

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**FOR
THE POLICE TREATMENT CENTRES**

Charity Number: 1147449

Scottish Charity Number: SC043396

Company Number: 07822534

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16/06/2023

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COMPANIES HOUSE

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Welcome from our Chair, Liam Kelly

The Police Treatment Centres is a much-needed lifeline Charity for Serving and Retired Police Officers and Staff from across the United Kingdom. In both our residential sites in Harrogate and Auchterarder, donors can receive world class physiotherapy and psychological treatment in a safe, relaxing, and secure environment.

Over the past four years in my role as Chair, it has been a real privilege to be actively involved in the strategic side of that support and expand the remit of the Charity, ensuring it remains relevant in the Policing Landscape. With the encouragement of my fellow trustees and the ongoing commitment of our wonderful staff, we are collectively striving to maintain and enhance our position as a Centre of Excellence. 2022 was another innovative year for The Police Treatment Centres. We partnered with Police Care UK to deliver an Intensive Trauma Treatment Service Pilot, to help Officers living with Complex-PTSD. We also developed a new Retired Officer Wellbeing Programme, which is set to launch in January 2023.

The Charity is constantly adapting to changes and the associated requirements in the policing world to ensure it is responsive and remains as fit for purpose as it can be. Despite our ongoing success we will continue to look at ways to enhance the Patient experience in the various programmes we offer. However, the infrastructure, support and services are primarily reliant upon maintaining a strong donor base. It is a reality that currently around 50% of those eligible within the various Police Services choose not to donate, and so they cannot readily access the first-class treatment offered by the PTC. Therefore, I would ask that you encourage your fellow colleagues that choose not to donate to sign up, especially those in newer eligible roles. In addition, I would also urge Officers to attend the Centres when they need it, and not suffer ill health throughout their careers. Invariably, the very nature of policing duties will unfortunately result in them, at some point in their career, needing the essential support and treatment interventions we can offer.

A Force for Promoting & Improving Health & Wellbeing

PTC Vision

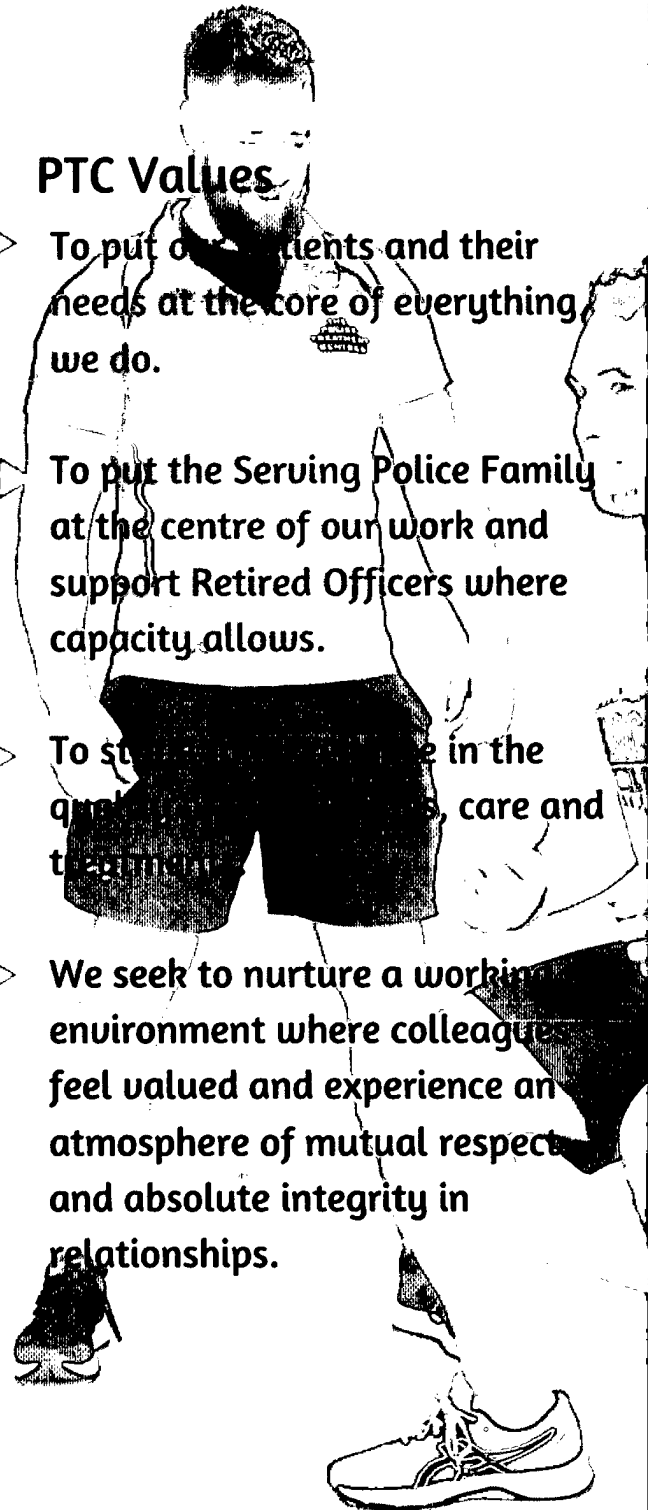
To establish the PTC as a Centre of Excellence delivering class leading treatment for our Police Family patients for their physical and psychological injuries, conditions and illnesses.

PTC Mission Statement

The PTC will provide timely and effective treatment and support for our Police Family Patients in order to improve their health, fitness and wellbeing.

PTC Values

- ▶ To put our patients and their needs at the core of everything we do.
- ▶ To put the Serving Police Family at the centre of our work and support Retired Officers where capacity allows.
- ▶ To strive for excellence in the quality of services, care and treatment.
- ▶ We seek to nurture a working environment where colleagues feel valued and experience an atmosphere of mutual respect and absolute integrity in relationships.



Physiotherapy Programme

2,060



**Physiotherapy Patients
treated in 2022**

**Including those treated
as in-patients,
out-patients and
virtually**



8,675

**Hours of fitness
instruction and classes**

23,025

**Hours of in-person physio
provided in 2022**

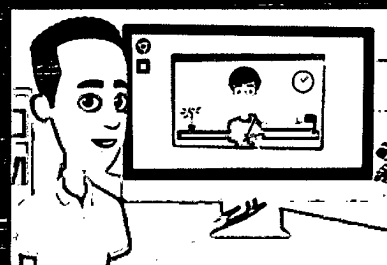
**This includes manual
therapy, exercise
prescription, and pain
relief modalities such as
acupuncture and
electrotherapy**

2022 saw the Physiotherapy Programme at both Centres return to some normality. The Physiotherapy team continued to treat patients on a residential basis and also via the Online Physiotherapy service. The online aspect of our programme is perfect for those Officers whose injuries would not necessarily warrant a residential stay or for those that could not commit to a residential stay.

During 2022, our Head of Clinical Services, Mark Oxley conducted a survey into attendance at the Centres. He found that the majority of Officers who attend for treatment are in the later years of Service. However, many mention that they should have attended earlier. At The PTC we encourage Officers to seek our support sooner rather than later so that we can help them return to fitness as soon as possible. We pride ourselves on not only having the time to assess the needs of each Patient and offer appropriate modalities of treatment, but also to ensure that Officers have the knowledge to be self-caring when they leave our Centres.

26

**Virtual Resources
available on our
YouTube channel**



78

**Hours of physiotherapy
provided via our online
virtual platform and by
telephone**

Psychological Wellbeing Programme

866



**Police Family
Patients attended as
part of our
Psychological
Wellbeing Programme
in 2022. This is a 43%
increase on 2021**



184

**Patients attended
the Centres on
Wellbeing
Weekends and
Force Recharge
Days**

2022 saw a significant increase in the amount of Patients who attended the Centres on the Psychological Wellbeing Programme. The New Clinical Services Wing at Harrogate is now fully up and running. The extra treatment rooms and workshop spaces allow our clinicians to treat more patients in custom designed, relaxing spaces.

At the end of 2022, we worked alongside Police Care UK to pilot a new Intensive Trauma Service. Our Harrogate Centres hosted the pilot that was delivered by Police Care UK. The pilot was a residential programme focusing on both physical and psychological health over a two week period. We look forward to working closely with Police Care UK in the coming year.

In 2023, we hope to treat more patients on our Wellbeing Programme and hope that more Forces will take up the offer of our Wellbeing Weekends.

3,600

**Hours of Patient
counselling**

763

**Users of the Thrive Wellbeing App. 88%
recovered after screening positive for
— depression and/or anxiety**



4,325

**Hours of
complementary
therapies**

THE POLICE TREATMENT CENTRES

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:	TC Group 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 2022

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 2022. The Trustees confirm that the Annual Report and financial statements comply with current statutory requirements. The principal site and registered office for the Charity is St Andrews, Harlow Moor Road, Harrogate, HG2 0AD.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

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

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

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

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

Organisational Structure

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

- i. Six Trustees appointed by the National Police Chiefs' Council of England, Wales and Northern Ireland (NPCC);
- ii. One Trustee appointed by the Scottish Chief Police Officers' Staff Association (SCPOSA);
- iii. Two Trustees appointed by the Police Superintendents' Association of England and Wales (PSAEW);
- iv. One Trustee appointed by the Association of Scottish Police Superintendents (ASPS);
- v. One Trustee appointed by the Superintendents' Association of Northern Ireland (SANI);
- vi. Six Trustees appointed by the Police Federation of England and Wales (PFEW);
- vii. Three Trustees appointed by the Scottish Police Federation (SPF);
- 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) and
- x. Up to six Co-Opted Trustees at any one time who are appointed by the Trustees.

The Charity amended its articles which were approved in March 2022 to remove the rank from the federation representatives to enable the appointment of the trustee who has the best skills to deliver the aims of the Charity.

THE POLICE TREATMENT CENTRES

TRUSTEES' REPORT
(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2022

The current membership is as follows:

Name	Force	Appointment Date PTC	Termination Date
L Kelly (Chair)	Police Service of Northern Ireland	09/04/2015	
A Grandison (Vice Chair)	West Yorkshire	22/09/2014	
M Davis	Co-opted	19/05/2017	
R Dutton	Co-opted	21/11/2013	
R Hay	Police Service of Scotland	18/10/2022	
C Irvine	Durham	25/01/2022	
B Jones	Police Service of Scotland	16/02/2022	
S Kennedy	Merseyside	24/11/2022	
A Lees	Co-Opted (NARPO)	02/08/2016	
M Marshallsay	British Transport Police	01/09/2022	
K Meynell	Derbyshire	25/04/2022	
D Murphy	Police Superintendents' Association	02/11/2017	
R Murray	Cleveland	01/01/2022	
T Purcell	Police Service of Northern Ireland	16/07/2018	
J Robins	West Yorkshire	16/06/2016	
A Shaw	Police Service of Scotland	12/07/2022	
D Simpson	Northumbria Police	14/03/2018	
J Skelton	Nottinghamshire	12/05/2016	
L Winward	North Yorkshire	21/07/2016	
R Wood	Police Service of Scotland	08/04/2021	
E Aldred	North Yorkshire	07/12/2021	16/03/2023
R Barber	South Yorkshire	25/05/2016	20/06/2022
N Goodband	British Transport Police	16/07/2021	31/08/2022
R Henderson	Police Service of Northern Ireland	24/06/2021	18/03/2022
W Kerr	Police Service of Scotland	07/12/2021	10/10/2022
S Langham	Lincolnshire	09/11/2022	31/01/2023
A Macinnes	Police Service of Scotland	27/01/2022	02/08/2022
I Magee	Police Service of Northern Ireland	16/03/2022	05/05/2023
A Malcolm	Police Service of Scotland	16/02/2022	20/06/2022

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. An annual Trustee Training Day was run for the Trustees by an external trainer in June 2022. Further appropriate training is organised if required.

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

THE POLICE TREATMENT CENTRES
TRUSTEES' REPORT
(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2022

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 83,000 and the number of police officers making the voluntary donation is around 43,400 (the number of eligible retired police officers is likely to be similar). During 2022, the Charity supported 2,868 beneficiaries through residential 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, Custody Detention Officers and Crime Scene Investigators 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.

THE POLICE TREATMENT CENTRES

TRUSTEES' REPORT (Including Directors' Report and Strategic Report) For the Year Ended 31 December 2022

Strategic Report

Financial and Operational Review 2022

The Police Treatment Centres has posted strong financial results for 2022 despite the war in Ukraine and the cost of living crisis. The total operating surplus for the Charity in 2022 from unrestricted and endowed funds was £747,580 which was a decrease from 2021 where the operating surplus was £1,061,864.

These outcomes were in line with financial predictions with the surplus mainly resulting from a legacy from the Hebdon Trust which was realised and totalled £652,296. The balance of the surplus was made up of a multitude of different things including increased trade from the trading arm together with the Charity not operating at 100% capacity during 2022

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 £116,822. 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 £31,785,924 in 2021 to £32,191,273 in 2022.

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. £6,630,735 is the value of the property at Castlebrae in Auchterarder, Perthshire;
- ii. £12,819,304 is the value of the property at St Andrews in Harrogate, North Yorkshire. This property is classified as being permanently endowed;
- iii. £1,405,028 is the value of other tangible fixed assets;
- iv. £4,357,864 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. This leaves a balance of £6,978,342 of unrestricted assets which represents just over one year's running costs of the Charity.

Investment Income

During the year the Charity transferred £2million from the bank to investment portfolio which led to investment income increasing from £92,431 to £179,843.

Support Costs

Support costs (including governance costs) increased from £791,258 to £822,203.

Cash Flow

There was a net cash inflow of £780,856 during the year. Cash flows from operating activities increased, reflecting the completion of the new build at St Andrews and the subsequent reduction in debtors.

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Achievement and Performance indicators

2022 was an exciting time for the Police Treatment Centres as in partnership with Police Care UK it introduced a pilot scheme for Intensive Trauma Service. This was based on a Dutch programme for treating Police Officers with complex PTSD over a two week period. The initial results from the 3 pilot programmes were extremely positive. The programme will continue into 2023 with a longer term study of the results being conducted

Despite being closed completely for three months and only being able to operate for nine months at a reduced capacity the Charity still managed to treat over 2,868 residential patients. Of these, 2,293 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 benefiting to the value of £13 million.

During 2021 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 now become an important component of the Psychological Wellbeing Programme. In the year 763 people used the app with 60% becoming sustained users. 73% of users have subsequently sought help for their mental health via the app which underlines the importance of it.

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 8,000 retired officers now signed up as donors and the income generated during 2022 was £464,000. More importantly we have not seen a reduction in the number of retired officers attending for treatment. It was agreed in 2023 that the rate would increase to £4.50 with the addition of a Wellbeing Programme.

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 67%; (this is based on the number of places available to comply with social distancing);
- Sickness by PTC employees in the Charity was 5.8% which includes long-term sickness. This was above the target of 4% but was a result of long term sickness and the impact of Covid. The Charity is not only committed to the wellbeing of its patients, but it is committed to its employees;
- Labour turnover was 11% against a target of 23%. This demonstrates that employees of the Charity are committed to the work of the Charity, have bought into its ethos and feel valued.

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 2022 were positive despite profits decreasing from £249,705 to £133,749. Profits for 2022 exceeded targets mainly due to increased business for Bed & Breakfast together with increased income from swimming schools who increased their hours.

THE POLICE TREATMENT CENTRES

TRUSTEES' REPORT

**(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2022**

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 loss of £351,419 (2021: gain of £144,390) on investments for 2022. These results were a result of the volatility in the marked caused predominantly by the war in the Ukraine but were in line with the general markets.

The Reserves Policy

The reserves policy agreed by the Board of Trustees is to maintain freely available reserves to cover twelve month's running costs, which is approximately £6.75 million. As a result of the strong financial performance in 2022 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.

Financial Summary

2022 was a positive year financially for the Charity despite the war in Ukraine and the cost of living crisis with a surplus before other recognised gains and losses of £756,768 (2021: £1,061,864). Income increased in 2022 mostly as a result of receiving a legacy of £652,296 from the Hebdon Trust. Income from trading activities continued to perform well with increased income from Bed & Breakfast and hiring the pool to local swimming schools. The Charity didn't run at full capacity during 2022 meaning there were savings from reduced running costs. The 2022 surplus will be reinvested into patient care together with retaining thrive and attend anywhere. The Charity has been able to set aside money to finance its Asset Management Plan and Estates Strategy, together with making provision to ensure it has maintained reserves of one year's running costs.

Pay Policy for Key Management Personnel

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

The key management personnel are considered to be the senior management team consisting of Patrick Cairns (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). During the year both Paul Grant and Steve Cook retired from the Charity and were replaced by Andrew Malcolm and Fiona Warrington

THE POLICE TREATMENT CENTRES
TRUSTEES' REPORT
(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2022

Employees and Volunteers

The Charity has 180 permanent staff, both full and part time. This is supplemented by five 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
- 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

There were no material post balance sheet events up to the date of approval of the financial statements.

THE POLICE TREATMENT CENTRES
TRUSTEES' REPORT
(Including Directors' Report and Strategic Report)
For the Year Ended 31 December 2022

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.

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

TC Group was appointed as statutory auditor on 25th July 2022 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: 13/06/2023

THE POLICE TREATMENT CENTRES

INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2022

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 2022 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 2022, 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE POLICE TREATMENT CENTRES

INDEPENDENT AUDITOR'S REPORT for the Year Ended 31 December 2022

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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, 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 2022

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.

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

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

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and 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;
- We considered the nature of the industry, the control environment and business performance, including key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE POLICE TREATMENT CENTRES

**INDEPENDENT AUDITOR'S REPORT
for the Year Ended 31 December 2022**

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
TC Group
6 Queen Street
Leeds
LS1 2TW

Date: 13/06/23

THE POLICE TREATMENT CENTRES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2022

	Note	Unrestricted funds £	Restricted funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Income from:						
Donations and legacies	2	6,084,198	10,209	-	6,094,407	5,096,931
Charitable activities	3	98,822	-	-	98,822	76,754
Other trading activities	4	315,101	-	-	315,101	407,079
Investments	5	179,843	-	-	179,843	92,431
Other	6	3,863	-	-	3,863	502,838
Total income		6,681,827	10,209	-	6,692,036	6,176,033
Expenditure on:						
Raising funds	7	70,581	-	-	70,581	57,700
Charitable activities	8	5,654,824	1,021	208,842	5,864,687	5,056,469
Total expenditure		5,725,405	1,021	208,842	5,935,268	5,114,169
Net (loss)/gain on investments		(351,419)	-	-	(351,419)	144,390
Net income / (expenditure)		605,003	9,188	(208,842)	405,349	1,206,254
Transfers between funds		(11,026)	-	11,026	-	-
Net movement in funds		593,977	9,188	(197,816)	405,349	1,206,254
Reconciliation of funds:						
Total funds brought forward		18,768,804	-	13,017,120	31,785,924	30,579,670
Total funds carried forward		19,362,781	9,188	12,819,304	32,191,273	31,785,924

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 £756,768 (2021: £1,061,864) plus the unrealised investment loss of £351,419 (2021: gain of £144,390), amounting to a surplus of £405,349 (2021: £1,206,254).

The restricted fund relates to funding received for the Clinical wing project. Further details of restricted funds are given in note 20.

The notes on pages 25 to 40 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 2022

Total funds are represented by:

	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Land and Buildings				
Unrestricted (Scotland)	6,630,735	6,766,666	6,630,735	6,766,666
Permanent endowed (Harrogate)	12,819,304	13,017,120	12,819,304	13,017,120
Fixed asset investments	4,357,854	2,580,212	4,357,854	2,580,222
Other net assets				
Unrestricted	8,374,192	9,421,926	8,374,192	9,421,916
Restricted	9,188	-	9,188	-
Net assets	<u>32,191,273</u>	<u>31,785,924</u>	<u>32,191,273</u>	<u>31,785,924</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: 13/06/2023

THE POLICE TREATMENT CENTRES
(company number: 07822534)

CONSOLIDATED AND CHARITY BALANCE SHEET
As at 31 December 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Fixed assets					
Tangible assets	14	20,855,067	21,208,323	20,855,067	21,208,323
Investments	15	4,357,854	2,580,212	4,357,864	2,580,222
		<u>25,212,921</u>	<u>23,788,535</u>	<u>25,212,931</u>	<u>23,788,545</u>
Current assets					
Debtors	16	581,725	469,061	704,524	700,630
Cash at bank and in hand		6,876,009	7,791,510	6,727,860	7,515,434
		<u>7,457,734</u>	<u>8,260,571</u>	<u>7,432,384</u>	<u>8,216,064</u>
Creditors: amounts falling due within one year	17	(479,382)	(263,182)	(454,042)	(218,685)
Net current assets		<u>6,978,352</u>	<u>7,997,389</u>	<u>6,978,342</u>	<u>7,997,379</u>
Total assets less current liabilities		<u>32,191,273</u>	<u>31,785,924</u>	<u>32,191,273</u>	<u>31,785,924</u>
Net assets		<u>32,191,273</u>	<u>31,785,924</u>	<u>32,191,273</u>	<u>31,785,924</u>
Funds					
Unrestricted funds	19	19,362,781	18,768,804	19,362,781	18,768,804
Restricted funds	20	9,188	-	9,188	-
Endowment funds	21	12,819,304	13,017,120	12,819,304	13,017,120
Total funds	18	<u>32,191,273</u>	<u>31,785,924</u>	<u>32,191,273</u>	<u>31,785,924</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 13/06/2023 and signed on its behalf by:



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

Date: 13/06/2023

The notes on pages 25 to 40 form an integral part of these financial statements

THE POLICE TREATMENT CENTRES
CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flow from operating activities	25	<u>1,342,079</u>	<u>2,565,384</u>
Net cash flow from operating activities		<u>1,342,079</u>	<u>2,565,384</u>
Cash flow from investing activities			
Dividends and interest from investments		179,843	92,422
Purchase of investments		(2,000,000)	(249,931)
Purchase of property, plant and equipment		<u>(302,778)</u>	<u>(2,204,288)</u>
Net cash used in investing activities		<u>(2,122,935)</u>	<u>(2,361,797)</u>
Change in cash and cash equivalents in the reporting period		(780,856)	203,587
Cash and cash equivalents at the beginning of the year		<u>7,933,463</u>	<u>7,729,876</u>
Cash and cash equivalents at the end of the year	26	<u>7,152,607</u>	<u>7,933,463</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 2022**

	Note	2022 £	2021 £
Cash flow from operating activities	25	<u>1,470,181</u>	<u>2,334,555</u>
Net cash flow from operating activities		<u>1,470,181</u>	<u>2,334,555</u>
Cash flow from investing activities			
Dividends and interest from investments		179,668	92,422
Purchase of Investments		(2,000,000)	(249,931)
Purchase of property, plant and equipment		<u>(302,778)</u>	<u>(2,204,288)</u>
Net cash used in investing activities		<u>(2,123,110)</u>	<u>(2,361,797)</u>
Change in cash and cash equivalents in the reporting period		(652,929)	(27,242)
Cash and cash equivalents at the beginning of the year		<u>7,657,387</u>	<u>7,684,629</u>
Cash and cash equivalents at the end of the year	26	<u>7,004,458</u>	<u>7,657,387</u>

THE POLICE TREATMENT CENTRES
(company number 07822534)

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

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.

The parent company surplus for the year was £405,349 (2021: £1,206,254).

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 2022

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 part of support costs and 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 £1,000 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 2022

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 £456,035 (2021 - £347,703) 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 2022

2. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Donations	1,071,093	10,209	1,081,302	342,762
Officers' donations	4,743,105	-	4,743,105	4,643,052
Management charges	270,000	-	270,000	111,117
	<hr/>	<hr/>	<hr/>	<hr/>
	6,084,198	10,209	6,094,407	5,096,931
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations and legacies was £6,094,407 (2021: £5,096,931) of which £10,209 (2021: £107,446) was attributable to restricted and £6,084,198 (2021: £4,989,485) was attributable to unrestricted funds.

3. Income from charitable activities

	Unrestricted funds £	2022 Total £	2021 Total £
Insurance claims	42,920	42,920	45,533
Physio, therapy, respite	26,808	26,808	16,232
Shop, vending machine, WI-FI	28,914	28,914	14,989
Medical reports	180	180	-
	<hr/>	<hr/>	<hr/>
	98,822	98,822	76,754
	<hr/>	<hr/>	<hr/>

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

4. Income from other trading activities

	Unrestricted funds £	2022 Total £	2021 Total £
Facility hire	196,154	196,154	283,465
Fundraising events	1,898	1,898	365
Lottery	116,822	116,822	118,487
Other trading	227	227	4,762
	<hr/>	<hr/>	<hr/>
	315,101	315,101	407,079
	<hr/>	<hr/>	<hr/>

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 2022

5. Income from investments

	Unrestricted funds £	2022 Total £	2021 Total £
Income from UK listed investments	141,939	141,939	89,569
Bank interest receivable	37,904	37,904	2,862
	<u>179,843</u>	<u>179,843</u>	<u>92,431</u>

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

6. Income from other activities

	Unrestricted funds £	2022 Total £	2021 Total £
Miscellaneous income	3,863	3,863	71,994
Covid-19 Job Retention Scheme income	-	-	430,844
	<u>3,863</u>	<u>3,863</u>	<u>502,838</u>

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

7. Expenditure on raising funds

	Unrestricted funds £	2022 Total £	2021 Total £
Reception shop purchases	9,809	9,809	4,515
Investment management fees	15,383	15,383	9,478
Lottery costs	45,389	45,389	43,707
	<u>70,581</u>	<u>70,581</u>	<u>57,700</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 2022

8. Expenditure on charitable activities

	Activities undertaken directly £	Support costs £	2022 Total £	2021 Total £
Treatment Centres	5,042,484	822,203	5,864,687	5,056,469
	<u>5,042,484</u>	<u>822,203</u>	<u>5,864,687</u>	<u>5,056,469</u>

Expenditure on charitable activities was £5,864,687 (2021: £5,056,469) of which £208,842 (2021: £215,637) was attributable to endowments, £1,021 (2021: £Nil) was attributable to restricted and £5,654,824 (2021: £4,898,532) was attributable to unrestricted funds.

9. Analysis of support costs

	Endowment funds £	Unrestricted funds £	2022 Total £	2021 Total £
Support costs				
Management and administration costs	-	773,503	773,503	757,376
<i>Governance costs:</i>				
Accountancy Fees	-	14,868	14,868	8,220
Auditor's remuneration	-	8,800	8,800	8,400
Legal and professional fees	-	21,011	21,011	12,581
Bank charges	-	4,021	4,021	4,681
	<u>-</u>	<u>822,203</u>	<u>822,203</u>	<u>791,258</u>

10. Net income for the year

	2022 Total £	2021 Total £
Net incoming resources are stated after charging:		
Depreciation – owned assets	656,034	652,009
Operating lease rentals – plant and machinery	1,573	2,579
Auditor's remuneration:		
Audit fees – parent charity	6,000	5,800
Audit fees – subsidiary undertaking	2,800	2,600

THE POLICE TREATMENT CENTRES
(company number 07822534)

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

11. Employees

Employment costs

	2022 £	2021 £
Wages and salaries	3,467,241	2,996,399
Social security costs	269,748	224,078
Pension costs	169,122	150,175
	<u>3,906,111</u>	<u>3,370,652</u>

Number of employees

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

	2022 Number	2021 Number
£60,001 to £70,000	2	1
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1
	<u>1</u>	<u>1</u>

The number of higher paid employees accruing pension benefit was:

	2022 Number	2021 Number
Defined contribution scheme	<u>3</u>	<u>2</u>

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

	2022 Number	2021 Number
Professional medical staff	35	34
Support staff	77	78
	<u>112</u>	<u>112</u>

The average numbers of staff employed in the year was 193 (2021: 180).

Some staff employed by The Police Treatment Centre (PTC) also have responsibilities for the management and administration of The Police Children's Charity, 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 The Police Children's Charity to recharge the costs involved. The total management charge covering personnel and establishment costs for 2022 was £270,000 inclusive of VAT (2021: £130,000). Of this amount £204,500 (2021: £94,416) related to personnel costs. The employment costs above incorporate the total staff costs before the recharge of personnel costs to The Police Children's Charity.

Trustees' emoluments

No trustees received remuneration from the charity during the year (2021: None). No trustees received expenses from the charity during the year (2021: None). On 20 June 2022, A Malcolm resigned as a trustee. On 3 August 2022, A Malcolm was appointed to the Executive Officer, Scotland role within the company. He was not remunerated for his role as trustee up to 20 June 2022.

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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 £169,122 (2021: £150,175). At 31 December 2022 there were no contributions (2021: None) owing to the pension scheme. At 31 December 2022 there were no contributions due back from the pension scheme (2021: 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

	2022	2021
	£	£
Turnover	227,454	303,515
Cost of sales	(80,066)	(41,285)
Gross profit	147,388	262,230
Administrative expenses	(13,814)	(12,667)
Operating profit	133,574	249,563
Interest receivable	175	142
Interest payable and similar charges	-	-
Profit on ordinary activities before taxation	133,749	249,705
Tax on profit on ordinary activities	-	-
Profit for the year	<u>133,749</u>	<u>249,705</u>

The assets and liabilities of the subsidiary were:

Current assets	161,692	279,866
Current liabilities	(161,682)	(279,856)
Total net assets	<u>10</u>	<u>10</u>
Called up share capital	10	10
Profit and loss account	-	-
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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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

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 2022	21,962,398	-	4,980,758	55,374	26,998,530
Additions	11,026	-	291,752	-	302,778
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2022	21,973,424	-	5,272,510	55,374	27,301,308
Depreciation					
At 1 January 2022	2,178,612	-	3,565,855	45,740	5,790,207
Charge for the year	344,773	-	306,444	4,817	656,034
Eliminated on disposal	-	-	-	-	-
At 31 December 2022	2,523,385	-	3,872,299	50,557	6,446,241
Net book value					
At 31 December 2022	19,450,039	-	1,400,211	4,817	20,855,067
At 31 December 2021	19,783,786	-	1,414,902	9,634	21,208,322

15. Fixed asset investments

Group

	Listed investments £	Cash held as part of investment portfolio £	Total £
Valuation			
At 1 January 2022	2,438,259	141,953	2,580,212
Management fees	-	(15,383)	(15,383)
Interest	-	2,492	2,492
Distributions received	-	141,939	141,939
Additions	2,000,000	-	2,000,000
Revaluation	(357,003)	-	(357,003)
Equalisation	-	5,597	5,597
At 31 December 2022	4,081,256	276,598	4,357,854
Historic cost at			
At 31 December 2022	3,797,947	276,598	4,074,545

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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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

15. Fixed asset investments (continued)

Charity

Charity investments of £4,357,864 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 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	19,486	6,663	5,943	2,873
Amounts owed by group undertakings	-	-	136,342	235,359
Amounts owed by related undertakings	49,312	46,222	49,312	46,222
Other debtors	185	185	185	185
Prepayments and accrued income	512,742	415,991	512,742	415,991
	<u>581,725</u>	<u>469,061</u>	<u>704,524</u>	<u>700,630</u>

17. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	125,804	41,581	124,329	40,176
Other taxes and social security	5,570	22,240	225	225
Other creditors	-	96	-	96
Accruals and deferred income	348,008	199,265	329,488	178,188
	<u>479,382</u>	<u>263,182</u>	<u>454,042</u>	<u>218,685</u>

Deferred income

	Group £	Charity £
Deferred income at 1 January 2022	48,795	29,382
Resources deferred in the year	228,259	212,091
Release in the year	(48,795)	(29,382)
Deferred income at 31 December 2022	<u>228,259</u>	<u>212,091</u>

Deferred income is in respect of advance B&B bookings £16,168 (2021: £19,413) and donations of £212,091 (2021: £29,382).

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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

18. Analysis of net assets between funds

Fund balances at 31 December 2022 are by:

Group

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,026,575	9,188	12,819,304	20,855,067
Investment assets	4,357,854	-	-	4,357,854
Current assets	7,457,734	-	-	7,457,734
Current liabilities	(479,382)	-	-	(479,382)
Total	19,362,781	9,188	12,819,304	32,191,273

Charity

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	8,026,575	9,188	12,819,304	20,855,067
Investment assets	4,357,864	-	-	4,357,864
Current assets	7,432,384	-	-	7,432,384
Current liabilities	(454,042)	-	-	(454,042)
Total	19,362,781	9,188	12,819,304	32,191,273

19. Unrestricted funds

Group

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2022 £
General fund	18,468,804	6,681,827	(5,725,405)	(351,419)	(11,026)	19,062,781
Designated funds						
Clinical wing running costs	300,000	-	-	-	-	300,000
	18,768,804	6,681,827	(5,725,405)	(351,419)	(11,206)	19,362,781

THE POLICE TREATMENT CENTRES
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NOTES TO FINANCIAL STATEMENTS
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19. Unrestricted funds (continued)

Charity

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains and losses £	Transfers £	Balance at 31 December 2021 £
General fund	18,468,804	6,653,947	(5,697,525)	(351,419)	(11,026)	19,062,781
Designated funds						
Clinical wing running costs	300,000	-	-	-	-	300,000
	<u>18,768,804</u>	<u>6,653,947</u>	<u>(5,697,525)</u>	<u>(351,419)</u>	<u>(11,026)</u>	<u>19,362,781</u>

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

The trustees have designated £300,000 from the surplus in the prior year to cover the running costs of the new Clinical wings. The fund will start to be utilised when capacity of the wings is increased.

20. Restricted funds

Group and Charity

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
Scottish Police Benevolent Fund	-	10,209	(1,021)	-	9,188
	<u>-</u>	<u>10,209</u>	<u>(1,021)</u>	<u>-</u>	<u>9,188</u>

Purposes of restricted funds

The income received from Scottish Police Benevolent Fund was used on the capital expenditure needs of the Trust.

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 2022

21. Permanent Endowment funds

Group and Charity

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
St Andrews, Harrogate	13,017,120	-	(208,842)	11,026	12,819,304
	13,017,120	-	(208,842)	11,026	12,819,304

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 2022 the Group and Charity had total outstanding commitments under non-cancellable operating leases as follows:

	2022 £	2021 £
Expiry date:		
Not later than one year	278	1,572
Later than one year and not later than five years	557	835
	835	2,407

23. Related party transactions

Group

The Police Children's Charity

Formerly known as St George's Police Children Trust, The Police Children's Charity is a charity that operates from the premises of the Group. The Group and The Police Children's Charity have many trustees in common. All establishment and personnel costs for The Police Children's Charity are paid for by the Group. A management charge (inclusive of VAT) of £270,000 (2021: £130,000) has been levied on The Police Children's Charity to cover establishment, administration and wage costs of the Group. At 31 December 2022, £49,312 (2021: £46,222) was due from The Police Children's Charity 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 (2021: £50,000) from the RUCGC PSNI Benevolent Fund.

Scottish Police Benevolent Fund

The Scottish Police Benevolent Fund has a Trustee in common with The Police Treatment Centres. During the period the Group received a donation of £15,000 (2021: £30,000) from the Scottish Police Benevolent Fund.

Scottish Police Federation

The Scottish Police Federation has a Trustee in common with The Police Treatment Centres. During the period a donation of £120,000 was received but was deferred to future periods and is held within deferred income in the balance sheet at 31 December 2022.

THE POLICE TREATMENT CENTRES
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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

23. Related party transactions (continued)

Key management personnel

The total remuneration of the key management personnel of the Group, was £361,299 (2021: £324,221).

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 2022, the Charity charged management charges (inclusive of VAT) amounting to £66,000 (2021: £33,000) to PTC 1898 Limited and received a gift aid donation of £133,749.

As at 31 December 2022, the Charity was owed £136,342 (2021: £235,359) 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

	2022 £	2021 £
Net income for the reporting year	405,349	1,206,254
Depreciation charges	656,034	652,009
Profit on sale of fixed assets	-	-
(Gain)/loss on investments	357,003	(144,390)
Dividends and interest on investments	(179,843)	(92,422)
(Increase) / decrease in debtors	(112,665)	1,088,154
Increase / (decrease) in creditors	216,201	(144,221)
	<hr/>	<hr/>
Net cash flow from operating activities	1,342,079	2,565,384

Charity

	2022 £	2021 £
Net income for the reporting year	405,349	1,206,254
Depreciation charges	656,034	652,009
Profit on sale of fixed assets	-	-
(Gain) / loss on investments	357,003	(144,390)
Dividends and interest on investments	(179,668)	(92,422)
(Increase) / decrease in debtors	(3,894)	886,727
Increase / (decrease) in creditors	235,357	(173,623)
	<hr/>	<hr/>
Net cash flow from operating activities	1,470,181	2,334,555

THE POLICE TREATMENT CENTRES
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NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

26. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash at bank and in hand	6,876,009	7,791,510	6,727,860	7,515,434
Cash held in investment portfolio	276,598	141,953	276,598	141,953
	<u>7,152,607</u>	<u>7,933,463</u>	<u>7,004,458</u>	<u>7,657,387</u>

27. Financial instruments

Group

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

	2022 £	2021 £
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments	<u>4,357,854</u>	<u>2,580,212</u>

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

	2022 £	2021 £
Income and expense		
Financial assets measured at fair value through net income / expenditure	<u>141,939</u>	<u>89,569</u>
Net (losses)/gains (including changes in fair value)		
Financial assets measured at fair value through net income / expenditure	<u>(351,419)</u>	<u>144,390</u>

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NOTES TO FINANCIAL STATEMENTS
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27. Financial instruments (continued)

Charity

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

	2022 £	2021 £
<i>Financial assets</i>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 15)	<u>4,357,854</u>	<u>2,580,212</u>