

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FOR

THE POLICE TREATMENT CENTRES

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

THE POLICE TREATMENT CENTRES

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LEGAL AND ADMINISTRATIVE INFORMATION

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

THE POLICE TREATMENT CENTRES
TRUSTEES' REPORT
(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2020

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 2020. 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

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	19/01/2021
P Booth	North Yorkshire	01/10/2016	06/12/2020
J Harwin	Cleveland Police	12/04/2018	
M Davis	Co-opted	11/05/2017	
C Moore	Police Service of Northern Ireland	09/04/2015	09/04/2021
R Dutton	Co-opted	21/11/2013	
B Jones	Police Service of Scotland	16/02/2021	
P Hilman	Police Service of Northern Ireland	07/02/2019	30/04/2020
M Lally	Greater Manchester	01/08/2017	12/04/2021
A McLaren	Police Service of Scotland	01/12/2018	06/12/2020
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	02/10/2020
S Carle	Police Service of Scotland	06/02/2020	
D Hamilton	Police Service of Scotland	08/04/2020	15/02/2021
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	23/12/2020
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	
E Aldred	North Yorkshire	07/12/2020	
N Goodband	British Transport Police	16/07/2020	
W Kerr	Police Service of Scotland	07/12/2020	
A Malcolm	Police Service of Scotland	16/02/2021	

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 their legal responsibilities and duties. Normally an annual Trustee Training Day is run for the Trustees by an external trainer but in June 2020 this had to be cancelled due to Covid 19. Further appropriate training is organised if required.

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Trustee Induction and Training (continued)

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 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 42,500 (the number of eligible retired police officers is likely to be similar). Despite the worldwide pandemic in 2020 and the forced closure of businesses around 1,280 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).

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.

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Strategic Report

Financial and Operational Review 2020

2020 was an unprecedented year with the worldwide pandemic leading to the country shutting down and the PTC closing its doors for the first time ever between March and September. While the PTC was closed for face to face delivery of its service during this period it used the time constructively to provide different ways of offering our service e.g. using an online platform. In this period the Charity began preparations to reopen, expand and improve the service it provides.

The Police Treatment Centres has posted strong financial results for 2020 despite the worldwide pandemic. The total operating surplus for the Charity in 2020 from unrestricted and endowed funds was £1,396,706 which was an increase from 2019 where the operating surplus was £579,779 (excluding restricted income). The Trustees demonstrated their commitment to the beneficiaries during the year by designating £300,000 from the 2020 surplus to support the running costs of opening the new Harrogate extension over the next two years.

These outcomes were in line with financial predictions with the increase in surpluses a result of closing both centres leading to reduced running costs such as utilities and food. The Charity, in line with the majority of organisations, took the decision to furlough the majority of its staff and claim 80% of their salary through the Government's Job Retention Scheme. While this generated savings it is prudent to point out that the trading arm of the Charity had a significant reduction in its income which has also been reflected in the accounts.

During 2020 the PTC welcomed Northamptonshire Police as a constituent forces and we look forward to a long and prosperous working relationship.

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 successful. The gross income from the lottery during the year was £121,331. 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 £29,126,917 in 2019 to £30,579,670 in 2020.

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 and used to deliver treatment. The breakdown from the total funds is as follows:

- i. £6,902,597 is the value of the property at Castlebrae in Auchterarder, Perthshire;
- ii. £11,463,637 is the value of the property at St Andrews in Harrogate, North Yorkshire. This property is classified as being permanently endowed;
- iii. £1,289,810 is the value of other tangible fixed assets;
- iv. £2,355,728 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. £1,761,254 is the value of the restricted grants which have been committed to the building of the new Psychological Wellbeing Wing at St Andrews;
- vi. This leaves a balance of £6,806,644 of unrestricted assets which represents just over one year's running costs of the Charity.

Investment Income

Investment Income remained in line with 2019 with the figures reducing marginally from £82,499 to £82,382.

Support Costs

Governance and support costs decreased from £742,706 to £731,611.

Cash Flow

There was a net cash inflow of £2,803,148 during the year. Cash flows from operating activities increased, reflecting the significant grants received to undertake the capital project of the new Harrogate extension.

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Achievement and Performance Indicators

2020 was an unprecedented year with the worldwide pandemic which led to the PTC shutting its doors for the first time ever following Government advice. While the PTC was closed for face to face delivery of its service it used the time constructively to provide different ways of offering its service through online platforms. During closure the Charity put together plans to reopen safely and where possible improve the level of service it offers.

Despite being closed completely for six months and only being able to operate for three months at 50% capacity the Charity still managed to treat over 1,280 residential patients. Of these, 1,101 were serving officers who attended either the Physiotherapy Programme or the Psychological Wellbeing Programme which, when the cost benefit ratio calculated by the Robert Gordon University is applied, resulted in the forces in the charity's constituent forces benefitting to the value of £6.2 million.

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 until the lockdown. This service will be back up and running in 2021 providing significant benefit to the Police Officers of Lancashire Constabulary.

The Charity used the period of closure to look at different ways to operate and how the Charity could provide additional benefit to its beneficiaries. During 2020 the Charity invested in two key areas which were online consultations and an App to support officers suffering from psychological illnesses.

The PTC invested significant funds in installing a digital treatment platform called Attend Anywhere to provide online consultations. The PTC Clinical Management Team assessed this platform as being the best when looking at increased functionality and equally importantly provided additional security which is paramount to the Charity when dealing with the personal details of Police Officers. Attend Anywhere is also used across the NHS for these very reasons. In 2020 the Charity provided over 600 hours of online support.

The Charity is always trying to evolve and enhance the service it provides. During 2020 the Charity invested funds in an App developed by Thrive. This is the only App used for the support of mental health that is endorsed by the NHS. The App has proved invaluable during 2020 and is supporting on average over 150 police officers each month. The number of users has increased since its inception and we anticipate it further increasing significantly during 2021 as it becomes part of the programme we provide. The anonymised reports demonstrate there has been significant engagement from people using the App. If required an individual can access support from a counsellor and in some months the take up has been as high as 85% demonstrating the level of engagement. The App is also monitored and on a couple of occasions has seen a counsellor ring a user to offer advice having seen the patient's input and scores. The feedback from patients has been positive and will allow the PTC, when required, to adapt the Psychological Wellbeing Programme. The usage and results further endorse the building of the Harrogate extension which will allow us to treat double the number of patients on the Psychological Wellbeing Programme.

In August 2015, the Trustees of the Charity decided 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 extremely positive with well over 6,000 retired officers now signed up as donors and the income generated during 2020 was £341,600. 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 positively on items ranging from the treatment received to the facilities and food. The comments on treatment range from returning patients to better physical health and better psychological health all the way to saying it has genuinely saved their life.

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 86%; (this is based on the number of places available to comply with social distancing);

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Achievement and Performance Indicators (continued)

- Sickness by PTC employees in the Charity was 1.8% 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.

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 trading. The trading arm was incorporated as PTC1898 Ltd in November 2016 and began trading on 1 January 2017 to keep it in line with the accounting period of the Charity. The financial results in 2020 were positive despite profits decreasing from £169,015 to £15,338. These figures were in line with expectations given the global pandemic and the inability to trade after March 2020. All profit has been gift aided back to the Charity to further enhance the treatment and support it provides to its beneficiaries.

Harrogate Extension

During March 2020 the PTC began work to build two new extensions to support the growing demand for Psychological Wellbeing. The extensions will add an additional 20 bedrooms together with four counselling rooms, six complementary therapy rooms, two workshops, a relaxation room and conference room. The anticipated cost of the building is £5 million with the majority of the funding coming from a Police Care grant and HM Treasury through the LIBOR fines (£1.5 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 expected to be completed by the end of May 2021.

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 £56,047 (2019: gain of £151,823) on investments for 2020. These results were achieved despite the economic downturn caused by the pandemic.

The Reserves Policy

The reserves policy agreed by the Board of Trustees is to maintain freely available reserves to cover six to twelve months' running costs, which is approximately £5 million. As a result of the strong financial performance in 2020 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

During 2020 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;
- To open the new wings at Harrogate and double the number of officers attending the Psychological Wellbeing Programme.
- To work with other police organisations and charities.
- A review of the donation rate to ensure there are sufficient funds available to operate both facilities;

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Future Plans (continued)

- A review of the donation rate for retired officers. The rate was originally anticipated when it was introduced in 2016 to increase to 50% of the serving officer's rate in subsequent years 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;

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.

May 2021 will see the extension work complete and two new wings will open to patients attending for the Psychological Wellbeing Programme. One of the key tasks is to work with Police Care UK in putting together a new programme which will support more complex psychological needs such as PTSD. This will help cement the PTC as a centre of excellence for both physiotherapy and mental illness.

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

2020 was a positive year financially for the Charity despite the pandemic with a surplus before other recognised gains and losses of £1,396,706 (2019: £579,779 – excluding restricted income). Income increased marginally from serving officers as the PTC welcomed Northamptonshire as a constituent force. Income increased in 2020 mostly as a result of receiving £879,332 from the Government Retention Scheme (it should be noted that this scheme has helped support all of the jobs within the Charity). Income from trading activities was down in 2020 as a consequence of the pandemic and the country being shut down. As a result of both centres being closed for six months there were additional savings in utilities, food and overtime which contributed to the surplus. The 2020 surplus has helped finance some of the additional benefits provided by the Charity such as Attend Anywhere and Thrive together with a commitment to set aside £300,000 to be used for the running of the two new wings. As well as the new wings 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 but this did not occur in 2020.

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 186 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 the Charity can improve their working lives; and

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Employees and Volunteers (continued)

- has a policy of equal opportunities and fair employment practices for disabled staff.

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. The Charity maintains a Risk Register which covers 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 continued to be affected by the coronavirus (COVID-19) pandemic, with most businesses like The Police Treatment Centres asked to shut down for a second time and for staff to work from home, if possible, from January 2021. The PTC took the difficult decision to close its doors to patients from Friday 8th January, in line with Government guidelines but to also protect its patients and employees. At the time of writing the PTC was due to reopen on the 26th April 2021.

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: 06/05/2021

THE POLICE TREATMENT CENTRES

INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2020

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 2020 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 2020, 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 2020

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 pages 9 and 10, 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 2020

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. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of the directors on procedures relating to their processes for identifying, evaluating and complying with laws and regulations and for detecting and responding to the risks of fraud;
- obtaining an understanding of the legal and regulatory frameworks applicable to the entity. The most significant considerations identified were the Companies Act 2006, the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, corporation tax and employment tax legislation; and
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - management override of controls; and
 - revenue recognition.

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations and to identify any irregularities or instances of fraud;
- We tested the appropriateness of a sample of accounting journals;
- We reviewed the Company's accounting policies for non-compliance with relevant accounting standards;
- We considered significant accounting estimates for evidence of misstatement; and
- We considered the appropriateness of the revenue recognition policies.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements. There are inherent limitations in the audit procedures performed not least due to the following:

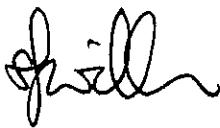
- the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve deliberate concealment; and
- the further removed the non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

THE POLICE TREATMENT CENTRES

INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2020

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: 11/5/21

THE POLICE TREATMENT CENTRES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2020

		Unrestricted funds	Restricted funds (primarily Clinical wing project)	Endowment Funds	Total 2020	Total 2019
	Note	£	£	£	£	£
Income from:						
Donations and legacies	2	4,846,140	50,000	-	4,896,140	8,904,956
Charitable activities	3	86,005	-	-	86,005	125,275
Other trading activities	4	163,531	-	-	163,531	383,981
Investments	5	93,715	-	-	93,715	103,881
Other	6	881,504	-	-	881,504	3,248
Total Income		6,070,895	50,000	-	6,120,895	9,521,341
Expenditure on:						
Raising funds	7	55,766	-	-	55,766	60,659
Charitable activities	8	4,484,034	50,000	134,389	4,668,423	4,880,903
Total expenditure		4,539,800	50,000	134,389	4,724,189	4,941,562
Net gains on Investments		56,047	-	-	56,047	151,823
Net Income / (expenditure)		1,587,142	-	(134,389)	1,452,753	4,731,602
Transfers between funds		35,634	(2,274,380)	2,238,746	-	-
Net movement In funds		1,622,776	(2,274,380)	2,104,357	1,452,753	4,731,602
Reconciliation of funds:						
Total funds brought forward		15,732,003	4,035,634	9,359,280	29,126,917	24,395,315
Total funds carried forward		17,354,779	1,761,254	11,463,637	30,579,670	29,126,917

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 £1,396,706 (2019: £4,579,779) plus the unrealised investment gain of £56,047 (2019: £151,823), amounting to a surplus of £1,452,753 (2019: £4,731,602).

The restricted fund balance carried forward of £1,761,254 relates to funding received for the Clinical wing project. Further details of restricted funds are given in note 20.

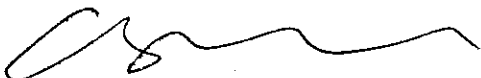
The notes on pages 20 to 35 form an integral part of these financial statements

THE POLICE TREATMENT CENTRES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2020

Total funds are represented by:

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Land and Buildings				
Unrestricted (Scotland)	6,902,597	7,038,528	6,902,597	7,038,528
Permanent endowed (Harrogate)	11,463,637	9,359,280	11,463,637	9,359,280
Fixed asset investments	2,355,728	2,226,255	2,355,738	2,226,265
Other net assets				
Unrestricted	8,096,454	6,467,220	8,096,444	6,467,210
Restricted	1,761,254	4,035,634	1,761,254	4,035,634
Net assets	<u>30,579,670</u>	<u>29,126,917</u>	<u>30,579,670</u>	<u>29,126,917</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: 06/05/2021

THE POLICE TREATMENT CENTRES
(company number: 07822534)

CONSOLIDATED AND CHARITY BALANCE SHEET
As at 31 December 2020

	Note	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Fixed assets					
Tangible assets	14	19,656,044	17,717,746	19,656,044	17,717,746
Investments	15	2,355,728	2,226,255	2,355,738	2,226,265
		<u>22,011,772</u>	<u>19,944,001</u>	<u>22,011,782</u>	<u>19,944,011</u>
Current assets					
Debtors	16	1,557,215	4,854,981	1,587,357	4,982,563
Cash at bank and In hand		7,418,086	4,688,364	7,372,839	4,516,495
		<u>8,975,301</u>	<u>9,543,345</u>	<u>8,960,196</u>	<u>9,499,058</u>
Creditors: amounts falling due within one year	17	(407,403)	(360,429)	(392,308)	(316,152)
Net current assets		<u>8,567,898</u>	<u>9,182,916</u>	<u>8,567,888</u>	<u>9,182,906</u>
Total assets less current liabilities		<u>30,579,670</u>	<u>29,126,917</u>	<u>30,579,670</u>	<u>29,126,917</u>
Net assets		<u>30,579,670</u>	<u>29,126,917</u>	<u>30,579,670</u>	<u>29,126,917</u>
Funds					
Unrestricted funds	19	17,354,779	15,732,003	17,354,779	15,732,003
Restricted funds - general		-	35,634	-	35,634
Restricted funds - Clinical wing		1,761,254	4,000,000	1,761,254	4,000,000
Restricted funds	20	1,761,254	4,035,634	1,761,254	4,035,634
Endowment funds	21	11,463,637	9,359,280	11,463,637	9,359,280
Total funds	18	<u>30,579,670</u>	<u>29,126,917</u>	<u>30,579,670</u>	<u>29,126,917</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 06/05/2021 and signed on its behalf by:



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

Date: 06/05/2021

THE POLICE TREATMENT CENTRES
CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flow from operating activities	25	<u>5,163,705</u>	<u>1,192,882</u>
Net cash flow from operating activities		<u>5,163,705</u>	<u>1,192,882</u>
Cash flow from investing activities			
Dividends and interest from investments		93,715	103,881
Purchase of property, plant and equipment		<u>(2,454,272)</u>	<u>(963,761)</u>
Net cash used in investing activities		<u>(2,360,557)</u>	<u>(859,880)</u>
Change in cash and cash equivalents in the reporting period		2,803,148	333,002
Cash and cash equivalents at the beginning of the year		<u>4,926,728</u>	<u>4,593,726</u>
Cash and cash equivalents at the end of the year	26	<u>7,729,876</u>	<u>4,926,728</u>

The closing cash balance represents the net funds of the Group.

THE POLICE TREATMENT CENTRES

CHARITY CASH FLOW STATEMENT
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flow from operating activities	25	<u>5,290,327</u>	<u>1,082,069</u>
Net cash flow from operating activities		<u>5,290,327</u>	<u>1,082,069</u>
Cash flow from Investing activities			
Dividends and Interest from Investments		93,715	103,881
Purchase of property, plant and equipment		<u>(2,454,272)</u>	<u>(963,761)</u>
Net cash used in Investing activities		<u>(2,360,557)</u>	<u>(859,880)</u>
Change in cash and cash equivalents in the reporting period		<u>2,929,770</u>	<u>222,189</u>
Cash and cash equivalents at the beginning of the year		<u>4,754,859</u>	<u>4,532,670</u>
Cash and cash equivalents at the end of the year	26	<u>7,684,629</u>	<u>4,754,859</u>

THE POLICE TREATMENT CENTRES
(company number 07822534)

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2020

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 2020

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 2020

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 £447,079 (2019 - £537,026) 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 2020

2. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Donations - revenue	306,165	50,000	356,165	469,977
Donations - capital	-	-	-	4,000,000
Officers' donations	4,428,858	-	4,428,858	4,323,862
Management charges	111,117	-	111,117	111,117
	<u>4,846,140</u>	<u>50,000</u>	<u>4,896,140</u>	<u>8,904,956</u>

Income from donations and legacies was £4,896,140 (2019: £8,904,956) of which £50,000 (2019: £4,000,000) was attributable to restricted and £4,846,140 (2019: £4,904,956) was attributable to unrestricted funds.

3. Income from charitable activities

	Unrestricted funds £	2020 Total £	2019 Total £
Insurance claims	68,530	68,530	62,847
Physio, therapy, respite	7,021	7,021	34,307
Shop, vending machine, WI-FI	10,274	10,274	27,852
Medical reports	180	180	249
Other	-	-	20
	<u>86,005</u>	<u>86,005</u>	<u>125,275</u>

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

4. Income from other trading activities

	Unrestricted funds £	2020 Total £	2019 Total £
Facility Hire	37,029	37,029	244,619
Fundraising events	5,171	5,171	14,882
Lottery	121,331	121,331	124,405
Other trading	-	-	75
	<u>163,531</u>	<u>163,531</u>	<u>383,981</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 2020

5. Income from investments

	Unrestricted funds £	2020 Total £	2019 Total £
Income from UK listed investments	82,382	82,382	82,499
Bank interest receivable	11,333	11,333	21,382
	<u>93,715</u>	<u>93,715</u>	<u>103,881</u>

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

6. Income from other activities

	Unrestricted funds £	2020 Total £	2019 Total £
Miscellaneous Income	2,172	2,172	3,248
Covid-19 Job Retention Scheme income	879,332	879,332	-
	<u>881,504</u>	<u>881,504</u>	<u>3,248</u>

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

7. Expenditure on raising funds

	Unrestricted funds £	2020 Total £	2019 Total £
Reception shop purchases	4,593	4,593	6,607
Investment management fees	9,072	9,072	10,477
Lottery costs	42,101	42,101	43,575
	<u>55,766</u>	<u>55,766</u>	<u>60,659</u>

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 2020

8. Expenditure on charitable activities

	Activities undertaken directly £	Support costs £	2020 Total £	2019 Total £
Treatment Centres	3,936,812	731,611	4,668,423	4,880,903
	<hr/>	<hr/>	<hr/>	<hr/>
	3,936,812	731,611	4,668,423	4,880,903
	<hr/>	<hr/>	<hr/>	<hr/>

Expenditure on charitable activities was £4,668,423 (2019: £4,880,903) of which £134,389 (2019: £133,853) was attributable to endowments, £50,000 (2019: £3,998) was attributable to restricted and £4,484,034 (2019: £4,743,052) was attributable to unrestricted funds.

9. Analysis of governance and support costs

	Endowment funds £	Unrestricted funds £	2020 Total £	2019 Total £
Support costs				
Management and administration costs	-	698,480	698,480	695,583
Governance cost				
Accountancy Fees	-	8,351	8,351	6,071
Auditor's remuneration	-	8,400	8,400	13,620
Legal and professional fees	-	16,207	16,207	24,026
Bank charges	-	173	173	3,406
	<hr/>	<hr/>	<hr/>	<hr/>
	-	731,611	731,611	742,706
	<hr/>	<hr/>	<hr/>	<hr/>

10. Net Income for the year

	2020 Total £	2019 Total £
Net incoming resources are stated after charging:		
Depreciation – owned assets	532,824	525,229
Operating lease rentals – plant and machinery	2,764	1,902
Auditor's remuneration:		
Audit fees – parent charity	5,800	10,000
Audit fees – subsidiary undertaking	2,600	3,620
Accountancy fees	8,351	6,071
	<hr/>	<hr/>

THE POLICE TREATMENT CENTRES
(company number 07822534)

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2020

11. Employees

Employment costs

	2020 £	2019 £
Wages and salaries	2,879,838	2,881,425
Social security costs	212,813	206,348
Pension costs	145,537	116,034
	<u>3,238,188</u>	<u>3,203,807</u>

Number of employees

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

	2020 Number	2019 Number
£60,001 to £70,000	1	-
£80,001 to £90,000	-	1
£90,001 to £100,000	<u>1</u>	<u>-</u>

The number of higher paid employees accruing pension benefit was:

	2020 Number	2019 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:

	2020 Number	2019 Number
Professional medical staff	32	32
Support staff	<u>71</u>	<u>69</u>
	<u>103</u>	<u>101</u>

The average numbers of staff employed in the year was 186 (2019: 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 2020 together with the cost of the St George's Police Children Trust Benefits Review was £130,000 inclusive of VAT (2019: £130,000). Of this amount £94,416 (2019: £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 (2019: None). No trustees received expenses from the charity during the year (2019: 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 £145,537 (2019: £116,034). At 31 December 2020 there were no contributions (2019: none) owing to the pension scheme. At 31 December 2020 there were no contributions due back from the pension scheme (2019: 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

	2020 £	2019 £
Turnover	48,069	274,000
Cost of sales	<u>(23,304)</u>	<u>(67,643)</u>
Gross profit	24,765	206,357
Administrative expenses	<u>(9,327)</u>	<u>(37,402)</u>
Operating profit	15,438	168,955
Interest receivable	33	60
Interest payable and similar charges	<u>(133)</u>	<u>-</u>
Profit on ordinary activities before taxation	15,338	169,015
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Profit for the year	<u>15,338</u>	<u>169,015</u>

The assets and liabilities of the subsidiary were:

Current assets	45,830	178,909
Current liabilities	<u>(45,820)</u>	<u>(178,899)</u>
Total net assets	<u>10</u>	<u>10</u>
Called up share capital	10	10
Profit and loss account	<u>-</u>	<u>-</u>
Shareholders' funds	<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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for the Year Ended 31 December 2020

14. Tangible fixed assets

Group and Charity

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2020	17,873,215	81,317	4,332,482	55,384	22,342,398
Additions	26,800	2,211,946	213,108	19,268	2,471,122
Disposals	-	-	-	(16,850)	(16,850)
At 31 December 2020	17,900,015	2,293,263	4,545,590	57,802	24,796,670
Depreciation					
At 1 January 2020	1,556,724	-	3,030,326	37,602	4,624,652
Charge for the year	270,320	-	248,660	13,844	532,824
Eliminated on disposal	-	-	-	(16,850)	(16,850)
At 31 December 2020	1,827,044	-	3,278,986	34,596	5,140,626
Net book value					
At 31 December 2020	16,072,971	2,293,263	1,266,604	23,206	19,656,044
At 31 December 2019	16,316,491	81,317	1,302,156	17,782	17,717,746

15. Fixed asset investments

Group

	Listed Investments £	Cash held as part of Investment portfolio £	Total £
Valuation			
At 1 January 2020	1,987,891	238,364	2,226,255
Management fees	-	(9,072)	(9,072)
Interest	-	116	116
Distributions received	-	82,382	82,382
Revaluation	56,047	-	56,047
At 31 December 2020	2,043,938	311,790	2,355,728
Historic cost at			
At 31 December 2020	1,554,209	311,790	1,865,999

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.

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15. Fixed asset Investments (continued)

Charity

Charity investments of £2,355,738 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.

16. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	1,387	12,058	804	5,018
Amounts owed by group undertakings	-	-	30,725	134,622
Amounts owed by related undertakings	44,710	45,884	44,710	45,884
Prepayments and accrued income	1,511,118	4,797,039	1,511,118	4,797,039
	<u>1,557,215</u>	<u>4,854,981</u>	<u>1,587,357</u>	<u>4,982,563</u>

17. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	296,926	188,318	295,618	187,544
Amounts owed to group undertakings	-	-	-	-
Other taxes and social security	5,615	26,845	225	4,942
Accruals and deferred income	104,862	145,266	96,465	123,666
	<u>407,403</u>	<u>360,429</u>	<u>392,308</u>	<u>316,152</u>

Deferred Income

	Group £	Charity £
Deferred income at 1 January 2020	68,400	49,140
Resources deferred in the year	6,080	-
Release in the year	<u>(52,010)</u>	<u>(32,750)</u>
Deferred income at 31 December 2020	<u>22,470</u>	<u>16,390</u>

Deferred income is in respect of advance B&B bookings £6,080 (2019: £19,260) and donations relating to 2020 of £16,390 (2019: £49,140).

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18. Analysis of net assets between funds

Fund balances at 31 December 2020 are by:

Group

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,156,773	-	11,463,637	19,620,410
Investment assets	2,355,728	-	-	2,355,728
Current assets	7,249,681	1,761,254	-	9,010,935
Current liabilities	(407,403)	-	-	(407,403)
Total	17,354,779	1,761,254	11,463,637	30,579,670

Charity

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,156,773	-	11,463,637	19,620,410
Investment assets	2,355,728	-	-	2,355,728
Current assets	7,249,681	1,761,254	-	9,010,935
Current liabilities	(407,403)	-	-	(407,403)
Total	17,354,779	1,761,254	11,463,637	30,579,670

19. Unrestricted funds

Group

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2020 £
General fund	15,732,003	6,030,895	(4,499,800)	56,047	(300,000)	17,019,145
Designated funds						
Psychological programme	-	40,000	(40,000)	-	-	-
Clinical wing running costs	-	-	-	-	300,000	300,000
Clinical wing build costs	-	-	-	-	35,634	35,634
Total	15,732,003	6,070,895	(4,539,800)	56,047	35,634	17,354,779

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NOTES TO FINANCIAL STATEMENTS
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19. Unrestricted funds (continued)

Charity

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2020 £
General fund	15,732,003	6,014,629	(4,483,534)	56,047	(300,000)	17,019,145
Designated funds						
Psychological programme	-	40,000	(40,000)	-	-	-
Clinical wing running costs	-	-	-	-	300,000	300,000
Clinical wing build costs	-	-	-	-	35,634	35,634
	<u>15,732,003</u>	<u>6,054,629</u>	<u>(4,523,534)</u>	<u>56,047</u>	<u>35,634</u>	<u>17,354,779</u>

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

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. The trustees have designated £300,000 from the surplus in the year to cover the running costs of the new Clinical wing for the next two years. In addition, £35,634 has been designated towards the capital cost of the Clinical wing.

20. Restricted funds

Group and Charity

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Scotland capital fund	35,634	-	-	(35,634)	-
LIBOR fund	1,500,000	-	-	(1,500,000)	-
Police Care UK	2,500,000	-	-	(738,746)	1,761,254
	<u>4,035,634</u>	<u>-</u>	<u>-</u>	<u>(2,274,380)</u>	<u>1,761,254</u>

Purposes of restricted funds

The income received from the LIBOR fund and Police Care UK will be used to support the building of two new Clinical 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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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2020

21. Permanent Endowment funds

Group and Charity

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
St Andrews, Harrogate	9,359,280	-	(134,389)	2,238,746	11,463,637
	<u>9,359,280</u>	<u>-</u>	<u>(134,389)</u>	<u>2,238,746</u>	<u>11,463,637</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 2020 the Group and Charity had total outstanding commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Expiry date:		
Not later than one year	2,300	2,764
Later than one year and not later than five years	1,294	3,594
	<u>3,594</u>	<u>6,358</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 (2019: £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 2020, £44,710 (2019: £45,884) 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 £nil (2019: £50,000) from the RUCGC PSNI Benevolent Fund.

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for the Year Ended 31 December 2020

23. Related party transactions (continued)

Key management personnel

The total remuneration of the key management personnel of the Group, was £324,221 (2019: £308,169).

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 2020, the Charity charged management charges amounting to £16,500 (2019: £66,000) to PTC 1898 Limited and received a gift aid donation of £15,338.

As at 31 December 2020, the Charity was owed £30,725 (2019: £134,622) 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

	2020 £	2019 £
Net income for the reporting year	1,452,753	4,731,602
Depreciation charges	532,824	525,229
Profit on sale of fixed assets	(16,850)	-
(Gain)/loss on investments	(56,047)	(151,823)
Dividends and interest on investments	(93,715)	(103,881)
(Increase) / decrease in debtors	3,297,766	(3,939,088)
Increase / (decrease) in creditors	46,974	130,843
Net cash flow from operating activities	<u>5,163,705</u>	<u>1,192,882</u>

Charity

	2020 £	2019 £
Net income for the reporting year	1,452,753	4,731,602
Depreciation charges	532,824	525,229
Profit on sale of fixed assets	(16,850)	-
(Gain) / loss on investments	(56,047)	(151,823)
Dividends and interest on investments	(93,715)	(103,881)
(Increase) / decrease in debtors	3,395,206	(4,038,915)
Increase / (decrease) in creditors	76,156	119,857
Net cash flow from operating activities	<u>5,290,327</u>	<u>1,082,069</u>

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26. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash at bank and In hand	7,418,086	4,688,364	7,372,839	4,516,495
Cash held In investment portfolio	311,790	238,364	311,790	238,364
	<u>7,729,876</u>	<u>4,926,728</u>	<u>7,684,629</u>	<u>4,754,859</u>

27. Financial Instruments

Group

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

	2020 £	2019 £
<i>Financial assets</i>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed Investments	<u>2,355,728</u>	<u>2,226,255</u>
Measured at amortised cost:		
- Trade debtors (note 16)	1,387	12,058
- Accrued Income	1,447,079	4,537,026
- Amounts owed by related undertakings (note 16)	<u>44,710</u>	<u>45,884</u>
	<u>1,493,176</u>	<u>4,594,968</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 17)	296,926	188,318
- Accruals (note 17)	<u>82,392</u>	<u>76,866</u>
	<u>379,318</u>	<u>265,184</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:

	2020 £	2019 £
<i>Income and expense</i>		
Financial assets measured at fair value through net Income / expenditure	82,382	82,499
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income / expenditure	56,047	151,823

Charity

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

	2020 £	2019 £
<i>Financial assets</i>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 15)	2,355,728	2,226,255
Measured at cost less impairment		
- Investment in subsidiary undertaking (note 15)	10	10
Measured at amortised cost:		
- Trade debtors (note 16)	804	5,018
- Accrued income	1,447,079	4,537,026
- Amounts owed by related undertakings (note 16)	44,710	45,884
- Amounts owed by group undertakings (note 16)	30,725	134,622
	1,523,318	4,722,550
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors (note 17)	295,618	187,544
- Accruals (note 17)	80,075	74,526
	375,693	262,070