



## **Annual Report and Accounts**

**Year ended 30 June 2022**

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## **The Police Foundation**

Annual Report of the Trustees

Year ended 30 June 2022

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### **Reference and administrative information**

#### **Contact details**

Address 124 City Road  
London  
EC1V 2NX

Web Site [www.police-foundation.org.uk](http://www.police-foundation.org.uk)

#### **Trustees and Officers**

Trustees Sir William Jeffrey KCB (Chairman)  
The Rt. Hon. Sir John Wheeler JP DL (Vice Chairman)  
Mrs Mary Calam  
Lord Dholakia of Waltham Brooks PC OBE DL  
Professor Nicholas Fyfe  
Sir David Garrard  
Professor Martin Innes  
Mr Adrian Leppard CBE QPM MBA BA (Hons) (resigned 11 July 2022)  
Dame Sara Thornton DBE QPM  
Mr Stephen Rimmer CB  
Mr Michael Cunningham CBE QPM  
Mr Andrew Tivey (appointed 14 November 2022)

Director Dr Richard G Muir

#### **Professional Advisers**

Independent Examiners Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

Solicitors Bates Wells Braithwaite  
10 Queen Street Place  
London EC4R 1BE

Bankers HSBC UK Bank Plc  
129 New Bond Street  
London W1S 1EA

Investment Advisers Investec Wealth & Investment Limited  
30 Gresham Street  
London EC2V 7QN

## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Trustees' Report**

The Trustees of the Police Foundation present their Annual Report for the year ended 30 June 2022 and the financial statements for that year, prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) (FRS102).

The Police Foundation is a registered charity (number 278257). Its address is shown on page 2.

### **Trustees**

The names of the Trustees who served during the year ended 30 June 2021 are listed on page 2.

### **Structure, governance and management**

#### **Governing document**

The Police Foundation is a Charitable Trust governed by its Trust Deed dated 9 July 1979. Following discussion with the Charity Commission, the Trust Deed was most recently updated on 11 July 2007.

#### **Governance and management**

The Board of Trustees is responsible for the overall governance of the Foundation. The Board meets formally at least twice a year. There were two meetings during the year ended 30 June 2022.

The existing Trustees have the power to appoint new Trustees, and the total number shall not be more than eighteen or less than eight. Each Trustee may serve up to two consecutive four-year terms of office, and thereafter may be reappointed by formal Board resolution for such period as the meeting may resolve.

Any business requiring the involvement of Trustees between Board meetings is conducted through appropriate sub-committees of Trustees, with any decisions required being formally ratified via postal or other means of communication. The routine management of the Foundation is the responsibility of the Director, who reports directly to the Chairman of the Board of Trustees. The Trustees employ a small central staff.

#### **Recruitment, induction and training of Trustees**

The Foundation's Trustees are appointed by resolution of the Board following due consideration of nominations received, based on relevant attributes including specialist skills and experience. In addition to meeting key members of the Foundation's staff, new Trustees are provided with an induction pack comprising information on Trustees' responsibilities, a copy of the Trust Deed, the latest Annual Report and Accounts, minutes of Trustees' meetings, and relevant information on the Foundation's current work programme. All Trustees are encouraged to attend relevant seminars and Trustee training courses.

#### **Policy for the remuneration of key management personnel**

The Foundation's remuneration policy for all staff is decided by the Trustees. Remuneration is based on the market value for each role. Salary reviews are held on an annual basis. The charity is accredited with the Living Wage Foundation.

#### **Public benefit**

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under The Charities Act 2011. The charity is a Public Benefit Entity. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Objects, aims and principal activities**

#### **Who we are**

The Police Foundation is the UK's policing think tank. We are the only independent think tank in the UK focused exclusively on improving policing. Our mission is to generate evidence and develop ideas which deliver better policing and a safer society. We do this by producing trusted, impartial research, by facilitating informed public debate about policing and by working with the police and their partners to create change.

#### **Objects**

The objects of the Police Foundation, as set out in the Trust Deed are:

- the advancement and promotion of efficient and effective policing; and
- to undertake and promote study and research into the methods, organisation and effectiveness of the police and the training of police officers, and to publish the useful results of such study and research.

#### **Our mission**

The Police Foundation has three main aims:

- to understand how policing can become more effective, efficient and legitimate;
- to generate new ideas for how the police can keep citizens safe in a rapidly changing world;
- to facilitate informed public debate about policing.

Our mission is realised by:

- undertaking credible, high-quality applied research of direct relevance to policy and practice.
- hosting events into specific policing and crime reduction issues.
- offering training and consultancy to help the police and others transfer evidence and knowledge into policy and practice.
- communicating our ideas to a wider audience through our networks in policing and beyond and through our use of print, broadcast and digital media.

## **Review of the year ended 30 June 2022**

### **The Strategic Review of Policing in England and Wales**

In March 2022 we launched the final report of the Strategic Review of Policing in England and Wales. The report was the first independent report into the future of policing for many years. It set out how the public safety challenge facing the country will evolve over the next twenty years, arguing that this will be shaped by the technological revolution, environmental turbulence, and social change. It then set out how the country ought to respond to that challenge and in particular what kind of police service will be required. It called for a much more systemic focus on preventing crime, a ten-year plan to improve public trust and confidence in the police, major reforms to police training and education and the regionalisation of key specialist capabilities to tackle cross border crime more effectively. The report was launched at an event in central London and its publication received widespread media coverage. Since publication the Foundation has been undertaking a roadshow talking to senior leadership teams in police forces throughout the country and has been engaging with policymakers to secure support for its recommendations.

### **Improving the police response to online child sexual exploitation and abuse**

The Foundation completed a major report into how the police respond to online child sexual abuse, which was published in July 2022. The report described how the scale of this abuse threatens to overwhelm policing agencies. It recommends much greater investment in the skills and technology required to investigate these offences, a more systemic approach to preventing them online and a greater focus on the proactive pursuit of the most serious offenders.

### **Policing and young adults**

Since November 2020 the Police Foundation has been working on a project, funded by the Barrow Cadbury Trust, to work in collaboration with police practitioners to change the way in which young adults are policed. The project is informed by a growing evidence base that the policing of 18–25-year-olds needs a distinct approach. Young adults constitute less than 10 per cent of the UK population but make up to 30–40 per cent of all police cases. Evidence clearly shows that young adults do not reach full developmental maturity until age 25, and this lack of maturity can lead to unnecessary risk taking and impulsive behaviour.

Together with Revolving Doors Agency, the Police Foundation has launched a Knowledge Exchange Network that brings together police Inspectors and Chief Inspectors from across England and Wales to co-create new and better ways of policing young adults aged 18–25. This Network provides police with peer-to-peer learning and support, recognising the wealth of knowledge and expertise among police officers. Inspectors and Chief Inspectors across police services across England and Wales are able to share evidence and tackle difficult issues. The focus is on upscaling innovation and practices that are evidence-based and that can become mainstream.

The project also involves the Police Foundation working alongside two police force areas to trial new approaches in practice. We have been working with Thames Valley Violence Reduction Unit on how to take a trauma informed approach to working with young violent offenders and with Sussex Police on how they could extend their approach to the under 18 group to the 18–25-year-old group. We are now looking to expand this work by working with further police force areas to develop innovative and evidence-based practice.

## **Review of the year ended 30 June 2022 continued**

### **The disruption of serious and organised crime**

We have started work on a new project to understand the use of disruption as a policing tactic to tackle organised crime. This will involve understanding the range and nature of disruption strategies and tactics being used by UK policing, how success is measured and how the police work with others to achieve effective disruption. The final report will set out how disruption should be deployed in the future as part of a broader strategy to tackle organised crime.

### **The future of policing in Scotland**

Alongside our work on the Strategic Review of Policing in England and Wales from autumn 2021 to spring 2022 we undertook a series of seminars on the future of policing in Scotland. These were undertaken in partnership with CGI and the Scottish Institute for Policing Research. The seminars covered themes such as workforce reform and prevention and were attended by stakeholders including Police Scotland, the Scottish Police Authority, the Scottish Police Federation, academics and third sector organisations.

### **Roadcraft**

The Roadcraft series of publications, which is published by The Stationery Office (TSO) and comprises four books (*'Roadcraft: The Police Driver's Handbook'*, *'Motorcycle Roadcraft: The Police Rider's Handbook'*, *'Fleetcraft: The Essential Occupational Driver's Handbook'* and *'Towing Roadcraft: The Essential Towing Handbook'*) and a DVD (*'Roadcraft: The Police Driver's Course on Advanced Driving'*), makes a significant contribution to road safety by improving the driving of both the police, other emergency service drivers and members of the public. Throughout 2021/22 we continued to publicise our new 2020 editions of *'Roadcraft: The Police Driver's Handbook'* and *'Motorcycle Roadcraft: The Police Rider's Handbook'*.

## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Review of the year ended 30 June 2022 continued**

#### **Objectives for the year ended 30 June 2023**

In the year 2022/23 the Foundation will continue to undertake activities to ensure impact from the Strategic Review of Policing in England and Wales. This will include visits to police forces and speaking at a range of prominent events and conferences. It will also involve publishing a series of short papers to further develop some of our key recommendations and engaging with politicians from across the political parties as they develop their manifestoes for the next general election. There will also be opportunities to speak to international audiences about the Review's findings.

We will publish a report into the use of disruption to tackle serious and organised crime and we will continue our work with police forces to develop alternative person-centred approaches to working with young adults. We further intend to start work on what future local police operating models should look like and to undertake a major new programme of work on tackling online fraud. We intend to further develop the concept of Person-Centred Policing and to explore how this can be better embedded into police policy and practice. We also hope to continue to strengthen our partnerships in Scotland and to carry out further events and projects in partnership with Police Scotland and the Scottish Police Authority.

We will be refreshing our events programme, including relaunching our Annual Conference, holding the John Harris Memorial Lecture and for the first time taking over the organisation of the annual Cumberland Lodge Police Conference. Alongside this we will be supporting the Society of Evidence Based Policing with its communications and conferences and undertaking more online events.

#### **Trustees' responsibilities for the accounts**

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year.

In preparing the accounts the Trustees should:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the accounts, or disclose and explain any departures therefrom
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.



## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Review of the year ended 30 June 2022 continued**

#### **Trustees' responsibilities for the accounts continued**

##### **Risk management**

The Trustees are ultimately responsible for the management of the risks faced by the Foundation. Together with the Director they identify and assess these risks on a regular basis and consider the systems and controls which have been established to mitigate them. During the year the Trustees spent time at their Board meetings reviewing the most significant risks facing the charity, which would include the risk of being unable to secure future grant funding, consultancy projects and other income, the risk of being unable to retain or recruit key staff members and the risk of damage to the charity's credibility. The Trustees have taken steps to mitigate these risks – these include sourcing new funders, expanding the charity's profile both nationally and internationally, increasing the charity's profile whilst always safeguarding its reputation as the UK's policing think tank and maintaining its independence, and reviewing staff pay levels to ensure that they reflect the skill and experience of the staff.

##### **Going concern basis for preparation of the financial statements**

The Trustees consider the Police Foundation's plans and strategies at each Board meeting. As part of this process, the Finance Subcommittee of the Trustees has reviewed the latest income projections, budgets and cash flow forecasts for the period to 30 June 2024, and the assumptions contained therein.

In light of these projections, the Trustees are confident that the Foundation has adequate resources to continue in operational existence for the foreseeable future and that there are not material uncertainties that call into doubt the Foundation's ability to continue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

##### **Financial results**

The financial results for the year ended 30 June 2022 are set out in the Statement of Financial Activities on page 12, the Balance Sheet on page 13 and the Cash Flow Statement on page 14, together with the accounting policies and notes to the accounts on pages 15 to 28.

###### *Restricted Funds*

Details of Restricted Funds are set out in note 13 to the accounts on pages 23 and 24.

###### *Unrestricted Funds*

The total unrestricted income for the year ended 30 June 2022 was £115,000 compared with £119,000 in the previous year.

Unrestricted expenditure for the financial year was £128,000, so unrestricted expenditure exceeded unrestricted income by £13,000. There were realised investment gains of £13,000, but a decrease in the value of the investment portfolio of £56,000, representing unrealised losses at the balance sheet date, and an actuarial gain on the defined benefit pension scheme of £2,000, so unrestricted funds decreased by a total of £54,000 to £476,000. This compares with an increase of £147,000 in the year ended 30 June 2021.

The Foundation's unrestricted funds are held in a managed investment portfolio and as cash on deposit. The charity has a written investment policy, with long term growth and low to medium risk as the main criteria.

Further details of Unrestricted Funds are set out in note 14 to the accounts on page 25.

## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Review of the year ended 30 June 2022 continued**

Trustees' responsibilities for the accounts continued

### **Financial results**

#### *Fundraising Expenditure*

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

### **Reserves**

The Trustees review the finances of the charity on a regular basis, both in the Finance Sub-committee and at main Trustees' meetings. They consider that reserves of at least six to twelve months' worth of general expenditure are desirable. At 30 June 2022, Restricted funds were £nil. Unrestricted funds at the year-end were £476,000 which represents more than a year's worth of central staffing and other overhead costs as budgeted for the year ended 30 June 2023.

### **Investment powers, policy and performance**

The Trustees' investment powers are governed by the Trust Deed, which permits the Foundation's funds to be invested in any stocks, shares, funds, securities, land or other investments or property.

The Board's policy is to invest surplus unrestricted funds for a total return by adopting a medium risk investment strategy, while ensuring that sufficient liquid funds are available to meet projected commitments.

Restricted funds are held in cash on deposit because of the need to meet known project expenditure commitments within a relatively short time frame.

The Foundation's investments have continued to be managed in accordance with our policy and the Trust Deed. The investment advisers provide quarterly reports to the Finance Subcommittee of the Trustees, and a summary is provided to all Trustees prior to each Trustees meeting. Significant movements in the value of the portfolio are discussed by the Finance Subcommittee, and, where necessary, with the other Trustees and with the investment advisers.

There were net realised gains on the sale of investments of £13,000 in the year, however net unrealised losses of £56,000 were recorded on revaluation of investments at the end of the financial year. Investment income of £6,000 was received and reinvested during the year. The performance was in line with expectations given the impact of world events during the financial year affecting investments globally.

## **The Police Foundation**

Annual Report of the Trustees (continued)

Year ended 30 June 2022

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### **Review of the year ended 30 June 2022 continued**

#### **Independent Examiner**

Crowe U.K. LLP have expressed their willingness to continue in office as independent examiner and a resolution proposing their reappointment will be submitted to the forthcoming Trustees' meeting.

Approved by the Board of Trustees on 2 March 2023

and signed on its behalf by:



**Sir William Jeffrey**  
**Chairman of Trustees**

## **The Police Foundation**

Report of the Independent Examiners

Year ended 30 June 2022

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### **Independent examiner's report to the Trustees of The Police Foundation**

I report to the Trustees on my examination of the accounts of the Police Foundation for the year ended 30 June 2022 which are set out on pages 12 to 28.

This report is made solely to the charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's Trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Thomas ACA  
Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW  
8 March 2023

# The Police Foundation

## Statement of Financial Activities

Year ended 30 June 2022

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Income from generated funds:</b>					
<i>Voluntary income</i>					
Donations, grants and legacies	2	25,895	325,797	351,692	407,357
Investment income	3	5,695	-	5,695	4,622
<b>Income from charitable activities:</b>					
Fees for consultancy, training & events		41,475	-	41,475	12,314
Sale of publications		41,700	-	41,700	65,873
<b>Total</b>		<b>114,765</b>	<b>325,797</b>	<b>440,562</b>	<b>490,166</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities:</b>					
Undertaking research and influencing policy		79,331	325,797	405,128	385,411
Grant to project partner		-	-	-	16,400
Consultancy, training & events		39,278	-	39,278	6,510
Publications		9,395	-	9,395	4,522
<b>Total</b>	7	<b>128,004</b>	<b>325,797</b>	<b>453,801</b>	<b>412,843</b>
Net gains/(losses) on investments	10	(43,478)	-	(43,478)	69,610
<b>Net income / (expenditure)</b>		<b>(56,717)</b>	<b>-</b>	<b>(56,717)</b>	<b>146,933</b>
Other gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	18	2,384	-	2,384	(142)
<b>Net (expenditure)/income</b>		<b>(54,333)</b>	<b>-</b>	<b>(54,333)</b>	<b>146,791</b>
<b>Net movement in funds</b>		<b>(54,333)</b>	<b>-</b>	<b>(54,333)</b>	<b>146,791</b>
Total funds brought forward		530,259	-	530,259	383,468
<b>Total funds carried forward</b>	13&14	<b>475,926</b>	<b>-</b>	<b>475,926</b>	<b>530,259</b>

All the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The notes on pages 15 to 28 form part of these accounts.

A full analysis of individual restricted funds is given in note 13 on pages 23 and 24.

# The Police Foundation


Balance Sheet

30 June 2022

	Notes	2022	2021
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	1,141	2,281
Investments	10	<u>385,146</u>	<u>426,495</u>
		386,287	428,776
<b>CURRENT ASSETS</b>			
Debtors	11	71,683	53,616
Cash at bank and in hand		<u>120,688</u>	<u>174,754</u>
		<u>192,371</u>	<u>228,370</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(69,571)</u>	<u>(85,372)</u>
<b>NET CURRENT ASSETS</b>		<u>122,800</u>	<u>142,998</u>
Provision for liabilities	18	<u>33,161</u>	<u>41,515</u>
<b>NET ASSETS</b>	15	<u>475,926</u>	<u>530,259</u>
<b>REPRESENTED BY:</b>			
Accumulated funds:			
Unrestricted funds	14	475,926	530,259
Restricted funds	13	<u>-</u>	<u>-</u>
		<u>475,926</u>	<u>530,259</u>

Approved by the Board of Trustees on 2 March 2023 and signed on its behalf by:

Sir William Jeffrey )  
 )  
 } Trustees  
 )  
 Sir John Wheeler )  
 )



The notes on pages 15 to 28 form part of these accounts.  
 A full analysis of individual restricted funds is given in note 13 on pages 23 and 24.

Charity Number 278257

**The Police Foundation**  
Cash Flow Statement  
Year ended 30 June 2022

	2022 £	2021 £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	<b>(54,085)</b>	<b>64,477</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	19	11
Sale/(purchase) of property, plant and equipment	-	(2,281)
Sale/(purchase) of investments	-	50,000
<b>Net cash provided by (used in) investing activities</b>	<b>19</b>	<b>47,730</b>
Change in cash and cash equivalents in the reporting period	(54,066)	112,207
Cash and cash equivalents at the beginning of the reporting period	174,754	62,547
Cash and cash equivalents at the end of the reporting period	<u>120,688</u>	<u>174,754</u>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(54,333)	146,791
Adjustments for:		
Depreciation charges	1,140	2,635
(Gains)/losses on investments	43,478	(69,610)
Dividends, interest and rents from investments	(5,695)	(4,622)
Investment management fees	3,547	3,456
(Increase)/decrease in debtors	(18,067)	20,882
Increase/(decrease) in creditors	(24,155)	(35,055)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(54,085)</u></b>	<b><u>64,477</u></b>
Cash in hand	120,688	174,754
Notice deposits	-	-
<b>Total cash and cash equivalents</b>	<b><u>120,688</u></b>	<b><u>174,754</u></b>

# The Police Foundation

Notes to the Accounts

Year ended 30 June 2022

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## 1. ACCOUNTING POLICIES

### a) Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The Foundation constitutes a public benefit entity as defined by FRS 102.

As detailed in the Trustees Report, the trustees have reviewed the latest income projections, budgets and cash flow forecasts for the period to 30 June 2024, and the assumptions contained therein. In light of these projections, the Trustees are confident that the Foundation has adequate resources to continue in operational existence for the foreseeable future and that there are not material uncertainties that call into doubt the Foundation's ability to continue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

### b) Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

### c) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

### d) Tangible fixed assets

Tangible fixed assets are capitalised where the item costs in excess of £500. Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Computer equipment	-	over 2 years
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### e) Investments

Investments are stated in the balance sheet at market value. Gains or losses arising on revaluation at each financial year end, and on sales of investments, are credited or charged in the SOFA.

### f) Restricted funds

Restricted funds are established where monies are received for specific purposes, such as particular research projects. A separate fund is established for each individual project, and relevant expenditure is charged thereto



# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

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## 1. ACCOUNTING POLICIES (continued)

### g) Operating leases

The rentals payable under operating leases are charged in the SOFA on a straight-line basis over the lease term.

### h) Financial instruments

The Police Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise trade creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

### i) Pension costs

The Foundation makes contributions to a defined contribution pension scheme in accordance with the requirements of Auto Enrolment. The contributions are accounted for as they become payable. The Foundation previously participated in a multi-employer defined benefit scheme. Deficit recovery payments are accounted for as they become payable, and accounting adjustments are in accordance with FRS102 and as described in full in Note 18.

### j) Taxation

No provision is made for corporation tax, as the Foundation is able to claim full statutory exemption subject to the proper application of all its charitable resources.

### k) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

### l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

### m) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, cash held for reinvestment and short-term deposits.

# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

## 1. ACCOUNTING POLICIES (continued)

### n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

## 2. DONATIONS AND GRANTS

	2022 £	2021 £
<b>Unrestricted Funds</b>		
During the year, unrestricted donations and grants of £5,000 or more were received from the following:		
The Tompkins Foundation	25,000	25,000
HMRC – CJRS grant for furloughed staff	-	9,099
Other smaller grants and donations	895	1,626
	<u>25,895</u>	<u>35,725</u>

### Restricted Funds

During the year, grants to fund specific projects were received from the following:

The Dawes Trust	219,947	213,382
CGI	40,000	40,000
Mark 43	-	40,000
City of London Corporation	-	20,000
Global Alliance of Societies for Evidence Based Policing	20,000	-
The Home Office	-	10,200
Trust for London	-	3,200
Driveteach	-	18,850
Barrow Cadbury	45,850	26,000
	<u>325,797</u>	<u>371,632</u>

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

### 3. INVESTMENT INCOME

	2022	2021
	£	
Investment income was derived from the following:		
Listed investments	5,676	4,611
Cash held on deposit	19	11
	<u>5,695</u>	<u>4,622</u>

### 4. RESOURCES EXPENDED

	2022	2021
	£	£
The expenditure for the year includes:		
Staff costs (note 6)	347,143	335,026
Independent examination fees	4,300	4,000
Depreciation	1,140	2,635
	<u>          </u>	<u>          </u>

No remuneration was paid to any of the Trustees. Expenses for reimbursed travel expenses relating to attendance at Trustees' meetings were £nil (2021 – £nil).

### 5. OTHER COSTS

	2022	2021
	£	£
Governance costs comprise:		
Independent examination fees	4,300	4,000
Trustees' travel expenses	-	-
Investment management charges	3,547	3,456
	<u>          </u>	<u>          </u>

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

### 6. EMPLOYEES

	2022 £	2021 £
<b>Staff costs comprise:</b>		
Wages and salaries	302,718	291,867
Employers' National Insurance costs	28,634	28,141
Pension costs	15,791	15,019
	<u>347,143</u>	<u>335,027</u>

	No.	No.
The average number of employees during the year was:		
Full time	7	7
Part time (full-time equivalent)	<u>0</u>	<u>0</u>
	<u>7</u>	<u>7</u>

The number of higher paid employees was:

£90,000 - £100,000	1	1
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Total pension contributions for the above staff member were £4,915 (2021: £4,628)

Key management personnel constitute the charity director. Total remuneration for the key management personnel was £115,708 (£108,745 – year ended 30 June 2021).

### 7. TOTAL RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support Costs £	2022 Total £	2021 Total £
<b>Unrestricted funds</b>					
<b>Charitable activities:</b>					
Undertaking research and influencing policy	41,820	-	37,511	79,331	30,179
Consultancy, training and events	4,306	34,972	-	39,278	6,510
Publications	4,305	5,090	-	9,395	4,522
<b>Total: Unrestricted funds</b>	<u>50,431</u>	<u>40,062</u>	<u>37,511</u>	<u>128,004</u>	<u>41,211</u>
<b>Restricted funds</b>					
Undertaking research and influencing policy	296,712	29,085	-	325,797	355,232
Transfer of grant to project partner	-	-	-	-	16,400
<b>Total: Restricted funds</b>	<u>296,712</u>	<u>29,085</u>	<u>-</u>	<u>325,797</u>	<u>371,632</u>
<b>Total resources expended</b>	<u>347,143</u>	<u>69,147</u>	<u>37,511</u>	<u>453,801</u>	<u>412,843</u>

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

### 8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – year ended 30 June 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM			
Income from generated funds:			
<i>Voluntary income</i>			
Donations, grants and legacies	35,725	371,632	407,357
<i>Investment income</i>	4,622	-	4,622
Income from charitable activities:			
Fees for consultancy, training and events	12,314	-	12,314
Sale of publications	65,873	-	65,873
<b>Total</b>	<b>118,534</b>	<b>371,632</b>	<b>490,166</b>
EXPENDITURE ON			
Charitable activities:			
Undertaking research and influencing policy	30,179	355,232	385,411
Grant to project partner	-	16,400	16,400
Consultancy, training and events	6,510	-	6,510
Publications	4,522	-	4,522
<b>Total</b>	<b>41,211</b>	<b>371,632</b>	<b>412,843</b>
Net gains / (losses) on investments	69,610	-	69,610
<b>Net income / (expenditure)</b>	<b>146,933</b>	<b>-</b>	<b>146,933</b>
Other Gains and losses			
Actuarial gains/(losses) on defined benefit pension scheme	(142)	-	(142)
<b>Net movement in funds</b>	<b>146,791</b>	<b>-</b>	<b>146,791</b>
Total funds brought forward	383,468	-	383,468
<b>Total funds carried forward</b>	<b>530,259</b>	<b>-</b>	<b>530,259</b>

# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

## 9. TANGIBLE FIXED ASSETS

	Short Leasehold Property Improvements £	Office Furniture and Equipment £	Total £
<b>Cost</b>			
1 July 2021	-	2,281	2,281
Additions	-	-	-
Disposals	-	-	-
<b>At 30 June 2022</b>	<b>-</b>	<b>2,281</b>	<b>2,281</b>
<b>Depreciation</b>			
1 July 2021	-	-	-
Charge for the year	-	1,140	1,140
On disposals	-	-	-
<b>At 30 June 2022</b>	<b>-</b>	<b>1,140</b>	<b>1,140</b>
<b>Net Book Value</b>			
<b>At 30 June 2022</b>	<b>-</b>	<b>1,141</b>	<b>1,141</b>
<i>Net Book Value</i>			
<i>At 30 June 2021</i>	<i>-</i>	<i>2,281</i>	<i>2,281</i>

## 10. INVESTMENTS

	2022 £	2021 £
Market value at beginning of financial year	426,495	405,730
Withdrawals in the year	-	(50,000)
Income reinvested	5,676	4,611
Fund management fees	(3,547)	(3,456)
Net gains/(losses) on disposals in the year	13,489	12,176
Net gains/(losses) on revaluation at financial year end	(56,967)	57,434
Market value at end of financial year	<b>385,146</b>	<b>426,495</b>

	2022		2021	
	Cost £	Market Value £	Cost £	Market value £
UK Fixed Interest	19,708	17,441	19,708	20,679
Overseas Fixed Interest	30,766	27,438	47,232	47,556
UK Equities	115,726	117,296	115,421	130,698
European Equities	19,720	23,476	19,498	30,683
North American Equities	29,888	25,440	20,670	26,315
Japanese Equities	-	-	-	-
Far East & Australasian Equities	15,964	20,460	15,964	24,620
International Equities	49,180	50,477	34,555	44,947
Emergency Economies	11,873	12,186	11,873	15,658
UK Property	20,284	17,979	20,284	19,095
Alternative Assets	58,915	61,212	49,041	52,684
Cash	11,741	11,741	13,560	13,560
	<b>383,765</b>	<b>385,146</b>	<b>367,806</b>	<b>426,495</b>

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

### 11. DEBTORS

	2022	2021
	£	£
Accrued income and prepayments	71,683	52,751
Social security and other taxes	-	865
Other debtors	-	-
	<u>71,683</u>	<u>53,616</u>

Accrued income and prepayments include accrued income of £70,320 at 30 June 2022. Accrued income at 30 June 2021 was £49,041. Accrued income represents the value of work completed but not yet invoiced in respect of research projects and publishing income.

### 12. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Social security and other taxes	13,671	9,095
Other creditors	138	222
Accruals and deferred income	55,762	76,055
	<u>69,571</u>	<u>85,372</u>

Deferred income at 30 June 2022 was £50,000, representing income received in advance for one project, which will be recognised in the SOFA for the year ended 30 June 2023. Deferred income at 30 June 2021 was £62,727, which was recognised in the SOFA for the year ended 30 June 2022. Grant income is received in advance of each stage of a project commencing but is only recognised in the SOFA on the completion of the specified work for that stage of the project.

# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

## 13. RESTRICTED FUNDS

Restricted funds are established where monies have been received for specific purposes or projects as itemised below. A separate fund is established for each individual project, and relevant expenditure is charged thereto. An analysis of movements on individual restricted funds during the year ended 30 June 2022 is given below.

*The Strategic Review of Policing in England and Wales* funded by the Dawes Trust, Mark 43, CGI, Deloitte, and City of London Corporation

*Policing and Young Adults* funded by Barrow Cadbury

*Policing in the Pandemic* funded by the Dawes Trust

*Policing in the 21<sup>st</sup> Century seminar series* funded by CGI

Funded by Global Alliance

*The Disruption Project* funded by the Dawes Trust

	Funds held 30 June 2021 £	Incoming resources £	Grant paid £	Resources expended £	Funds held 30 June 2022 £
<b>Name of project fund</b>					
The Strategic Review of Policing	-	125,000	-	(125,000)	-
Policing and Young Adults	-	45,850	-	(45,850)	-
Policing in the Pandemic	-	22,727	-	(22,727)	-
Policing in the 21 <sup>st</sup> Century seminar series	-	40,000	-	(40,000)	-
Global Alliance of Societies for Evidence Based Policing	-	20,000	-	(20,000)	-
Disruption Project		72,220	-	(72,220)	-
				-	
	-	325,797	-	(325,797)	-



# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

## 13. RESTRICTED FUNDS continued

Restricted funds are established where monies have been received for specific purposes or projects as itemised below. A separate fund is established for each individual project, and relevant expenditure is charged thereto. An analysis of movements on individual restricted funds during the year ended 30 June 2021 is given below.

*The Strategic Review of Policing in England and Wales* funded by the Dawes Trust, Mark 43, CGI, Deloitte and City of London Corporation

*Pathways into Fraud* funded by the Home Office

*Crime in the gig economy* funded by Trust for London

*Policing and Young Adults* funded by Barrow Cadbury

*Policing in the Pandemic* funded by the Dawes Trust

*The Future of Roads Policing* funded by Drivetech

*PhD funding* funded by the Dawes Trust.

	Funds held 30 June 2020 £	Incoming resources £	Grant paid £	Resources expended £	Funds held 30 June 2021 £
<b>Name of project fund</b>					
The Strategic Review of Policing	-	160,000	-	(160,000)	-
Online Child Sexual Exploitation and Abuse	-	-	-	-	-
Pathways into Fraud	-	10,200	-	(10,200)	-
Crime in the gig economy	-	3,200	-	(3,200)	-
Policing and Young Adults	-	26,000	-	(26,000)	-
Policing in the Pandemic	-	136,982	-	(136,982)	-
The Future of Roads Policing	-	18,850	-	(18,850)	-
PhD Funding	-	16,400	(16,400)	-	-
	<u>-</u>	<u>371,632</u>	<u>(16,400)</u>	<u>(355,232)</u>	<u>-</u>

# The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

## 14. UNRESTRICTED FUNDS

Analysis during year ended 30 June 2022	Funds held 30 June 2021	Incoming resources	Resources expended	Net gains / (losses) on investment	Actuarial gains / (losses) on DB pension scheme	Funds Held 30 June 2022
	£	£	£	£	£	£
Unrestricted funds	530,259	114,765	(128,004)	(43,478)	2,384	475,926
Analysis during year ended 30 June 2021	Funds Held 30 June 2020	Incoming resources	Resources expended	Net gains on investment	Actuarial gains / (losses) on DB pension scheme	Funds held 30 June 2021
	£	£	£	£	£	£
Unrestricted funds	383,468	118,534	(41,211)	69,610	(142)	530,259

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 30 June 2022:	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	1,141	-	1,141
Investments	385,146	-	385,146
Debtors	21,613	50,070	71,683
Cash at bank and in hand	120,758	(70)	120,688
Creditors	(19,571)	(50,000)	(69,571)
Provision for liabilities	(33,161)	-	(33,161)
	475,926	-	475,926

At 30 June 2022 there were accumulated net unrealised losses on investments of £56,967 (2021 gains - £57,434) which form part of the total accumulated unrestricted funds.

As at 30 June 2021:	Unrestricted funds £	Restricted funds £	Total Funds £
Fixed Assets	2,281	-	2,281
Investments	426,495	-	426,495
Debtors	41,109	12,507	53,616
Cash at bank and in hand	124,534	50,220	174,754
Creditors	(22,645)	(62,727)	(85,372)
Provision for liabilities	(41,515)	-	(41,515)
	530,259	-	530,259

## **16. PENSION COSTS**

### *The Pensions Trust CARE Scheme*

From 1 August 2005 the Foundation participated in a multi-employer average salary defined benefits pension scheme, the Pensions Trust CARE Scheme. It is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Foundation. The CARE Scheme has various different sections, and the section to which Police Foundation employees belonged was the one-eightieth average salary defined benefits section of the CARE Scheme. The main benefits provided by this particular section of the Scheme were a pension of one-eightieth of a member's career average revalued earnings for each year (and months proportionately) of pensionable service if contracted-out of the State scheme. Employers paid contributions at the rate of 10.0% of earnings up to 1 April 2012, and 10.6% thereafter. Members paid contributions based on an age-related scale.

From 1 October 2014, those employees who were members of the CARE Scheme were transferred from the one-eightieth defined benefit section of the CARE Scheme to the defined contribution section. From that date the employer's contributions were 10% and the members contributed 7%.

No employer's contribution was made by the Foundation to the CARE Scheme in the year ended 30 June 2022. The Foundation made deficit recovery payments of £6,989 (2021 - £7,971) – see details in the next paragraph.

A full actuarial valuation of the Scheme is commissioned every 3 years, with annual funding statements provided by the scheme's actuary. At 30 September 2019, the actuary's funding statement shows a deficit of assets compared to liabilities of £14.9 million – a substantial decrease over the reported deficit at 30 September 2016 of £24.9 million and also less than the reported deficit at 30 September 2013 of £16.4 million. Employers are being asked to make deficit recovery payments. The Foundation's share of these additional payments was assessed initially at £1,100 per annum from 1 April 2012, increasing by 3% at each subsequent 1 April for a period of 10 years.

The formal valuation of the Scheme at 30 September 2013 was completed in the spring of 2015 with the Foundation's share of deficit recovery payments being increased to £7,591 per annum from 1 July 2015 and thereafter increasing by 3% at each subsequent 1 July until 30 April 2027. This meant that the Foundation would be required to contribute total deficit recovery payments, and charges, of £104,000 between 1 July 2015 and 30 April 2027. Following the completion of the 30 September 2016 valuation, the schedule of monthly deficit recovery payments and charges was extended to include the period from 1 May 2027 to 30 November 2028, with an annual increase of 3% on 1 April 2028 – the total payable in this period was expected to be £17,000. Following the completion of the 30 September 2019 valuation, the schedule of monthly deficit recovery payments was shortened to end on 30 September 2027, with the Foundation's share of the deficit recovery payments being reduced to £6,314 per annum from 1 July 2021 and thereafter increasing by 3% at each subsequent 1 July until 30 September 2027. The total expected to be payable between 1 July 2021 and 30 September 2027 is £36,396.

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

### 16. PENSION COSTS continued

Following consultations with the participating employers in May 2015, the Trustee of the Scheme, at a meeting held on 7 July 2015, finalised the decision to close the Scheme to the further accrual of benefits with effect from 31 March 2016. From 1 July 2015, there was only one member of the Scheme employed by the Police Foundation, and, by 1 April 2016, alternative pension arrangements were in place for this employee, who has since retired. The scheduled deficit recovery payments will continue as outlined above, and the next formal valuation of the Scheme will be at 30 September 2022, with the outcome known in 2023.

#### PRESENT VALUES OF PROVISION

	30 June 2022 (£s)	30 June 2021 (£s)	30 June 2020 (£s)
Present Value of provision	33,161	41,515	66,870

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Year Ending 30 June 2022 (£s)	Year Ending 30 June 2021 (£s)
Provision at start of period	41,515	66,870
Unwinding of the discount factor (interest expense)	344	640
Deficit contribution paid	(6,314)	(7,087)
Re-measurements – impact of any change in assumptions	(2,384)	142
Re-measurements – amendments to the contributions schedule	-	(19,050)
Provision at end of period	33,161	41,515

#### INCOME AND EXPENDITURE IMPACT

	Year Ending 30 June 2022 (£s)	Year Ending 30 June 2021 (£s)
Interest expense	344	640
Re-measurements – impact of any change in assumptions	(2,384)	142
Re-measurements – amendments to the contributions schedule	-	(19,050)
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

## The Police Foundation

Notes to the Accounts (continued)

Year ended 30 June 2022

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### 16. PENSION COSTS continued

#### ASSUMPTIONS

	30 June 2022 % per annum	30 June 2021 % per annum	30 June 2020 % per annum
Rate of discount	3.63	0.9	1.01

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Up until 1 June 2016, all new employees of The Foundation were offered a contribution to a personal pension scheme of their choice (see *Other pension costs* below).

#### *Other pension costs*

Until 31 May 2016, on completion of any probationary period, employees who were not eligible to join the Pensions Trust CARE Scheme were offered an employer contribution of 5% of salary to a personal pension scheme of their choice.

On 1 June 2016, the charity auto enrolled its employees into a Defined Contribution Pension Scheme, postponing the scheme until 1 September 2016. In July 2016 some employees opted into the scheme, and the appropriate contributions were paid from that date. Contributions paid into individual staff personal pension schemes have ceased from the earlier of the date on which each employee chose to opt into the Auto Enrolment pension scheme at 1 September 2016.

Total employer's contributions made by the Foundation to individual staff personal pension schemes in the year ended 30 June 2022 were £15,791 (2021 – £15,019).