previous year, for which the Charity is grateful to its supporters.

In 2013, the Charity set up a lottery, initially aimed predominantly at retired officers although it is open to all officers and this has proved to be a success. The gross income from the lottery during the year was £124,405. This was in line with predictions and is a result of the marketing of the lottery and participants who see the value in supporting the Charity.

The total funds on the balance sheet increased from £24,395,315 in 2018 to £29,126,917 in 2019.

Whilst it appears the Charity has significant funds, it must be emphasised that the majority of this relates to the property owned and occupied by the Charity. The breakdown from the total funds is as follows:

- i. £7,038,528 is the value of the property at Castlebrae in Auchterarder, Perthshire;
- ii. £9,359,280 is the value of the property at St Andrews in Harrogate, North Yorkshire. This property is classified as being permanently endowed;
- iii. £1,319,938 is the value of other tangible fixed assets;
- iv. £2,226,255 is the value of our investments at the end of the year; the Charity requires these assets as they generate dividends which support the running costs of the Charity;
- v. £4,000,000 is the value of the restricted grants which have been committed to the building of the new Psychological Wellbeing Wing;
- vi. This leaves a balance of £5,182,916 of unrestricted assets which represents one year's running costs of the Charity.

#### Investment Income

There was a small increase in investment income from £80,410 to £82,499.

#### Support Costs

Governance and support costs increased from £651,497 to £742,706. The increased cost is a result of additional resource in the Donor Recruitment and Charity Engagement team which has generated additional income.

#### Cash Flow

There was a net cash inflow of £333,002 during the year. Cash flows from operating activities reduced slightly, reflecting the reduction in operational surpluses, but there were no major capital projects in 2019 and this resulted in there being reduced capital expenditure and an overall cash inflow.

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**Achievement and Performance Indicators**

The charity continued with its plan to refurbish rooms at both St Andrews and Castlebrae. Despite a number of rooms being out of use the Charity still managed to treat over 3,750 patients. Of these, 2,935 were serving officers that attended either the Physiotherapy Programme or the Psychological Wellbeing Programme which, when you apply the cost benefit ratio calculated by the Robert Gordon University, meant the forces in the charity's constituent forces benefitted to the value of £16.7million.

During 2018, the Charity worked with Lancashire Constabulary to offer recovery days. The purpose of this was to provide one day's respite for everyone in the force with the aim of reducing sickness. Lancashire went through a process of due diligence and procurement and established the PTC as the best place to provide the support required. The support provided by the PTC has proved very beneficial and has continued throughout 2019 and continues into 2020.

The Psychological Programme has seen increased demand throughout the year. In 2019, the Charity provided psychological support for 1,220 Police Officers which represents 32% of the total patients and we anticipate this will continue to increase in the future.

In August 2015, the Trustees of the Charity made the decision to ask retired officers to make a weekly donation of £0.65 to remain eligible for free treatment (subject to clinical need). The key reason for the change was to provide financial stability for the charity over the medium-term. The impact of this continues to be positive with well over 5,000 retired officers now signed up as donors and the income generated is £294,800. More importantly we have not seen a reduction in the number of retired officers attending for treatment.

The patient feedback after treatment at both Centres remains extremely positive with 95% reporting a positive feedback ranging from the treatment received to the facilities and food. The comments on treatment range from returning patients to better physical health to better psychological health.

The success of the Psychological Wellbeing Programme has been monitored through both patient feedback, which has been extremely positive, but also through clinical outcomes such as Generalised Anxiety Disorder 7 (GAD7) and Patient Health Questionnaire 9 (PHQ9). During 2018, an internal study was carried out involving 422 patients between April and November. From the study, the average score for PHQ on admission was 13.2 and for GAD it was 14.1. On departure, these scores had dropped dramatically for PHQ9 to 6.3 and for GAD7 to 6.5. After six weeks, a follow up study was completed to see if the treatment provided had maintained the same results or if the benefits had been lost. Remarkably the results had not only been maintained but they had fallen slightly with PHQ9 now 6.1 and GAD 7 at 6.0. Following this study the Police Treatment Centres, in 2019, appointed the Robert Gordon University to undertake an independent study of the Psychological Wellbeing Programme. During the year, 250 officers participated in the study with 40 agreeing to a follow up phone call to further discuss the benefits of their stay on the PWP. The report was a glowing endorsement of the programme and confirmed the results from the internal study.

The treatment of these patients helps to reduce the burden, both financially on the police forces and ultimately the taxpayer, and also helps to reduce waiting times on the National Health Service. More importantly it helps to return officers back to health quicker than would otherwise be the case to support their communities.

During 2019, the Charity was externally assessed for both IIP and the IIP Wellbeing award. It is a testament to the staff that the Charity retained both awards and was operating at a significantly higher level than standard.

The Charity measures its internal performance and some of the KPI's are listed below:

- 93% of all officers were offered their first date for treatment within two weeks of their application being received at The Police Treatment Centres;
- Occupancy across both sites was 84%;
- Sickness by PTC employees in the charity was 2.48% which includes long-term sickness. This was below the target of 4% and demonstrates that the Charity not only supports its patients, but also its commitment to its employees;
- Labour turnover was 9% against a target of 23%. This demonstrates that employees of the Charity are happy in the job that they do.



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**Achievement and Performance Indicators (continued)**

During 2016, the Charity recognised that the income from its trading activities would make it liable to corporation tax. The Trustees of the Police Treatment Centres therefore decided to set up a trading arm to maximise its income from this area. The trading arm was incorporated as PTC1898 Ltd in November 2016 and began trading on 1 January 2017 in order to keep it in line with the accounting period of the Charity. The financial results in 2019 were positive with profits increasing from £88,875 to £169,015. The key reason for the increase was the UCI World Cycling Championships, which were held in Harrogate with the Charity hiring its facilities to both Team GB and Australia. This is expected to be a one-off rather than a recurring opportunity each year. All of this profit has been gift aided back to the Charity to further enhance the treatment and support it provides to its beneficiaries.

**The Investment Policy**

The investment policy agreed by the Board of Trustees is to increase income in line with inflation while preserving the real value of capital sums invested. The breakdown, nature of investment and investment policy has been agreed with the Trustees of The Police Treatment Centres Investment Sub-Committee and The Police Treatment Centres Finance and Human Resources Committee. The Trustees have placed restrictions on the Investment Manager's authority and the investment policy will be continually monitored and reviewed at six monthly intervals. The portfolio is invested in a multi asset fund which is managed by Cazenove.

There was an unrealised gain of £151,823 (2018: loss of £169,205) on investments for 2019.

**The Reserves Policy**

The reserves policy agreed by the Board of Trustees is to maintain freely available reserves to cover 6-12 months' running costs, which is approximately £5million. As a result of the strong financial performance in 2019 the PTC has, in line with last year's report, retained one year's running costs. The annual increase in the reserves is in line with the Charity's five-year financial plan and is largely a result of the increase in the donation rate which was implemented in January 2016. The Charity requires this level of reserves because it does not have a guaranteed income and because there is a statutory duty to provide for its employees. This figure is deemed sufficient to meet any foreseeable short term funding requirements and takes into account the investment policy relating to the assets invested within the designated funds. It also takes account of the ready availability of those assets. The reserves policy will be continually monitored and reviewed at twelve monthly intervals.

**Future Plans**

In August 2019, the Charity's Trustees and senior management team met to discuss the strategic future of the Charity. Items reviewed included:

- A review of the facilities owned by the Charity to ensure they are fit for purpose to support the ongoing clinical needs of the charity;
- A review of the donation rate to ensure there are sufficient funds available to operate both facilities;
- A review of the donation rate for retired officers. The rate was anticipated to increase to 50% of the serving officer's rate during 2017 but due to the strong financial performance of the charity it has been held at £0.65 per week;
- The trustees considered widening the eligibility to cover different groups within the police force;
- How the charity can meet the increasing demand for psychological support;
- Look at the possibility of putting an interim support mechanism in place for officers waiting to attend the psychological wellbeing programme.

At the November board meeting the Trustees, following a financial appraisal, agreed not to increase the donation rate for either serving or retired officers. While there was recognition that they would like to expand the eligibility to additional groups the Charity did not currently have the capacity to treat them.

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**Future Plans (continued)**

The main focus of the review centred on how to support the increased demand for psychological care. The management of the Charity commissioned a feasibility study to assess the costs and impact of an expansion of the real estate of the Charity by adding additional bedrooms together with additional treatment facilities. The anticipated cost of this extension is estimated to be around £5 million. In November 2017 the Charity received a boost to its funding when a £1.5 million grant was pledged from HM Treasury from the LIBOR bank fine pool. In 2018 a project manager was appointed to manage this project. In September 2018 detailed plans were submitted to the local planning authority with planning granted in February 2019. In 2019 the Charity met with Police Care UK who agreed to support the project with funding of £2.5 million. The Police Treatment Centres is keen to thank the Trustees and management of Police Care UK in supporting this joint project which will provide significant benefit to Police Officers and ensure the PTC is seen as a centre of excellence. Work is due to begin on the project during 2020, with completion in 2021.

The Charity is committed to a healthy living agenda, incorporating lifestyles and the Care Quality Commission nutritional standards, and will be working across both sites to maintain this.

**Financial Summary**

2019 was a positive year for the Charity with a surplus before other recognised gains and losses of £579,779 (this excludes restricted income) (2018: £802,792). Unrestricted Income decreased marginally as a result of less officers donating, although this is offset through an increase in the number of retired officers supporting the Charity through a weekly donation of £0.65 per week. Donations in 2019 were down largely as a result of some significant donations which were received in 2018 such as £150,000 from Police Scotland. Income from trading activities increased in 2019 as the Charity took advantage of the UCI World Cycling Championships in Harrogate and hired out the facilities to both Team GB and Team Australia. This has allowed the Charity to increase the number of officers that we can support on the psychological programme at both centres where we are already seeing excellent results. As well as the new programme the Charity has been able to set aside money to finance its Asset Management Plan and Estates Strategy, together with making provision to ensure it has maintained reserves of one year's running costs.

**Pay Policy for key management personnel**

The Charity has a process of periodically reviewing the salaries of both employees and that of senior managers. The remuneration of the senior management is evaluated by the Finance and Human Resources committee and, where appropriate, the full Board.

The key management personnel are considered to be the senior management team consisting of Patrick Calms (Chief Executive Officer), Paul Grant (Deputy Chief Executive), Peter Moore (Chief Finance Manager), Steve Cook (Human Resources Manager) and Mark Oxley (Head of Clinical Services).

**Employees and Volunteers**

The Charity has 161 permanent staff, both full and part time. This is supplemented by three volunteers and a number of bank workers who support the Charity across the two sites. Our employees are the key to our success allowing us to deliver a high level of customer service across our activities.

The Charity would not be able to function without the experience and commitment of its employees and volunteers and the Trustees would like to express their sincere thanks to them all.

The Charity respects the dignity and rights of all employees and volunteers. It:

- provides clear and fair terms of employment;
- provides clean, healthy and safe working conditions;
- strives for equal opportunities for all present and potential employees;
- actively encourages employees to develop and improve their skills;
- does not tolerate any sexual, physical or mental harassment of our employees;
- does not discriminate on grounds of colour, ethnic origin, gender, age, religion, political or other opinion, disability or sexual orientation;
- regularly asks for feedback from staff about how we can improve their working lives; and
- has a policy of equal opportunities and fair employment practices for disabled staff.

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**Risk Management**

The Trustees have a risk management strategy which comprises a quarterly review of any key risks to the Charity. The strategy identifies and establishes systems and actions to mitigate those risks and implement procedures designed to minimise any potential impact on the Charity should those risks materialise. A register has been prepared covering significant risks using the accepted criteria of likelihood of occurrence and potential impact on the Charity's activities.

This register was prepared in conjunction with management of the PTC and is kept under review by the Finance and Human Resources Committee with a formal update and review to the full Board being performed on an annual basis. Following a detailed analysis of the Charity's operations, key risks were then documented and, where necessary, plans to mitigate them have been introduced.

A great deal of time is spent to ensure the Charity's Health and Safety standards are among the highest in the sector. Health and Safety is discussed at every Trustees' meeting and other meetings when relevant. All employees are given appropriate training and consultants are used to assist with this process and add an alternative perspective when required.

The incidence of accidents to either staff or patients is very low and our objective is to maintain and improve on this record. In addition to investigating any incidents, potential problems or near misses are also analysed and our operations are reviewed on a regular basis by qualified personnel.

**Post Balance Sheet Events**

The United Kingdom was affected by the coronavirus (COVID-19) pandemic, with most businesses like The Police Treatment Centres asked to shut down and for staff to work from home, if possible, in March 2020. The PTC took the difficult decision to close its doors to patients from Friday 20 March, in line with Government guidelines but to also protect its patients and employees. This closure at the time of writing (April 2020) is for an indefinite period and will be continuously reviewed in line with Government advice during 2020.

The majority of the Charity's income comes through salary sacrifice direct from Police Officer pay. It is unlikely that there will be any significant reductions in donations at this point. The Charity has cash reserves which will allow it to pay its staff in the short to medium term of the pandemic. The reserves, in part, include the Charity's investments and these are likely to be subject to a period of uncertainty and volatility until the situation stabilises.

**Trustees' responsibilities in relation to the financial statements**

The Charity Trustees (who are also the Directors of The Police Treatment Centres for the purposes of company law) are responsible for preparing a Trustees' Annual Report and Strategic Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for the year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of the resources of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its business.

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**Trustees' responsibilities in relation to the financial statements (continued)**

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditor**

Murray Harcourt Limited was appointed as statutory auditor on 31 August 2016 and has indicated its willingness to continue in office.

**Statement of disclosure of information to auditor**

The Trustees confirm that, at the date of the approval of these financial statements, so far as they are each aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- they have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant information and to establish that the Charity's auditor is aware of that information.

**By order of the Trustees**



A Grandison (Chair of the Finance and Human Resources Committee)  
Trustee

Date: 29/04/2020

## THE POLICE TREATMENT CENTRES

### INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2019

#### Opinion

We have audited the financial statements of The Police Treatment Centres (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account), the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement, the Charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2019, and of the group's incoming resources and application of resources, including its income and expenditure, 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 the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company'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.

However, it is not possible to predict with certainty the potential impact of future developments in both the group's and parent charitable company's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the group and parent charitable company will continue to operate as a going concern.

## **THE POLICE TREATMENT CENTRES**

### **INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2019**

#### **Other Information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (including Directors' Report and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE POLICE TREATMENT CENTRES**

**INDEPENDENT AUDITOR'S REPORT  
for the Year Ended 31 December 2019**

**Auditor's responsibilities for the audit of the financial statements**

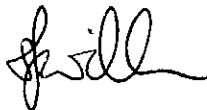
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Williams FCA  
Senior Statutory Auditor  
Murray Harcourt Limited  
6 Queen Street  
Leeds  
LS1 2TW

Date: 1/5/2020

**THE POLICE TREATMENT CENTRES**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the Year Ended 31 December 2019**

		Unrestricted funds £	Restricted funds (primarily Harrogate extension project) £	Endowment Funds £	Total 2019 £	Total 2018 £
	Note					
<b>Income from:</b>						
Donations and legacies	2	4,904,956	4,000,000	-	<b>8,904,956</b>	5,163,422
Charitable activities	3	125,275	-	-	<b>125,275</b>	136,296
Other trading activities	4	383,981	-	-	<b>383,981</b>	279,582
Investments	5	103,881	-	-	<b>103,881</b>	87,587
Other	6	3,248	-	-	<b>3,248</b>	7,231
<b>Total income</b>		<b>5,521,341</b>	<b>4,000,000</b>	<b>-</b>	<b>9,521,341</b>	<b>5,674,118</b>
<b>Expenditure on:</b>						
Raising funds	7	60,659	-	-	<b>60,659</b>	55,643
Charitable activities	8	4,743,052	3,998	133,853	<b>4,880,903</b>	4,815,683
<b>Total expenditure</b>		<b>4,803,711</b>	<b>3,998</b>	<b>133,853</b>	<b>4,941,562</b>	<b>4,871,326</b>
<b>Net gains/(losses) on investments</b>		<b>151,823</b>	<b>-</b>	<b>-</b>	<b>151,823</b>	<b>(169,205)</b>
<b>Net Income / (expenditure)</b>		<b>869,453</b>	<b>3,996,002</b>	<b>(133,853)</b>	<b>4,731,602</b>	<b>633,587</b>
<b>Transfers between funds</b>		<b>(291,208)</b>	<b>-</b>	<b>291,208</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>578,245</b>	<b>3,996,002</b>	<b>157,355</b>	<b>4,731,602</b>	<b>633,587</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		15,153,758	39,632	9,201,925	<b>24,395,315</b>	23,761,728
<b>Total funds carried forward</b>		<b>15,732,003</b>	<b>4,035,634</b>	<b>9,359,280</b>	<b>29,126,917</b>	<b>24,395,315</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The surplus for the year for Companies Act purposes comprises the net incoming resources for the year of £4,579,779 (2018: £802,792) plus the unrealised investment gain of £151,823 (2018: loss of £169,205), amounting to a surplus of £4,731,602 (2018: £633,587).

The restricted fund balance carried forward of £4,035,634 primarily relates to funding received for the Harrogate extension project. Further details of restricted funds are given in note 20.

The notes on pages 19 to 34 form an integral part of these financial statements



**THE POLICE TREATMENT CENTRES**  
(company number: 07822534)

**CONSOLIDATED AND CHARITY BALANCE SHEET**  
As at 31 December 2019

	Note	2019 Group £	2018 Group £	2019 Charity £	2018 Charity £
<b>Fixed assets</b>					
Tangible assets	14	17,717,748	17,480,914	17,717,748	17,480,914
Investments	15	2,226,255	2,001,914	2,226,265	2,001,924
		<u>19,944,001</u>	<u>19,482,828</u>	<u>19,944,011</u>	<u>19,482,838</u>
<b>Current assets</b>					
Debtors	16	4,854,981	714,193	4,982,563	741,948
Cash at bank and in hand		4,688,364	4,427,880	4,516,495	4,366,824
		<u>9,543,345</u>	<u>5,142,073</u>	<u>9,499,058</u>	<u>5,108,772</u>
<b>Creditors: amounts falling due within one year</b>	17	(360,429)	(229,586)	(316,152)	(196,295)
<b>Net current assets</b>		<u>9,182,916</u>	<u>4,912,487</u>	<u>9,182,906</u>	<u>4,912,477</u>
<b>Total assets less current liabilities</b>		<u>29,126,917</u>	<u>24,395,315</u>	<u>29,126,917</u>	<u>24,395,315</u>
<b>Net assets</b>		<u>29,126,917</u>	<u>24,395,315</u>	<u>29,126,917</u>	<u>24,395,315</u>
<b>Funds</b>					
Unrestricted funds	19	15,732,003	15,153,758	15,732,003	15,153,758
Restricted funds - general		35,634	39,632	35,634	39,632
Restricted funds - Harrogate extension		4,000,000	-	4,000,000	-
Restricted funds	20	4,035,634	39,632	4,035,634	39,632
Endowment funds	21	9,359,280	9,201,925	9,359,280	9,201,925
<b>Total funds</b>	18	<u>29,126,917</u>	<u>24,395,315</u>	<u>29,126,917</u>	<u>24,395,315</u>

The financial statements were approved by the Board of Trustees and authorised for issue on .....  
and signed on its behalf by:



A Grandison (Chair of the Finance and Human Resources Committee)  
Trustee

Date: 29/04/2020

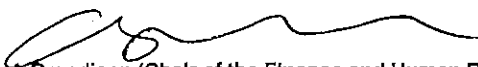
The notes on pages 19 to 34 form an integral part of these financial statements

**THE POLICE TREATMENT CENTRES**  
**CONSOLIDATED AND CHARITY BALANCE SHEET (continued)**  
**As at 31 December 2019**

Total funds are represented by:

	2019 Group £	2018 Group £	2019 Charity £	2018 Charity £
<b>Land and Buildings</b>				
Unrestricted (Scotland)	7,038,528	7,174,460	7,038,528	7,174,460
Permanent endowed (Harrogate)	9,359,280	9,201,925	9,359,280	9,201,925
<b>Fixed asset investments</b>	2,226,255	2,001,914	2,226,265	2,001,924
<b>Other net assets</b>				
Unrestricted	6,467,220	5,977,384	6,467,210	5,977,374
Restricted	4,035,634	39,632	4,035,634	39,632
<b>Net assets</b>	<u>29,126,917</u>	<u>24,395,315</u>	<u>29,126,917</u>	<u>24,395,315</u>

The financial statements were approved and authorised for issue by the Board of Trustees and signed on its behalf by:



A Grandison (Chair of the Finance and Human Resources Committee)  
Trustee

Date: 29/04/2020

The notes on pages 19 to 34 form an integral part of these financial statements

**THE POLICE TREATMENT CENTRES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**For the Year Ended 31 December 2019**

	Note	2019 £	2018 £
<b>Cash flow from operating activities</b>	25	<u>1,192,882</u>	<u>1,267,214</u>
<b>Net cash flow from operating activities</b>		<u>1,192,882</u>	<u>1,267,214</u>
<b>Cash flow from Investing activities</b>			
Dividends and interest from Investments		103,881	87,587
Purchase of property, plant and equipment		(963,761)	(325,632)
Purchase of listed Investments		-	-
<b>Net cash used in Investing activities</b>		<u>(859,880)</u>	<u>(238,045)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		333,002	1,029,169
<b>Cash and cash equivalents at the beginning of the year</b>		<u>4,593,726</u>	<u>3,564,557</u>
<b>Cash and cash equivalents at the end of the year</b>	26	<u>4,926,728</u>	<u>4,593,726</u>

**THE POLICE TREATMENT CENTRES**  
**CHARITY CASH FLOW STATEMENT**  
**For the Year Ended 31 December 2019**

	Note	2019 £	2018 £
<b>Cash flow from operating activities</b>	25	<u>1,082,069</u>	<u>1,422,321</u>
<b>Net cash flow from operating activities</b>		<u>1,082,069</u>	<u>1,422,321</u>
<b>Cash flow from Investing activities</b>			
Dividends and Interest from Investments		103,881	87,587
Purchase of property, plant and equipment		<u>(963,761)</u>	<u>(325,632)</u>
<b>Net cash used in Investing activities</b>		<u>(859,880)</u>	<u>(238,045)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>222,189</b>	<b>1,184,276</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>4,532,670</u>	<u>3,348,394</u>
<b>Cash and cash equivalents at the end of the year</b>	26	<u>4,754,859</u>	<u>4,532,670</u>

**THE POLICE TREATMENT CENTRES**  
*(company number 07822534)*

**NOTES TO FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1 General Information and basis of preparation**

The Police Treatment Centres is a company limited by guarantee incorporated in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The charity's activities focus on the provision of rehabilitation and support to serving and retired police officers.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Pounds Sterling (£), which is the functional currency of the Charity, and rounded to the nearest £1.

**Preparation of the accounts on a going concern basis**

Due to the strong position of the balance sheet and level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the Group to continue as a going concern.

**1.2 Group financial statements**

The financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary, PTC 1898 Limited, on a line-by-line basis. A separate statement of financial activities or income and expenditure for the Charitable Company itself is not presented as allowed by section 408 of the Companies Act 2006.

**1.3 Fund accounting**

Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds are those donated whereby the fund cannot be used as if it were income. Subsequently the fund represents an investment in capital that is utilised in achieving the charity's objectives.

Income generated by the endowment fund will be recognised within unrestricted income funds whilst the cost incurred in maintaining and safeguarding the capital will be charged against the endowment fund.

**THE POLICE TREATMENT CENTRES**  
*(company number 07822534)*

**NOTES TO FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

**1.4 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Group is entitled to the income and the amount can be quantified with reasonable accuracy and receipt is probable. Incoming resources are stated gross of expenditure. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when the revenue recognition criteria are met.

Donated assets are included at the value to the Group where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Income from the charity shop is included in the year in which it is receivable.

Income from B&B lettings is included in the year in which the service is provided.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which the revenue recognition criteria are met.

Income from investments is included in the year in which it is receivable.

Bank interest receivable is included in the year in which it is receivable.

Legacies are included when the Group is advised the receipt is probable and the amount involved can be quantified and the Group is entitled to the income.

**1.5 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops in each of the two reception areas.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. These costs are allocated on the basis of time spent on these activities.

Governance costs are those costs incurred in connection with the administration of the Group and compliance with constitutional and statutory requirements.

**1.6 Tangible fixed assets and depreciation**

All items of a capital nature over £500 are initially measured at cost and subsequently included at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 10% - 33% straight line
Motor vehicles	- 25% straight line
Freehold buildings	- 2% straight line
Freehold land	- No depreciation charged
Assets under construction	- No depreciation charged

On transition to FRS 102 in 2015, the Group adopted the transition exemption to use the revalued amount of its freehold land and buildings as the new 'deemed cost' and not adopt a policy of revaluation going forward.

**THE POLICE TREATMENT CENTRES**  
*(company number 07822534)*

**NOTES TO FINANCIAL STATEMENTS**  
**for the Year Ended 31 December 2019**

**1.7 Investments**

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

**1.8 Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1.9 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.10 Defined contribution pension schemes**

The Group operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

**1.11 Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past events.

**1.12 Taxation**

The Charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**1.13 Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**1.14 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

***Income recognition***

The financial statements include accrued income amounting to £537,026 (2018 - £608,177) in respect of management's estimate of officers' donations pledged but not yet remitted to the organisation as at the reporting date. The amount of income due is calculated based on management's estimate of the number of officers donating. The differences between expected income and amounts remitted in the period is recognised as accrued income.

**THE POLICE TREATMENT CENTRES**  
(company number 07822534)

**NOTES TO FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2019

**2. Income from donations and legacies**

	Unrestricted funds £	Restricted funds £	2019 Total £	2018 Total £
Donations - revenue	469,977	-	469,977	795,622
Donations - capital	-	4,000,000	4,000,000	39,984
Officers' donations	4,323,862	-	4,323,862	4,216,700
Management charges	111,117	-	111,117	111,116
	<u>4,904,956</u>	<u>4,000,000</u>	<u>8,904,956</u>	<u>5,163,422</u>

Income from donations and legacies was £8,904,956 (2018: £5,163,422) of which £4,000,000 (2018: £39,984) was attributable to restricted and £4,904,956 (2018: £5,123,438) was attributable to unrestricted funds.

**3. Income from charitable activities**

	Unrestricted funds £	2019 Total £	2018 Total £
Insurance claims	62,847	62,847	76,998
Physio, therapy, respite	34,307	34,307	27,249
Shop, vending machine, WI-FI	27,852	27,852	30,004
Medical reports	249	249	2,045
Other	20	20	-
	<u>125,275</u>	<u>125,275</u>	<u>136,296</u>

All income from charitable activities was attributable to unrestricted funds in both reporting periods.

**4. Income from other trading activities**

	Unrestricted funds £	2019 Total £	2018 Total £
Facility Hire	244,619	244,619	152,976
Fundraising events	14,882	14,882	4,773
Lottery	124,405	124,405	121,811
Other trading	75	75	22
	<u>383,981</u>	<u>383,981</u>	<u>279,582</u>

All income from trading activities was attributable to unrestricted funds in both reporting periods.



**THE POLICE TREATMENT CENTRES**  
(company number 07822534)

**NOTES TO FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2019

**5. Income from Investments**

	Unrestricted funds £	2019 Total £	2018 Total £
Income from UK listed investments	82,499	82,499	80,410
Bank interest receivable	21,382	21,382	7,177
	<hr/> 103,881	<hr/> 103,881	<hr/> 87,587

All income from Investments was attributable to unrestricted funds in both reporting periods.

**6. Income from other activities**

	Unrestricted funds £	2019 Total £	2018 Total £
Miscellaneous Income	3,248	3,248	7,231
	<hr/> 3,248	<hr/> 3,248	<hr/> 7,231

All income from other activities was attributable to unrestricted funds in both reporting periods.

**7. Expenditure on raising funds**

	Unrestricted funds £	2019 Total £	2018 Total £
Reception shop purchases	6,607	6,607	6,350
Investment management fees	10,477	10,477	7,197
Lottery costs	43,575	43,575	42,096
	<hr/> 60,659	<hr/> 60,659	<hr/> 55,643

All expenditure on raising funds was attributable to unrestricted funds in both reporting periods.

**THE POLICE TREATMENT CENTRES**  
(company number 07822534)

**NOTES TO FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2019

**8. Expenditure on charitable activities**

	Activities undertaken directly £	Support costs £	2019 Total £	2018 Total £
Treatment Centres	4,138,197	742,706	4,880,903	4,815,683
	<hr/>	<hr/>	<hr/>	<hr/>
	4,138,197	742,706	4,880,903	4,815,683
	<hr/>	<hr/>	<hr/>	<hr/>

Expenditure on charitable activities was £4,880,903 (2018: £4,815,683) of which £133,853 (2018: £129,655) was attributable to endowments, £3,998 (2018: £49,771) was attributable to restricted and £4,743,052 (2018: £4,636,257) was attributable to unrestricted funds.

**9. Analysis of governance and support costs**

	Endowment funds £	Unrestricted funds £	2019 Total £	2018 Total £
<b>Support costs</b>				
Management and administration costs	-	695,583	695,583	624,069
<b>Governance cost</b>				
Accountancy Fees	-	6,071	6,071	5,942
Auditor's remuneration	-	13,620	13,620	12,500
Legal and professional fees	-	24,026	24,026	10,470
Bank charges	-	3,406	3,406	(1,484)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	742,706	742,706	651,497
	<hr/>	<hr/>	<hr/>	<hr/>

**10. Net Income for the year**

	2019 Total £	2018 Total £
Net Incoming resources are stated after charging:		
Depreciation – owned assets	525,229	480,908
Operating lease rentals – plant and machinery	1,902	2,779
Auditor's remuneration:		
Audit fees – parent charity	10,000	10,000
Audit fees – subsidiary undertaking	3,620	2,500
Accountancy fees	6,071	5,942
	<hr/>	<hr/>

**THE POLICE TREATMENT CENTRES**  
(company number 07822534)

**NOTES TO FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2019

**11. Employees**

**Employment costs**

	2019 £	2018 £
Wages and salaries	2,881,425	2,752,225
Social security costs	206,348	193,628
Pension costs	116,034	102,036
	<u>3,203,807</u>	<u>3,047,889</u>

**Number of employees**

The number of employees who earned more than £60,000 during the year was as follows:

	2019 Number	2018 Number
£80,001 to £90,000	<u>1</u>	<u>1</u>

The number of higher paid employees accruing pension benefit was:

	2019 Number	2018 Number
Defined contribution scheme	<u>1</u>	<u>1</u>

The average monthly number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2019 Number	2018 Number
Professional medical staff	32	32
Support staff	<u>69</u>	<u>69</u>
	<u>101</u>	<u>101</u>

The average numbers of staff employed in the year was 184 (2018: 184).

Some staff employed by The Police Treatment Centre (PTC) also have responsibilities for the management and administration of St George's Police Children Trust, a charity which operates from the same premises. Their employment costs are, therefore, apportioned between the two charities on a time basis. A management charge is then raised from PTC to St George's Police Children Trust to recharge the costs involved. The total management charge covering personnel and establishment costs for 2019 together with the cost of the St George's Police Children Trust Benefits Review was £130,000 inclusive of VAT (2018: £130,000). Of this amount £94,416 (2018: £94,416) related to personnel costs. The employment costs above incorporate the total staff costs before the recharge of personnel costs to St George's Police Children Trust.

**Trustees' emoluments**

No trustees received remuneration from the charity during the year (2018: None). No trustees received expenses from the charity during the year (2018: None).

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**12. Pension costs**

The Group operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by Independent managers. The pension charge within unrestricted expenditure represents contributions due from the charity and amounted to £116,034 (2018: £102,036). At 31 December 2019 there were no contributions (2018: none) owing to the pension scheme. At 31 December 2019 there were no contributions due back from the pension scheme (2018: none).

**13. Subsidiary undertaking**

The wholly owned subsidiary, PTC 1898 Limited, is incorporated in England and Wales (Company number: 10493577). Its principal activity is to carry out commercial activities for the benefit of the Charity. The company's registered office address is: St Andrews, Harlow Moor Road, Harrogate, North Yorkshire, HG2 0AD.

**PTC 1898 Limited**

**Summary Profit and Loss Account**

	2019 £	2018 £
<b>Turnover</b>	274,000	183,297
Cost of sales	<u>(87,643)</u>	<u>(64,173)</u>
<b>Gross profit</b>	206,357	119,124
Administrative expenses	<u>(37,402)</u>	<u>(30,329)</u>
<b>Operating profit</b>	168,955	88,795
Interest receivable	60	80
Interest payable and similar charges	-	-
<b>Profit on ordinary activities before taxation</b>	169,015	88,875
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
<b>Profit for the year</b>	<u>169,015</u>	<u>88,875</u>

**The assets and liabilities of the subsidiary were:**

Current assets	178,909	61,056
Current liabilities	<u>(178,899)</u>	<u>(61,046)</u>
<b>Total net assets</b>	<u>10</u>	<u>10</u>
Called up share capital	10	10
Profit and loss account	<u>-</u>	<u>-</u>
<b>Shareholders' funds</b>	<u>10</u>	<u>10</u>

The profits of PTC 1898 Limited have been donated to The Police Treatment Centres under gift aid.

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**14. Tangible fixed assets**

**Group and Charity**

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2019	17,663,324	-	3,861,629	55,384	21,580,337
Additions	209,891	81,317	470,853	-	762,061
At 31 December 2019	17,873,215	81,317	4,332,482	55,384	22,342,398
<b>Depreciation</b>					
At 1 January 2019	1,286,940	-	2,784,166	28,317	4,099,423
Charge for the year	269,784	-	246,160	9,285	525,229
At 31 December 2019	1,556,724	-	3,030,326	37,602	4,624,652
<b>Net book value</b>					
At 31 December 2019	16,316,491	81,317	1,302,156	17,782	17,717,746
At 31 December 2018	16,376,384	-	1,077,463	27,067	17,480,914

**15. Fixed asset investments**

**Group**

	Listed Investments £	Cash held as part of Investment portfolio £	Total £
<b>Valuation</b>			
At 1 January 2019	1,836,068	165,846	2,001,914
Management fees	-	(10,477)	(10,477)
Interest	-	496	496
Distributions received	-	82,499	82,499
Revaluation	151,823	-	151,823
At 31 December 2019	1,987,891	238,364	2,226,255
<b>Historic cost at</b>			
At 31 December 2019	1,554,209	238,364	1,792,573

All Investments are held in the UK.

If a decision were taken to dispose of unrestricted investments at a future date to fund charitable expenditure, legal advice and regulatory consultation would be sought to ensure no liens are held over the assets.

**Charity**

Charity investments of £2,226,265 consist of the listed investment portfolio disclosed above, together with a £10 investment in the share capital of PTC 1898 Limited, representing a 100% shareholding at historic cost. Further details regarding PTC 1898 Limited are provided in note 13.

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**16. Debtors**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	12,058	8,460	5,018	8,460
Amounts owed by group undertakings	-	-	134,622	27,755
Amounts owed by related undertakings	45,884	45,783	45,884	45,783
Prepayments and accrued income	4,797,039	659,950	4,797,039	659,950
	<u>4,854,981</u>	<u>714,193</u>	<u>4,982,563</u>	<u>741,948</u>

**17. Creditors: amounts falling due within one year**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	188,318	66,093	187,544	65,703
Other taxes and social security	26,845	10,925	4,942	221
Accruals and deferred income	145,266	152,568	123,666	130,371
	<u>360,429</u>	<u>229,586</u>	<u>316,152</u>	<u>196,295</u>

**Deferred income**

	Group £	Charity £
Deferred income at 1 January 2019	68,877	49,140
Resources deferred in the year	68,400	49,140
Release in the year	(68,877)	(49,140)
Deferred income at 31 December 2019	<u>68,400</u>	<u>49,140</u>

Deferred income is in respect of advance B&B bookings £19,260 (2018: £19,737) and donations relating to 2019 of £49,140 (2018: £49,140).

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**18. Analysis of net assets between funds**

Fund balances at 31 December 2019 are by:

**Group**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,322,832	35,634	9,359,280	17,717,746
Investment assets	2,226,255	-	-	2,226,255
Current assets	5,543,345	4,000,000	-	9,543,345
Current liabilities	(360,429)	-	-	(360,429)
<b>Total</b>	<b>15,732,003</b>	<b>4,035,634</b>	<b>9,359,280</b>	<b>29,126,917</b>

**Charity**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,322,832	35,634	9,359,280	17,717,746
Investment assets	2,226,265	-	-	2,226,265
Current assets	5,499,058	4,000,000	-	9,499,058
Current liabilities	(316,152)	-	-	(316,152)
<b>Total</b>	<b>15,732,003</b>	<b>4,035,634</b>	<b>9,359,280</b>	<b>29,126,917</b>

**19. Unrestricted funds**

**Group**

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2019 £
General fund	15,053,758	5,481,341	(4,763,711)	151,823	(191,208)	15,732,003
Designated funds	100,000	40,000	(40,000)	-	(100,000)	-
	<b>15,153,758</b>	<b>5,521,341</b>	<b>(4,803,711)</b>	<b>151,823</b>	<b>(291,208)</b>	<b>15,732,003</b>

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**19. Unrestricted funds (continued)**

**Charity**

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2019 £
General fund	15,053,758	5,442,296	(4,724,666)	151,823	(191,208)	15,732,003
Designated funds	100,000	40,000	(40,000)	-	(100,000)	-
	<u>15,153,758</u>	<u>5,482,296</u>	<u>(4,764,666)</u>	<u>151,823</u>	<u>(291,208)</u>	<u>15,732,003</u>

The general fund is for the general maintenance of The Police Treatment Centres.

Designated funds brought forward relate to the Harrogate extension fund which is a fund for the expansion of the Harrogate facility. The funds were donated by Police Scotland in 2018. The current year designated income and expenditure relates to amounts designated towards funding of costs associated with the Psychological Programme. This funding was provided by Sheikh Mohammed bin Rashid Al Maktoum.

**20. Restricted funds**

**Group and Charity**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
Scotland capital fund	39,632	-	(3,998)	-	35,634
LIBOR fund	-	1,500,000	-	-	1,500,000
Police Care UK	-	2,500,000	-	-	2,500,000
	<u>39,632</u>	<u>4,000,000</u>	<u>(3,998)</u>	<u>-</u>	<u>4,035,634</u>

**Purposes of restricted funds**

Scotland capital fund represents donations for the restricted purpose of Scotland capital items.

The income received from the LIBOR fund and Police Care UK will be used to support the building of two new wings at Harrogate which will increase the level of Psychological Wellbeing Support provided. Further details of the project are outlined in the Trustees' Report.

Once a capital fund has been used for its intended restricted purpose, the amount concerned is transferred into unrestricted funds or, if in regard to capital projects at St Andrews Harrogate, to the permanent endowment fund.



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**21. Permanent Endowment funds**

**Group and Charity**

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
St Andrews, Harrogate	9,201,925	-	(133,853)	291,208	9,359,280
	<u>9,201,925</u>	<u>-</u>	<u>(133,853)</u>	<u>291,208</u>	<u>9,359,280</u>

**Purposes of endowment funds**

The endowment fund was donated to ensure the charity had sufficient assets to achieve its charitable objectives. The transfer in the period relates to enhancements made to the endowed asset funded from unrestricted reserves.

**22. Financial Commitments**

At 31 December 2019 the Group and Charity had total outstanding commitments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Expiry date:</b>		
Not later than one year	2,764	1,910
Later than one year and not later than five years	3,594	2,048
	<u>6,358</u>	<u>3,958</u>

**23. Related party transactions**

**Group**

**St George's Police Children Trust**

St George's Police Children Trust is a charity that operates from the premises of the Group. The Group and St George's Police Children Trust have many trustees in common. All establishment and personnel costs for St George's Police Children Trust are paid for by the Group. A management charge (inclusive of VAT) of £130,000 (2018: £130,000) has been levied on St George's Police Children Trust to cover establishment, administration and wage costs of the Group. At 31 December 2019, £45,884 (2018: £45,783) was due from St George's Police Children Trust on its current account.

**RUCGC PSNI Benevolent Fund**

The RUCGC PSNI Benevolent Fund has a Trustee in common with The Police Treatment Centres. During the period the Group received a donation of £50,000 (2018: £55,000) from the RUCGC PSNI Benevolent Fund.

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**23. Related party transactions (continued)**

**Key management personnel**

The total remuneration of the key management personnel of the Group, was £308,169 (2018: £299,361).

**Charity**

All related party transactions of the Group were transacted through the Charity. In addition to the transactions and balances noted above, the Charity also transacted with PTC 1898 Limited, its wholly owned subsidiary undertaking. During the year ended 31 December 2019, the Charity charged management charges amounting to £66,000 to PTC 1898 Limited and received a gift aid donation of £169,015.

As at 31 December 2019, the Charity was owed £134,622 (2018: £27,755) from PTC 1898 Limited.

**24. Indemnity Insurance**

The Group paid for the Insurance premiums to Indemnify Trustees and senior staff from any loss arising from neglect or defaults of trustees or staff and any consequent loss.

**25. Reconciliation of net income to net cash flow from operating activities**

**Group**

	2019 £	2018 £
Net income for the reporting year	4,731,602	633,587
Depreciation charges	525,229	480,908
Profit on sale of fixed assets	-	(3,764)
(Gain)/loss on investments	(151,823)	169,205
Dividends and interest on investments	(103,881)	(87,587)
(Increase) / decrease in debtors	(3,939,088)	170,743
Increase / (decrease) in creditors	130,843	(95,878)
Net cash flow from operating activities	<u>1,192,882</u>	<u>1,267,214</u>

**Charity**

	2019 £	2018 £
Net income for the reporting year	4,731,602	633,587
Depreciation charges	525,229	480,908
Profit on sale of fixed assets	-	(3,764)
(Gain) / loss on investments	(151,823)	169,205
Dividends and interest on investments	(103,881)	(87,587)
(Increase) / decrease in debtors	(4,038,915)	335,636
Increase / (decrease) in creditors	119,857	(105,664)
Net cash flow from operating activities	<u>1,082,069</u>	<u>1,422,321</u>

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**26. Analysis of cash and cash equivalents**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash at bank and In hand	4,688,364	4,427,880	4,516,495	4,366,824
Cash held in investment portfolio	<u>238,364</u>	<u>165,846</u>	<u>238,364</u>	<u>165,846</u>
	<u><b>4,926,728</b></u>	<u><b>4,593,726</b></u>	<u><b>4,754,859</b></u>	<u><b>4,532,670</b></u>

**27. Financial Instruments**

**Group**

The carrying amounts of the Group's financial instruments are as follows:

	2019 £	2018 £
<b><i>Financial assets</i></b>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments	<u>2,226,255</u>	<u>2,001,914</u>
Measured at amortised cost:		
- Trade debtors (note 16)	12,058	8,460
- Accrued income	4,537,026	608,117
- Amounts owed by related undertakings (note 16)	<u>45,884</u>	<u>45,783</u>
	<u><b>4,594,968</b></u>	<u><b>662,360</b></u>
<b><i>Financial liabilities</i></b>		
Measured at amortised cost		
- Trade creditors (note 17)	188,318	66,093
- Accruals (note 17)	<u>76,866</u>	<u>83,691</u>
	<u><b>265,184</b></u>	<u><b>149,784</b></u>

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**27. Financial instruments (continued)**

The income, expenses, net gains and net losses attributable the Group's financial instruments are summarised as follows:

	2019 £	2018 £
<b><i>Income and expense</i></b>		
Financial assets measured at fair value through net income / expenditure	82,499	80,410
<b><i>Net gains and losses (including changes in fair value)</i></b>		
Financial assets measured at fair value through net income / expenditure	151,823	(169,205)

**Charity**

The carrying amounts of the Charity's financial instruments are as follows:

	2019 £	2018 £
<b><i>Financial assets</i></b>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 15)	2,228,255	2,001,914
Measured at cost less impairment		
- Investment in subsidiary undertaking (note 15)	10	10
Measured at amortised cost:		
- Trade debtors (note 16)	5,018	8,460
- Accrued income	4,537,026	608,117
- Amounts owed by related undertakings (note 16)	45,884	45,783
- Amounts owed by group undertakings (note 16)	134,622	27,755
	4,722,550	690,115
<b><i>Financial liabilities</i></b>		
Measured at amortised cost		
- Trade creditors (note 17)	187,544	65,703
- Accruals (note 17)	74,526	81,231
	262,070	146,934