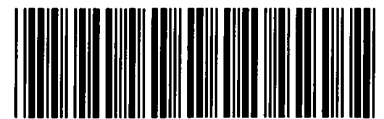


Charity Registration No. 1151322

Company Registration No. 08426630 (England and Wales)

THE POLICE DEPENDANTS' TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE POLICE DEPENDANTS' TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|----------------------------|---|-----------------------------|
| Trustees | S Bray | |
| | G Crossan | (Appointed 21 July 2016) |
| | C Greany | |
| | K Gregson | |
| | B Higgins | |
| | T Jackson | |
| | M Lindsay | |
| | A Macdonald | (Appointed 19 January 2017) |
| | N Massey | (Appointed 31 October 2016) |
| | S Purdy | |
| | Dr C Townsend | |
| | S White | (Appointed 31 October 2016) |
| Charity number | 1151322 | |
| Company number | 08426630 | |
| Auditor | Alliotts Friary Court 13-21 High Street Guildford Surrey GU1 3DL | |
| Bankers | Royal Bank of Scotland plc London Drummonds Branch 49 Charing Cross London SW1A 2DX | |
| Solicitors | Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL | |
| Investment advisors | Independent Investment Reviews 88 Kingsway London WC2B 6AA | |

THE POLICE DEPENDANTS' TRUST LIMITED

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THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objectives and activities

Objects of the Trust

The objects of the trust are to promote the efficiency of the UK police service and support the needs of serving and former police officers, including staff employed in policing roles, and their dependants arising through injury, death as a result of duty, illness, hardship and old age.

How the Trust helps

The Trust's activities are focused on helping people who suffer harm as a result of their policing role. Its primary activity is the awarding of financial grants and welfare assistance to its registered beneficiaries. It does this through Assistance Grants focused on:

- Welfare – assistance in times of crisis and to help meet unexpected expense i.e. furniture and household appliances, and essentials like food and clothing.
- Independence – to support the purchase of specialist equipment such as mobility vehicles, or to fund adaptations to a home to support independent living.
- Retraining – contributions towards training to access new career opportunities.
- Children – contributions towards the costs of children's extra-curricular activities.

It further supports the police service through:

- Targeted major grants to police forces and other eligible organisations whose function is to support the police service
- Research focused on the needs of its beneficiary groups
- Using its convening power to bring people together to discuss issues, share knowledge and influence relevant areas of national policy

Further information on the specific grants programmes for both individuals and organisations are discussed in this report and are available on the trusts website www.pdtrust.org.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

2016/17 Key Facts Summary

- Total income for the year was £ 1,262,137 up 28.5%, in part due to the receipt of a generous legacy
- £941,952 was spent directly on charitable activities, representing 73% of total expenditure
- The total funds of the Trust currently stand at £30m with free reserves of £23m. £26m are under investment management to provide a sustainable source of income and ensure the longevity of the Trust.
- Launched the 1in4 Fund, a £3m funding programme for police forces to achieve step change improvements in mental health and wellbeing provision. Funding was agreed for the funds first 4 projects
- Published Injury on Duty Research detailing the experience of 11,500 police officers and staff, highlighting issues faced and gaps in provision - the largest study of its kind undertaken anywhere in the world
- Held the first UK conference focused on Post-Trauma Stress in policing attended by 120 delegates from across the UK police service. The output from this conference is informing an emerging national police mental health strategy being led by the College of Policing.
- 169 targeted assistance grants were awarded to families
- Launched our first formal volunteer scheme to raise awareness of the Trust and help us to reach more families who may benefit from our help

How the Trust Operates

Individuals can apply for support by way of an application form that is available to download from the Trust's website. Applicants should complete a simple registration form before making an application for financial, or other, support. Accompanying guidance notes which assist in the completion of an application form are also available on our website.

We also do our utmost to improve the mental health and wellbeing of serving and former police personnel through a combination of targeted research and grant funding, to support those in need both now and in the future.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

Financial review

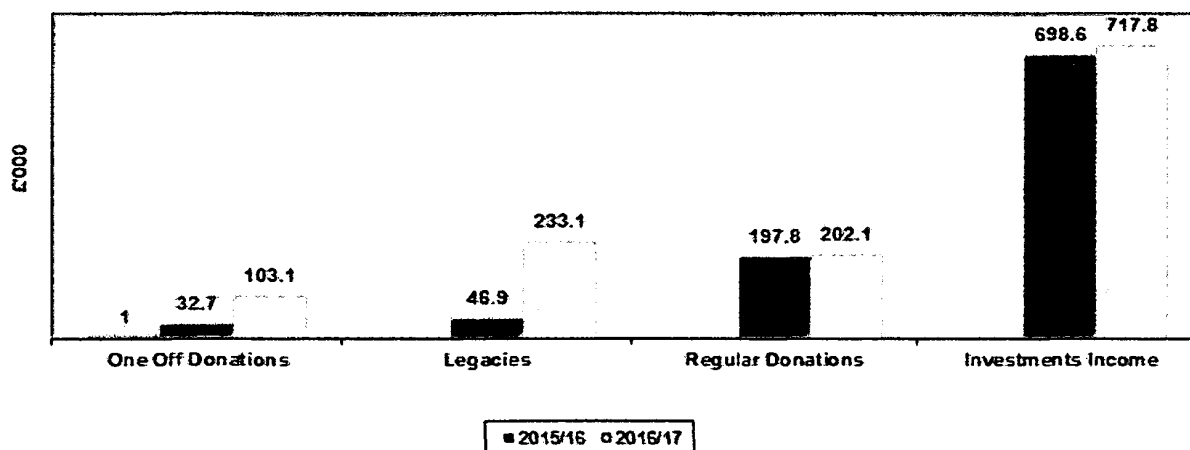
The results of the Trust are set out in the financial statements on pages 16 to 33.

The trust's net deficit (before other recognised gains and losses) was £26,240 (2015/16: net surplus of £209,207). This was primarily due to an increase in grants awarded in the year following the introduction of the 1in4 Grants Programme, designed to support step change in mental health and wellbeing provision within the police service. This new programme was introduced in response to the trusts funded research undertaken by the University of Surrey into the needs of those injured on duty. The trust made a specific commitment to provide greater support to serving officers – recognising the trust operates in a very different environment to that which existed when the trust was first established. As a result, the trust has committed to make £3m of grant funding available to police forces from reserves over the period 2016/17 – 2018/19

Investment performance is always of particular concern given the trusts reliance on this key source of income. A full review of investment management arrangements was undertaken in 2015/16, supported by our professional investment advisors, Independent Investment Reviews (IIR). New investment managers were appointed and the portfolio was transferred in May 2016 to CCLA Investment Management, Woodford Investment Management and Newton Investment Management.

The Trust's income comes from four principal sources:

- Regular donations (payroll giving/Give As You Earn/individual fundraising);
- One off donations & community fundraising;
- Legacies; and
- Investment and interest income.



The trust remains in a robust financial position and continues to be well placed to support officers who have been injured on duty and the families of those officers who have lost their lives as a result of their police work. The trust however continues to be heavily reliant on its investment income as its primary source of income.

Public Benefit

In setting out their objectives and planning their activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trust provides a significant public benefit given the relatively wide section of people who have the opportunity to apply and be considered as a potential beneficiary.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Grants for individuals and families:

The Trust provides means-tested grants that are available for a wide range of purposes to those who qualify. The trust has adopted the independent Joseph Rowntree Foundations Minimum Income Standard as a guide against which to assess need, taking into account the additional costs incurred of living with a disability where appropriate. This allows trustees to focus financial assistance on those in most need. Discretion is exercised where assistance is sought towards adaptations and/or specialist equipment for an injured officer and the grant application directly relates to the injury. Grants address issues arising through poverty and improve quality of life and independence for those living with the long term impact of injury related disabilities.

The numbers of grants awarded to individuals were as follows:

| | |
|---------------------|-----|
| Assistance grants | 88 |
| Maintenance grants | 45 |
| Education bursaries | 10 |
| Bereavement grants | 0 |
| Total | 143 |

In addition assistance was provided to families in most financial need by the award of 26 Christmas grants totalling £3,600 which brings the total number of grants awarded to 169

Value of grants £281,112

Grants awarded ranged from £100 to £9,324.

Major Grants For Organisations:

Following publication of the Trusts Injury on Duty Research, the OneinFour grants programme was launched. The programme is designed to improve the mental health and wellbeing of those working in policing. By supporting implementation of the Bluelight Wellbeing Framework, an evidence-based approach to delivering wellbeing developed by the College of Policing working with Public Health England. This grants programme is expected to assist in addressing the increased prevalence of stress, anxiety and depression within the police service. During the year, the Trust awarded 4 police force grants, to be delivered over 3 years, under the programme totalling £451,900.

The National Welfare Contingency Fund was established by the trust following the Paris Charlie Hebdo terrorist attack 2015. The purpose of the fund is to bolster welfare provision within police forces and will assist in reducing the risk of long term psychological harm to officers and staff in the event of a major terrorist incident. The fund was made available to the Metropolitan Police following the Westminster terror incident on 22nd March 2017. The ongoing need for this fund will remain under review in line with the national terrorist threat assessment which continues to be severe and the funding needs of individual forces.

The trust continued its support for injured officers via the 3 year major grant of £183,000 to the Police Treatment Centres agreed in 2015.

Additionally, the Trust awarded a grant of £54k to National Police Memorial Day to provide food and refreshments to the 3,000 people who attended the service from across the UK. This provided time and space for those who had lost family members and colleagues to come together after the service, renew friendships and provide comfort and support.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Research and Other Activities

In November 2016 the Trust published Injury on Duty Research detailing the experience of 11,500 police officers and staff, highlighting issues faced and gaps in provision - the largest study of its kind undertaken anywhere in the world. The research was commissioned by the Trust from the University of Surrey highlighted a number areas where improvements can be made to the support the health and wellbeing of both serving and former police officers and staff across the UK. The primary purpose of the research was to inform the future activities of the trust however further public benefit has accrued. Issues have been highlighted, which, if addressed through, for example, police force policies and College of Policing guidance, could deliver further public benefit both through improving the health and wellbeing of officers and staff and supporting the wider efficiency of the service. More information on how the findings of the research are being taken forward are discussed in the "Plans for the Future" section of this report.

Following publication of the Injury on Duty research, the Trust organised the first UK conference focused on Post-Trauma Stress in policing. This was attended by 120 delegates from across the UK police service. The output from this conference is influencing the emerging national police mental health strategy being led by the College of Policing. Key priorities identified by delegates were:

- Providing officers and staff with access to effective techniques to help better manage their own mental health
- Providing training to enable supervisors to recognise and respond to the mental health needs of staff
- Enabling early intervention by implementing effective screening techniques
- Developing a national mental health pathway for the police service including access to specialist care

Awareness and Fundraising Activities

Supporting those who are injured as a result of their policing role, including the families of those who are sadly killed, means the Police Dependants' Trust has a duty to raise awareness of the charity's existence, the support available, and how to access it throughout the 48 forces that make up the UK police service. This has involved:

- Taking part in major police conferences across the Country
- Delivering input into meetings of the Police Federation of England and Wales, Scottish Police Federation, Police Federation of Northern Ireland, Police Superintendents' Association of England and Wales, Association of Scottish Police Superintendents, and the National Police Chiefs' Council
- Delivering input into meetings of the National Association of Retired Police Officers, and the Retired Police Officers Association of Scotland
- Engaging and working with colleagues from other charities supporting and benefiting the UK police service
- Engaging directly with and informing Chief officers and specialist staff at all 48 Police Forces in England, Wales, Scotland, and Northern Ireland
- Working and engaging with, and informing, the wider police family on issues directly related to our charitable activities

We have done this by:

- Utilising social media and wider communications
- Hosting events and functions
- Distributing newsletters and publications
- Contributing articles and updates to publications produced by other organisations
- Attending key national conferences
- Speaking at meetings and events

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

In order to support our charitable activities, and in line with our charitable status, the Police Dependants' Trust engages in fundraising activities to further its charitable purposes. In addition to asking serving officers to make a voluntary contribution through payroll giving, We receive donations from individuals and organisations who decide to donate or raise money on our behalf. The majority of groups and individuals who chose to fundraise for us this year did so as a result of hearing more about our work and our need to generate more funds to support officers and families. As an organisation we are committed to high fundraising standards, and have signed up to the Fundraising Regulator and its Code of Fundraising Practice.

More information on this work can be found in the 'Get Involved' section at www.pdtrust.org

With thanks

The trust relies on donations to continue its work and we would particularly like to thank the following individuals, Trusts and Foundations, and companies for their support*:

BAPCO Ltd
Callendar Charitable Trust
Canterbury Christchurch University
Crosskeys Masonic Charity
The Charnes Estate
The Gloucester Lodge Of Mark Master Masons
Narpo – Surrey
Gerald Bental Charitable Trust
Excel Fund
Lord Strathnaver
Mrs J Baker
The Police Superintendents Association of England & Wales

*donations in excess of £250

In particular, the trust would like to thank the family and friends of:

The late Albert Pete Wheeler
The late PC Bernie Burnett
The late James Emerton Smith OBE
The late Mr Thomas George Gardner
The late Miss Iris Palmer
The late Marcus James Gunn Fennell
The late Samuel Lyndon Hooper
The late William King
The late Harry Furness
The late Mr Edward Holland

and donations made by the family, friends and general public in remembrance of:

The late PC Palmer GM

Reserves policy

The balance sheet shows net assets in excess of £30m.

The nature of our beneficiaries means that the support needed from the trust is often long term. For some this will mean frequent welfare based support will be needed particularly where injuries have contributed to, or are accompanied by, mental ill health. Others, in particular those who have been disabled as a result of their injury, will have complex needs and require significant levels of support at key points in their lives.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The trust is currently reliant upon its investments as a key source of income. The trustees consider therefore that it is reasonable for the Trust to maintain reserves to generate investment income for longevity and to help meet the likely needs of these families in the medium term. These currently amount to £26m. The trustees have however agreed there is scope to reduce reserves below their current level and in 2015/16 committed to using £3m from reserves to support the OneinFour programme which is time limited.

Trustees review levels of reserves annually as part of the annual budget process and will continue to do so in the context of developing a wider fundraising strategy and developing new activities in response to the needs of beneficiaries. The reliance on investment income is however a concern particularly in the current uncertain Brexit economic climate. There is a need for the trust to diversify its income sources both as a response to this risk but also as regular giving is in long term decline as police officer numbers reduce year on year.

Given the current economic uncertainty, as part of its annual review of reserves, the Trust has undertaken an exercise with the support of our investment advisors and managers to model the potential impact of a significant market fall on investments. This was based on the experience of global investment markets over the last 10 years. As a result, the trustees concluded that it is currently prudent to hold in the region of £3m in readily accessible assets.

Investment policy and performance

The charity's assets were invested in accordance with the Trustee Act 2000. Other than that there were no restrictions on the charity's powers to invest. The investment objective was to provide a reasonable level of income whilst maintaining and growing the value of the capital in real terms.

As at 31/03/17 the portfolio had an income yield of 2.74%. The capital value of the charity's portfolio increased by around 13.26% during the year and was valued at £26,202,714 as at 31/03/17.

During 2016 the Trustees conducted a full review of the Trusts investments and undertook a tendering process for the management of the funds. A decision was made to remove Baring Asset Management as managers and to appoint CCLA Investment Management, Newton Investment Management and Woodford Investment Management to manage the assets between them.

The charity holds its investment portfolio in order to generate a return to fund its day-to-day running and grant making programmes.

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate their exposure to major risks.

Origins

The Police Dependents' Trust was founded in 1966 as a response to the deaths of three police officers who, on the 12th August were shot while on duty in Shepherds Bush, London; Sergeant Christopher Head and Constables David Wombwell and Geoffrey Fox.

Such was the public response to this terrible tragedy which demonstrated the dangers police officers face in the line of duty, that an anonymous donation of £100,000 was offered to a Home Office Minister to establish a permanent trust to assist in cases where police officers were killed or injured on duty. Later it was made public that the anonymous donor was Sir Billy Butlin of Butlin's holiday camps. A public appeal was launched and more than £1 million was raised. The Police Dependents' Trust was founded and continues its vital work today – supporting officers injured on duty and the families of those who have lost their lives in the line of their police work.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Plans for the Future

The landscape in which the Trust operates is undergoing significant levels of change.

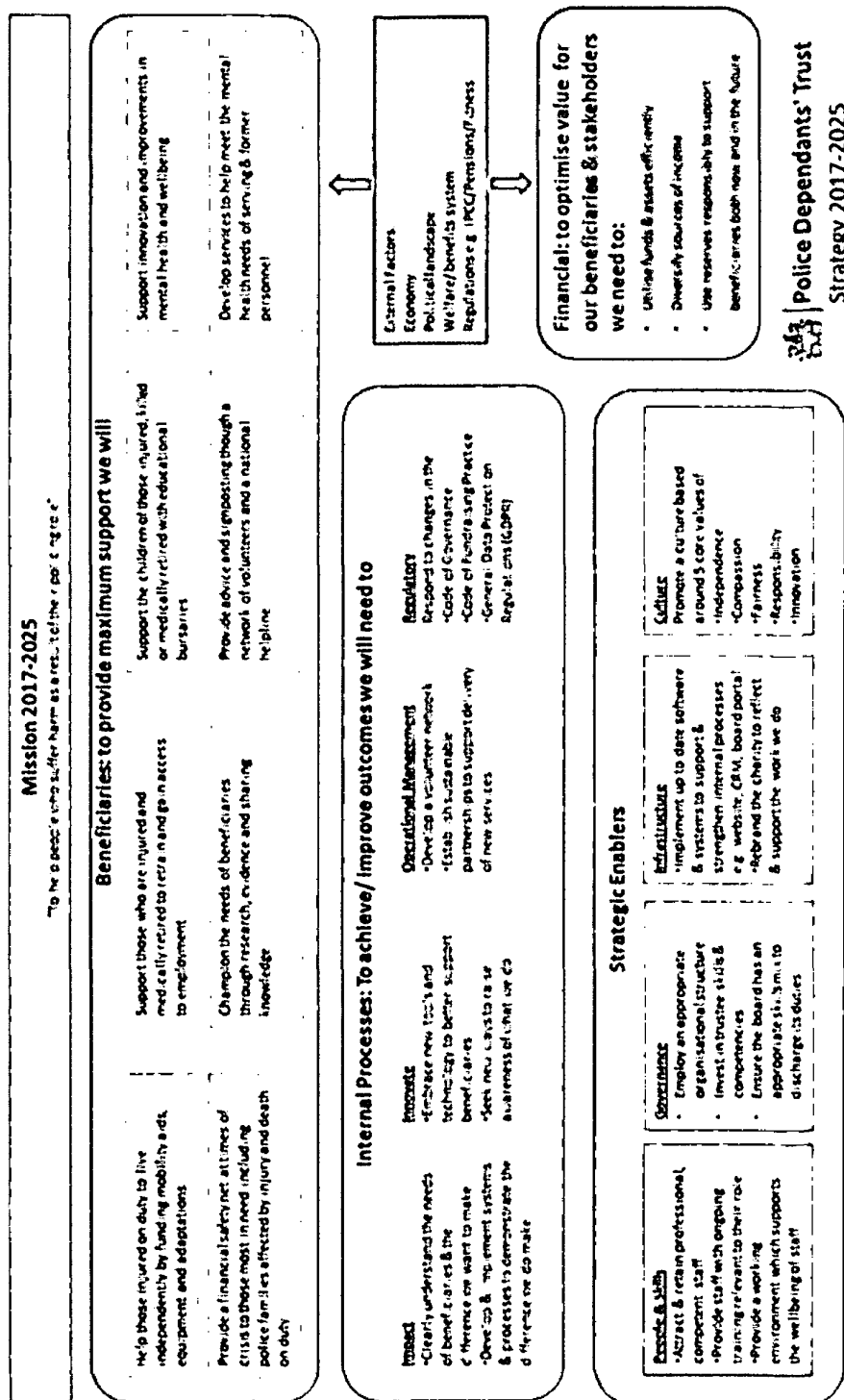
- Beneficiaries are living longer, often with increasingly complex needs reflecting advances in healthcare
- Changes in state benefits and the impact of the current economic climate both on the needs of beneficiaries and our ability to fundraise
- Financial pressures on police forces where we continue to see reductions in support available to those affected by injury and deaths on duty, an average of 87 officers a day assaulted on duty, high levels of stress impacting on mental health and wellbeing
- The changing nature of policing as more crime moves online resulting in new forms of psychological pressure on officers, for example Child Sexual Exploitation and terrorist videos
- The impact of changes in police pensions and general terms and conditions, including the introduction of fitness regulations meaning we are likely to see more officers leaving the police service through physical and mental ill health

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees have agreed a strategy to 2015, informed by its research with the University of Surrey which is summarised below



THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

During 2017/18 the areas of specific focus are as follows:

| Priority | Key Activities |
|--------------------|---|
| Beneficiaries | Extend our activities to include police staff Introduce a helpline including access to counselling services for those who need it Develop a PTSD screening and diagnostic service Develop a trauma focused mental health resilience programme |
| Internal processes | Implement online registration and referral Extend our formal volunteer network |
| Financial | Develop a fundraising strategy supported by a communications plan to diversify sources of income |
| Strategic Enablers | Ensure the board has the right mix of skills and competencies to discharge its duties Review our governance arrangements to ensure they remain both fit for purpose and compliant with regulatory changes Implement a CRM to improve communications with our supporters and stakeholders Rebrand the Trust to reflect and support the work we do |

During the coming year, the Trustees plan to merge the Police Dependents Trust with the National Police Fund, a charity of which the Trust is the sole Trustee.

Structure, governance and management

The Trust is a company limited by guarantee without share capital.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

| | |
|---------------|-----------------------------|
| S Bray | |
| B Docherty | (Resigned 19 January 2017) |
| G Crossan | (Appointed 21 July 2016) |
| C Greany | |
| K Gregson | |
| B Higgins | |
| T Jackson | |
| M Lindsay | |
| A Macdonald | (Appointed 19 January 2017) |
| N Massey | (Appointed 31 October 2016) |
| S Purdy | |
| W Riches | (Resigned 31 October 2016) |
| Dr C Townsend | |
| S White | (Appointed 31 October 2016) |
| S Wilde | (Resigned 10 July 2016) |

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Board of Trustees

The Trustees meet four times during the year to consider the Trust's investment matters, receive regular updates from committees, and to plan for its short, medium and long term future. Additionally, they meet annually to consider strategy and to plan for the future.

When a vacancy arises, the Trustees shall have regard to the desirability of seeking one or more recommendations to fill the vacancy from any or all of the following bodies (or to such other body or bodies as may succeed to their operations):

- (a) The National Police Chiefs Council (formerly The Association of Chief Police Officers of England and Wales and Northern Ireland);
- (b) Police Scotland;
- (c) The Police Superintendents' Association of England and Wales;
- (d) The Association of Scottish Police Superintendents;
- (e) The Police Federation of England and Wales;
- (f) The Scottish Police Federation;
- (g) The Police Federation of Northern Ireland;
- (h) The Metropolitan Police Service;
- (i) The RUCGC-PSNI Benevolent Fund;
- (j) The National Association of Retired Police Officers; and
- (k) The Retired Police Officers' Association Scotland.

In order to strengthen the skills of the board the trust may also appoint up to a maximum of 4 co-opted trustees

New trustees are encouraged to spend time on induction and meeting employees and attend training to support their role. Trustees are routinely updated to keep the up to date with recent law governing trustee's responsibilities and are provided with copies of Charity Commission Guidance relevant to their role.

Organisation

The Trustees have appointed 3 sub-committees to help with the execution of the boards responsibilities, the members of which are appointed by the Trustees

Audit & Investment

- Exercises general oversight concerning matters pertaining to the trust's investment portfolios
- Oversees the selection and agrees the appointment of investment managers on behalf of the trustees as a delegated responsibility
- Oversees the trusts systems of internal control, risk management and financial reporting, and monitors the quality and effectiveness of external auditors.

Remuneration

- On behalf of The Police Dependants' Trust's Board, the Remuneration Committee exercises general oversight of matters concerning the trusts staff and makes recommendations to the Board

OneInFour Panel

- Considers and agrees applications for funding to the OneInFour Grants Programme

The Audit & Investment Committee met four times in the year, the Remuneration Committee met three times in the year and the OneInFour Panel met once.

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

Day to day management of the trust is delegated to the Chief Executive who had authority to approve grants up to £25,000 within the framework of delegations. Grants expenditure of up to £50,000 may be approved by the Chairman on the recommendation of the Chief Executive provided that this is reported to the Trustees at their next meeting. Grants in excess of £50,000 must be approved at a Trustees meeting with the exception of applications for the OneInFour programme which are considered by a panel of trustees, staff and experts in mental health and wellbeing. The Trustees regularly review the scheme of delegation.

The charitable company acts as sole trustee of the National Police Fund, a charity with similar, but historically sufficiently different objects as to allow a formal merger of the two charities. Recently agreed amendments to the Police Dependants' Trust objects now means that a formal merger of the two charities is now possible.

Remuneration policy

The trustees consider that the board of directors, who are the Trust's trustees, and Chief Executive, Gill Scott-Moore, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts.

The pay of all staff is reviewed annually and includes reference to comparisons with other charities ensuring the PDT remains sensitive to broader issues of pay and employment conditions elsewhere. We aim to recruit at the lower medium point with comparable organisations, providing scope to reward excellence whilst taking into account the trusts ability to attract and retain committed and motivated employees. We do not employ interns without pay and aim to pay the living wage for all of our staff.

Related Parties

The charitable company acts as sole trustee of the National Police Fund, a charity with similar, but sufficiently different objects to allow a formal merger of the two charities.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Police Dependants' Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

THE POLICE DEPENDANTS' TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The Trustees' report was approved by the Board of Trustees.



T Jackson

Chairman

Dated: 2nd November 2017

THE POLICE DEPENDANTS' TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE POLICE DEPENDANTS' TRUST LIMITED

We have audited the accounts of The Police Dependants' Trust Limited for the year ended 31 March 2017 set out on pages 16 to 33. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 12, the Trustees, who are also the directors of The Police Dependants' Trust Limited for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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 POLICE DEPENDANTS' TRUST LIMITED

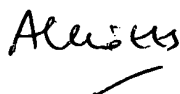
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE POLICE DEPENDANTS' TRUST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the accounts are not in agreement with the accounting records and returns; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Alliotts

Chartered Accountants
Statutory Auditor

2 November 2017

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE POLICE DEPENDANTS' TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | Unrestricted funds general £ | Unrestricted funds designated £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|---|-------|------------------------------------|---------------------------------------|-----------------------|--------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | | |
| Donations and legacies | 3 | 514,416 | - | 23,900 | 538,316 | 277,431 |
| Investments | 4 | 717,820 | - | - | 717,820 | 698,626 |
| Other income | 5 | 6,001 | - | - | 6,001 | 6,001 |
| Total income | | 1,238,237 | - | 23,900 | 1,262,137 | 982,058 |
| <u>Expenditure on:</u> | | | | | | |
| <u>Raising funds</u> | | | | | | |
| Fundraising and publicity | 6 | 148,091 | - | 21,400 | 169,491 | 82,498 |
| Investment management | 6 | 176,934 | - | - | 176,934 | 118,889 |
| | | 325,025 | - | 21,400 | 346,425 | 201,387 |
| Charitable activities | 7 | 762,509 | 176,943 | 2,500 | 941,952 | 571,464 |
| Total resources expended | | 1,087,534 | 176,943 | 23,900 | 1,288,377 | 772,851 |
| Operating profit/(loss) before investment gains | | 150,703 | (176,943) | - | (26,240) | 209,207 |
| Net gains on investments | 11 | 3,345,621 | - | - | 3,345,621 | (1,340,160) |
| Net incoming/(outgoing) resources before transfers | | 3,496,324 | (176,943) | - | 3,319,381 | (1,130,953) |
| Gross transfers between funds | | (14,079) | 14,079 | - | - | - |
| Net movement in funds | | 3,482,245 | (162,864) | - | 3,319,381 | (1,130,953) |
| Fund balances at 1 April 2016 | | 19,519,614 | 7,212,864 | - | 26,732,478 | 27,863,431 |
| Fund balances at 31 March 2017 | | 23,001,859 | 7,050,000 | - | 30,051,859 | 26,732,478 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE POLICE DEPENDANTS' TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|-------------------|---|-------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 13 | 420,391 | | 398,400 | |
| Investment properties | 14 | 225,000 | | 562,300 | |
| Investments | 15 | 26,202,714 | | 23,133,335 | |
| | | <u>26,848,105</u> | | <u>24,094,035</u> | |
| Current assets | | | | | |
| Debtors | 17 | 420,301 | | 390,243 | |
| Cash at bank and in hand | | 3,003,078 | | 2,287,660 | |
| | | <u>3,423,379</u> | | <u>2,677,903</u> | |
| Creditors: amounts falling due within one year | 18 | <u>(219,625)</u> | | <u>(39,460)</u> | |
| Net current assets | | 3,203,754 | | 2,638,443 | |
| Total assets less current liabilities | | <u>30,051,859</u> | | <u>26,732,478</u> | |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 21 | 7,050,000 | | 7,212,864 | |
| General unrestricted funds | | <u>23,001,859</u> | | <u>19,519,614</u> | |
| | | 30,051,859 | | 26,732,478 | |
| | | <u>30,051,859</u> | | <u>26,732,478</u> | |

THE POLICE DEPENDANTS' TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 2nd November 2017


.....
T Jackson
Trustee

Company Registration No. 08426630

THE POLICE DEPENDANTS' TRUST LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|--------------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 27 | (563,030) | | (379,883) | |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (34,848) | | - | |
| Proceeds on disposal of investment property | | 460,000 | | - | |
| Purchase of other investments | | (36,114,884) | | - | |
| Proceeds on disposal of other investments | | 36,250,360 | | - | |
| Interest received | | 717,820 | | 698,626 | |
| Net cash generated from investing activities | | | 1,278,448 | | 698,626 |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 715,418 | | 318,743 |
| Cash and cash equivalents at beginning of year | | | 2,287,660 | | 1,968,917 |
| Cash and cash equivalents at end of year | | | 3,003,078 | | 2,287,660 |

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

The Police Dependants' Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 Mount Mews, High Street, Hampton, TW12 2SH.

1.1 Accounting convention

The accounts have been prepared in accordance with the Trust's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Subscriptions are the amounts collected by the individual forces through their payroll schemes. Donations are where individuals send money directly to the Trust.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure and it can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds are those costs incurred in attracting voluntary income, the costs of trading for fundraising purposes, investment management and certain legal fees.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Trust. The grants are accounted for where either the Trustees have agreed to pay the grant without condition or the recipient has a reasonable expectation that they will receive a grant.

Support costs include central functions and have been allocated to activity cost categories:

Cost of raising funds - 30%
Charitable activities - 70%

Irrecoverable VAT is charged against the category or resources expended for which it was incurred.

Tax recovered from donations received under gift aid is recognised in the Statement of Financial Activities when the income is receivable and is allocated to the income category to which the income relates.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Individual fixed assets costing £100 or more are capitalised at cost.

Tangible fixed assets are depreciated over their estimated useful lives as follows:

| | |
|----------------------|--|
| Leasehold Property | over 50 years on a straight line basis on the estimated cost of the building |
| Computer Equipment | over 3 years on a straight line basis |
| Furniture & Fittings | over 4 years on a straight line basis |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Valuation of fixed asset investments

A key accounting estimate is the value at which trustees recognise investments. The risk of misstatement is mitigated by the use of investment managers who publish a portfolio valuation. Listed investments are valued by reference to their market value prevailing at the balance sheet date.

3 Donations and legacies

| | Unrestricted funds general £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|----------------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Donations and gifts | 79,185 | 23,900 | 103,085 | 32,739 |
| Legacies receivable | 233,085 | - | 233,085 | 46,855 |
| Subscriptions from police force | 202,146 | - | 202,146 | 197,837 |
| | <u>514,416</u> | <u>23,900</u> | <u>538,316</u> | <u>277,431</u> |
| For the year ended 31 March 2016 | <u>274,431</u> | <u>3,000</u> | | <u>277,431</u> |

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Investments

| | 2017 | 2016 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Income from listed investments | 705,906 | 689,382 |
| Interest receivable | 11,914 | 9,244 |
| | <u>717,820</u> | <u>698,626</u> |

5 Other income

| | 2017 | 2016 |
|--------------|--------------|--------------|
| | £ | £ |
| Other income | <u>6,001</u> | <u>6,001</u> |

6 Raising funds

| | Unrestricted funds general £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|---|---------------------------------------|--------------------------|--------------------|--------------------|
| <u>Fundraising and publicity</u> | | | | |
| Staging fundraising events | 13,770 | 21,400 | 35,170 | 1,993 |
| Support costs | <u>134,321</u> | <u>-</u> | <u>134,321</u> | <u>80,505</u> |
| Fundraising and publicity | <u>148,091</u> | <u>21,400</u> | <u>169,491</u> | <u>82,498</u> |
| <u>Investment management</u> | <u>176,934</u> | <u>-</u> | <u>176,934</u> | <u>118,889</u> |
| | <u>325,025</u> | <u>21,400</u> | <u>346,425</u> | <u>201,387</u> |
| For the year ended 31 March 2016 | | | | |
| Fundraising and publicity | 82,498 | - | | 82,498 |
| Investment management | <u>118,889</u> | <u>-</u> | | <u>118,889</u> |
| | <u>201,387</u> | <u>-</u> | | <u>201,387</u> |

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Grants payable

| | Institution grants £ | Maintenance grants £ | Assistance grants £ | Educational bursaries £ | Elderly asst. grants £ | Christmas grants £ | Total £ | 2016 £ |
|------------------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|------------------------------|--------------------------|----------------|----------------|
| Grants to institutions (8 grants): | | | | | | | | |
| Research activities | 24,443 | - | - | - | - | - | 24,443 | 102,851 |
| Major grants | 141,875 | - | - | - | - | - | 141,875 | - |
| OneInFour grants | 150,000 | - | - | - | - | - | 150,000 | - |
| Innovation fund | 2,500 | - | - | - | - | - | 2,500 | - |
| National police memorial day | - | - | - | - | - | - | - | 7,217 |
| | <u>318,818</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>318,818</u> | <u>110,068</u> |
| Grants to individuals (169 grants) | - | 126,500 | 139,312 | 11,050 | 650 | 3,600 | 281,112 | 257,311 |
| | <u>318,818</u> | <u>126,500</u> | <u>139,312</u> | <u>11,050</u> | <u>650</u> | <u>3,600</u> | <u>599,930</u> | <u>367,379</u> |

Support costs of £313,417 (2016: £204,085) and other charitable expenditure of £28,605 (2016: £Nil) are allocated to the grant making programmes to give total charitable activity expenditure of £941,952 (2016: £571,464).

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Support costs

| | Support costs | Governance costs | 2017 | 2016 |
|---------------------------------------|----------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Staff costs | 224,664 | - | 224,664 | 152,656 |
| Depreciation | 12,857 | - | 12,857 | 7,764 |
| Operating lease charges | - | - | - | 3,301 |
| Computer running costs | 30,921 | - | 30,921 | 11,186 |
| Travel | 14,440 | - | 14,440 | 11,131 |
| Energy and rates | 6,476 | - | 6,476 | 5,920 |
| Insurance | 4,921 | - | 4,921 | 4,767 |
| Telecommunications | 7,145 | - | 7,145 | 8,284 |
| Printing, postage and stationery | 4,876 | - | 4,876 | 3,146 |
| Training and subscriptions | 7,884 | - | 7,884 | 4,885 |
| Marketing and communications costs | 18,199 | - | 18,199 | 738 |
| Repairs, cleaning and office sundries | 15,671 | - | 15,671 | 13,304 |
| Bank charges | 841 | - | 841 | 794 |
| Audit fees | - | 9,000 | 9,000 | 9,000 |
| Accountancy | - | 9,315 | 9,315 | 7,510 |
| Legal and professional | - | 65,983 | 65,983 | 19,541 |
| Trustees' meetings | - | 14,545 | 14,545 | 4,424 |
| | <u>348,895</u> | <u>98,843</u> | <u>447,738</u> | <u>268,351</u> |
| Analysed between | | | | |
| Fundraising | 104,668 | 29,653 | 134,321 | 80,505 |
| Charitable activities | 244,227 | 69,190 | 313,417 | 187,846 |
| | <u>348,895</u> | <u>98,843</u> | <u>447,738</u> | <u>268,351</u> |

Governance costs includes payments to the auditors of £9,000 (2016 - £9,000) for the audit of the financial statements and £9,315 (2016 - £7,510) for accountancy services.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 8 of them were reimbursed a total of £6,670 travelling expenses (2016 - 4 were reimbursed £5,249).

No Trustee or other person connected to the charity had any personal interest in any contract or transaction entered into by the charitable company during this year.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

| | 2017 Number | 2016 Number |
|----------------------------------|----------------|----------------|
| CEO | 1 | 1 |
| Administration and support staff | 5 | 3 |
| | <u>6</u> | <u>4</u> |

Employment costs

| | 2017 £ | 2016 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 197,366 | 126,094 |
| Social security costs | 17,147 | 11,137 |
| Other pension costs | 10,151 | 15,425 |
| | <u>224,664</u> | <u>152,656</u> |

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

| | 2017 £ | 2016 £ |
|--|------------------|--------------------|
| Revaluation of investments | 2,977,678 | (1,340,160) |
| Gain/(loss) on sale of investments | 245,243 | - |
| Revaluation of investment properties | 70,524 | - |
| Gain/(loss) on sale of investment properties | 52,176 | - |
| | <u>3,345,621</u> | <u>(1,340,160)</u> |

12 Taxation

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Tangible fixed assets

| | Leasehold Property £ | Computer Equipment £ | Furniture & Fittings £ | Total £ |
|------------------------------------|----------------------------|----------------------------|------------------------------|------------|
| Cost | | | | |
| At 1 April 2016 | 458,345 | 30,161 | 10,211 | 498,717 |
| Additions | - | 34,204 | 644 | 34,848 |
| At 31 March 2017 | 458,345 | 64,365 | 10,855 | 533,565 |
| Depreciation and impairment | | | | |
| At 1 April 2016 | 59,954 | 30,152 | 10,211 | 100,317 |
| Depreciation charged in the year | 4,600 | 8,173 | 84 | 12,857 |
| At 31 March 2017 | 64,554 | 38,325 | 10,295 | 113,174 |
| Carrying amount | | | | |
| At 31 March 2017 | 393,791 | 26,040 | 560 | 420,391 |
| At 31 March 2016 | 398,391 | 9 | - | 398,400 |

14 Investment property

| | 2017 £ |
|--|-----------|
| Fair value | |
| At 1 April 2016 | 562,300 |
| Disposals | (407,824) |
| Net gains or losses through fair value adjustments | 70,524 |
| At 31 March 2017 | 225,000 |

Investment property comprises a property in Southampton. The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2017. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|----------------------|--------------|
| Cost or valuation | | | |
| At 1 April 2016 | 23,133,335 | - | 23,133,335 |
| Additions | 36,114,884 | 390,683 | 36,505,567 |
| Valuation changes | 3,253,431 | - | 3,253,431 |
| Management fees | (293,819) | - | (293,819) |
| Disposals | (36,395,800) | - | (36,395,800) |
| At 31 March 2017 | 25,812,031 | 390,683 | 26,202,714 |
| Carrying amount | | | |
| At 31 March 2017 | 25,812,031 | 390,683 | 26,202,714 |
| At 31 March 2016 | 23,133,335 | - | 23,133,335 |

Fixed asset investments revalued

The valuation of the investments was performed by the investment managers. The market value of listed investments is publicly available.

The historic cost of the portfolio is £22,991,542 (2016: £22,474,594).

16 Financial instruments

| | 2017 £ | 2016 £ |
|---|------------|------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 148,247 | 154,651 |
| Equity instruments measured at cost less impairment | 26,202,714 | 23,133,335 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 219,625 | 39,460 |

17 Debtors

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 148,247 | 154,651 |
| Prepayments and accrued income | 272,054 | 235,592 |
| | 420,301 | 390,243 |

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------|----------------|---------------|
| Trade creditors | 4,773 | 5,770 |
| Other creditors | 195,546 | 23,257 |
| Accruals and deferred income | 19,306 | 10,433 |
| | <u>219,625</u> | <u>39,460</u> |

19 Retirement benefit schemes

Defined contribution schemes

The Trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £10,151 (2016 - £15,425).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2016 £ | Movement in funds | | Balance at 31 March 2017 £ |
|-------------------|---------------------------------|-------------------|------------------|----------------------------------|
| | | Income £ | Expenditure £ | |
| Event sponsorship | - | 21,400 | (21,400) | - |
| PTSD conference | - | 2,500 | (2,500) | - |
| | <u>-</u> | <u>23,900</u> | <u>(23,900)</u> | <u>-</u> |

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance at 1 April 2016 £ | Movement in funds | | Transfers £ | Balance at 31 March 2017 £ |
|--------------------------|---------------------------------|-------------------|------------------|----------------|----------------------------------|
| | | Income £ | Expenditure £ | | |
| Designated funds | 4,000,000 | - | - | - | 4,000,000 |
| Welfare contingency fund | 200,000 | - | - | - | 200,000 |
| Officer support study | 12,864 | - | (26,943) | 14,079 | - |
| OneInFour fund | 3,000,000 | - | (150,000) | - | 2,850,000 |
| | <u>7,212,864</u> | <u>-</u> | <u>(176,943)</u> | <u>14,079</u> | <u>7,050,000</u> |

£200,000 has been designated by the Trustees as a welfare contingency fund so that grant aid can be given without going through the normal authorisation process in the event of an emergency.

£3,000,000 was designated last year for a future project to support improvement in police mental health.

£80,000 was designated in 2015 for a study to be undertaken by the University of Surrey into the gaps in support for officers following injury on duty. The officer support study continued in the year.

22 Analysis of net assets between funds

| | Unrestricted funds £ | Designated funds £ | £ | Total £ |
|--|----------------------------|--------------------------|----------|-------------------|
| Fund balances at 31 March 2017 are represented by: | | | | |
| Tangible assets | 420,391 | - | - | 420,391 |
| Investment properties | 225,000 | - | - | 225,000 |
| Investments | 19,002,714 | 7,200,000 | - | 26,202,714 |
| Current assets/(liabilities) | 3,353,754 | (150,000) | - | 3,203,754 |
| | <u>23,001,859</u> | <u>7,050,000</u> | <u>-</u> | <u>30,051,859</u> |

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Designated funds are funds set aside out of general funds by the Trustees for specific purposes of the Trust. It is the policy of the Trust to maintain designated funds at a level, which equates to approximately one to two years of costs to running the Trust.

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

23 Operating lease commitments

Lessee

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2017 £ | 2016 £ |
|----------------------------|-----------|-----------|
| Between two and five years | 6,620 | 9,930 |

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2017 £ | 2016 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 57,440 | 52,524 |

25 Contingent asset

The Trust has attached a number of liens to the special grants awarded to dependants; these expire within 10 years of issue of the grant awarded.

26 Significant undertakings

The charity has a very close relationship with the National Police Fund (Registered Charity Number 207608), and the Trust acts as sole trustee of that charity.

During the year the Trust charged the National Police Fund £6,000 for staff costs. A notional rent of £1 was charged for rent, although the real value of rent and use of equipment is likely to be higher, but the Trustees have not been able to quantify the amount.

At the year end the Trust was owed £119,820 (2016 - £113,819) by the National Police Fund.

The Net Movement in Funds of the National Police Fund was £474,052 (2016: (£44,321)) and the Balance Sheet had Funds of £4,030,732 (2016: £3,556,680).

THE POLICE DEPENDANTS' TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

| | | | |
|-----------|---|------------------|------------------|
| 27 | Cash generated from operations | 2017 | 2016 |
| | | £ | £ |
| | Surplus/(deficit) for the year | 3,319,381 | (1,130,953) |
| | Adjustments for: | | |
| | Investment income recognised in statement of financial activities | (717,820) | (698,626) |
| | Gain on disposal of investment property | (52,176) | - |
| | Gain on disposal of investments | (245,243) | - |
| | Fair value gains and losses on investment properties | (70,524) | - |
| | Fair value gains and losses on investments | (2,959,612) | 1,459,049 |
| | Depreciation and impairment of tangible fixed assets | 12,857 | 7,734 |
| | Movements in working capital: | | |
| | (Increase) in debtors | (30,058) | (1,969) |
| | Increase/(decrease) in creditors | 180,165 | (15,118) |
| | Cash absorbed by operations | (563,030) | (379,883) |
