

Company registration number SC682574 (Scotland)

SCOTTISH POLICE RECREATION ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

PAGES FOR FILING WITH REGISTRAR

SCOTTISH POLICE RECREATION ASSOCIATION

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SCOTTISH POLICE RECREATION ASSOCIATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Change is, of course, very much the norm for the Association and 2022/23 was no exception in this regard.

The Board continued to deliver Association benefits and services in line with the Association's Strategy and Business Plan. These ensure our approach reflects and responds to member priorities, while enabling us to operate in an agile fashion, focussing our efforts and energy in what remains a challenging operational and economic environment for our membership.

As an overall trend, the Association experienced a reduction in its overall Ordinary/Full membership in terms of year-on-year comparison. Retired membership (both Full & 'restricted') increased in the same period. It remains to be seen whether this directly correlates with the very public and significant increase in retirements across the Service, but such a scale of change was always expected to impact on the Association. It is of course heartening to see that we are retaining so many members on retirement from the Service, however such a change is, of course, matched by a reduction in overall subscription income. Our prudent budgeting approach meant that, despite the above shift, subscription income remained within budget over this period and the Association remains well-positioned to plan for the future.

This year also marked a 'full' return to our offices, as Police Scotland allowed us to re-open our office doors, following lifting of the restrictions imposed during the pandemic. It also witnessed the Association embark on a number of member-engagement exercises, as we start preparing our future Strategy and Business plans for the years to come.

Our Pathways to Sport programme featured heavily amongst these and involved direct consultation with the majority of the Association's sports and recreation sections. This afforded us, amongst other matters, an insight into their experience, aspirations and vision for the future. The findings of this exercise joined wider commentary sourced through the Membership Survey on what our members value and expect from the Association as plans for the future.

Responding to earlier member feedback, we refined the SPRActive programme, embracing a greater focus on charity-fundraising events and introducing the 'be active, feel good, do good' concept. This co-incided with our partnership approach with members in Police Scotland to promote the 'National Team Challenge Championship', recognising the broader benefits it brings to our membership. The latest event (held in May 2023) resulted in over 267 teams and involved 2,216 people, 'playing' for 21 days, covering the equivalent of ~239,000 miles between them. Subsequent surveys of participants revealed huge support for the initiative and, additionally, the positive contribution participants felt it made to their overall sense of wellbeing and belonging.

Following a detailed examination of our fleet and as reflected in the accounts, this year also marked the beginning of what became a significant investment and upgrading of our vehicles. Driven, amongst other factors, by the introduction of LEZ regulations at key locations across the country and need to remove non-compliant vehicles from our fleet, the review revealed the importance this benefit is considered to have and extent of use made by our membership.

More 'routine' work, also channelled via the Association business plan, included the introduction – as part of our ongoing review and development of exercise facilities across the police estate - of new and/or upgraded facilities at 3C, Helen Street, Glasgow; Meiklewood Road, Stranraer, Haddington, Ayr (Newton House), Ferguslie Park, Maryhill, Pollok, Gorbals, and Musselburgh.

The Association Lottery continues to play an important part in the ability of the Association to promote, support and fund section activity. These monies were, during the period under examination, further supplemented through continuation of the Benefit Boost fund and the targeted allocation of 'surplus' accrued through lockdown. In addition to enabling our Sections and Divisional Social Committees to convert this surplus into opportunities for increased participation in sport and physical activity and member wellbeing opportunities, the Benefit Boost fund allowed sections to mitigate a broader increase in costs, while still maintaining a contributory approach.

SCOTTISH POLICE RECREATION ASSOCIATION

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We have previously acknowledged the assignation of Lochinch Sports Pavilion to a third party as part of the 2021/2022 accounts.

As expected, and indeed planned for, our direct ticket sales markedly decreased in this period, with this following the introduction of our agency agreement with the Cinema Society. The Association continues to subsidise this benefit.

This year also saw the launch of the 'Ticket Treats' initiative, featuring as part of our efforts to diversify and support activities beyond the traditional 'family-orientated focus, increasing our established benefit offering to members seeking more 'adult-focused' events. Subsidy was set at an equivalent level to that operated in respect of our regional events and included theatre shows, festivals, concerts and sporting events. Opportunities included tickets to; Deamgirls, Sister Act, The Snow Queen, Jason Manford, Jimmy Carr, The Rocky Horror Show, Jersey Boys, and many more. Events were hosted in Glasgow, Edinburgh, Aberdeen, Dundee and Inverness, with the campaign proving particularly popular with our membership.

That's not to say the 'usual benefits' fell out of favour: our Christmas regional days, hosted in December 2022, proved the most popular to date. For the first time ever, Christmas events included a mixture of pantos, ice skating and other Christmas experiences. This included Edinburgh Botanic Gardens Christmas experience, Snow White panto in Dundee, Drive-in movies at Falkirk stadium, Elfin Grove, Ice Skating in Paisley, Santa's Magical Circus at M&Ds, Peter Pan panto in Aberdeen and Peter Pan panto in Inverness. 1,957 members entered the ballot for Christmas events and over 2,300 tickets were allocated to SPRA members and their families.

The Board and its representatives continued to engage with colleagues, clubs and associations south of the Border, representing and promoting the interests of our membership through representation on the PSUK Management Committee and participation in the Police Club's Forum.

In addition to individual members and our various volunteer committees, the Association is supported by a small number of staff. 2022/23 witnessed a number of changes in this regard, including the assignation of staff from Lochinch, appointment of a new Marketing and Communications Manager, Marketing and Communications Officer, Administration Team Leader, and Administration Officer.

As ever, the promotion and support of sports and physical activity remains at the heart of what we are and what we do. This year marked the expansion of our established section offering, including establishment of a Paddle Section, Brazilian Jui Jitsu section and formation of a Women's Rugby team.

Our expanded range of funded regional events also continued, since the Force again felt it was unable to support the Association family day during the year under review.

The Board remains grateful to our network of volunteer Divisional Social Committees and Sports and Recreation Sections who, alongside our dedicated and professional staff, play a vital part in our operations and ensure our success as an Association.

The Association Board considers these accounts reflect the foregoing and its continuing commitment to invest in the Associations' Vision, Mission, Aims and member-wellbeing.

Calum Murray
Chief Executive

28 August 2023

SCOTTISH POLICE RECREATION ASSOCIATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Income and expenditure £
Balance at 1 December 2020	-
Period ended 31 March 2022: Profit and total comprehensive income for the period	3,543,413
Balance at 31 March 2022	<u>3,543,413</u>
Year ended 31 March 2023: Profit and total comprehensive income for the year	824,928
Balance at 31 March 2023	<u><u>4,368,341</u></u>

SCOTTISH POLICE RECREATION ASSOCIATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Negative goodwill	6	(114,722)		(575,400)	
Tangible assets	7	307,590		626,287	
Investments	8	265		265	
			193,133		51,152
Current assets					
Stocks	9	77,204		43,411	
Debtors	10	816,535		124,615	
Cash at bank and in hand		3,469,695		3,432,611	
			4,363,434		3,600,637
Creditors: amounts falling due within one year	11	(188,226)		(108,376)	
Net current assets			4,175,208		3,492,261
Net assets			4,368,341		3,543,413
Reserves					
Income and expenditure account			4,368,341		3,543,413
Members' funds			4,368,341		3,543,413

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 August 2023 and are signed on its behalf by:

J S Stewart
Director

Company Registration No. SC682574

The notes on pages 5 to 12 form an integral part of these financial statements.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Scottish Police Recreation Association is a not for profit company limited by guarantee incorporated in Scotland. The registered office is 6 Baird Street, Glasgow, G4 0EZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Negative goodwill

Negative goodwill is created through acquisition and is written off to the Statement of Income and Retained Earnings as the non-cash assets acquired are depreciated or sold.

1.5 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.

At 1 April 2021 assets have been brought in at fair value at the date of acquisition from the previously unincorporated Association. Fair value has been deemed to be net book value (based on depreciated cost) in the previous entity.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Sports equipment	33% reducing balance
Motor vehicles	25% reducing balance
Office equipment/Website	33% reducing balance/20% straight line
Fixtures Fittings & Equipment/Trophies	25% reducing balance/1% straight line
Lochinch	2% straight line for the ground refurb and between 10-30 years for the pitch

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 credited or charged to surplus or deficit.

1.6 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value. The Statement of Income includes the net gains and losses (realised and unrealised) arising on revaluation and disposals throughout the year.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.10 Financial instruments

The company 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 company's balance sheet when the company 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 business 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company 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 profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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 have been applied to the fair value of the acquisition of previously unincorporated Association, depreciation rates and accruals. The fair value of the tangible fixed assets were estimated at net book value (depreciated cost) of assets held which were acquired from the previously unincorporated Association. The depreciation rates are deemed to be appropriate based on the expected useful lives for each class of asset. The estimate of accruals is deemed to be appropriate due to management's understanding of liabilities at the year end.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Employees

The average monthly number of persons (including employed directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration and support	17	19

4 Auditor's remuneration

Fees payable to the company's auditor:

	2023 £	2022 £
For services		
Audit services	21,600	16,800
Non-audit services	468	7,705
	22,068	24,505

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	65,924	64,462

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

In addition to the above director's remuneration, payments of £14,000 made of honoraria to office bearers.

6 Intangible fixed assets

	Negative goodwill £
Cost	
At 1 April 2022 and 31 March 2023	(3,386,059)
Amortisation and impairment	
At 1 April 2022	(2,810,659)
Amortisation charged for the year	(460,678)
At 31 March 2023	(3,271,337)
Carrying amount	
At 31 March 2023	(114,722)
At 31 March 2022	(575,400)

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Tangible fixed assets

	Sports equipment	Motor vehicles equipment	Office/Website Equipment/Trophies	Fixtures Fittings & Equipment/Trophies	Lochinch	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	122,131	108,032	67,762	1,033	413,547	712,505
Additions	71,156	107,924	3,088	6,653	-	188,821
Disposals	(7,983)	(4,759)	-	(1,033)	(413,547)	(427,322)
At 31 March 2023	185,304	211,197	70,850	6,653	-	474,004
Depreciation and impairment						
At 1 April 2022	34,908	20,448	24,220	179	6,463	86,218
Depreciation charged in the year	37,269	40,969	11,289	955	-	90,482
Eliminated in respect of disposals	(2,634)	(1,189)	-	-	(6,463)	(10,286)
At 31 March 2023	69,543	60,228	35,509	1,134	-	166,414
Carrying amount						
At 31 March 2023	115,761	150,969	35,341	5,519	-	307,590
At 31 March 2022	87,223	87,584	43,542	854	407,084	626,287

Clydesdale Bank PLC hold a floating charge over all property and undertakings of the company.

8 Fixed asset investments

	2023 £	2022 £
Listed investments	265	265
Listed investments included above:		
Listed investments carrying amount	265	265

9 Stocks

	2023 £	2022 £
Finished goods and goods for resale	77,204	43,411

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	4,744	5,463
Other debtors	200,000	16,826
Prepayments and accrued income	311,791	102,326
	<u>516,535</u>	<u>124,615</u>
	2023	2022
	£	£
Amounts falling due after more than one year:		
Other debtors	300,000	-
	<u>300,000</u>	<u>-</u>
Total debtors	<u>816,535</u>	<u>124,615</u>

A total of £500,000 is receivable at 31 March 2023 in connection with the disposal of assets by the company. Installment payments are receivable by SPRA in accordance with the asset purchase agreement. £200,000 is receivable in April 2023 (within one year), £200,000 is receivable in April 2024 (years 1-2) and £100,000 is receivable in April 2025 (years 2-5).

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	78,270	62,642
Corporation tax	159	159
Other taxation and social security	21,260	-
Other creditors	13,965	7,613
Accruals and deferred income	74,572	37,962
	<u>188,226</u>	<u>108,376</u>

12 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

SCOTTISH POLICE RECREATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Audit report information

(Continued)

Senior Statutory Auditor: Allison Devine BSc CA
Statutory Auditor: Alexander Sloan Accounts and Business Advisers

14 Capital commitments

At the balance sheet date, the Company had a capital commitment in respect of the purchase of 5 new motor vehicles amounting to £114,379.

15 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	196	17,876
Between two and five years	-	88,400
In over five years	-	316,767
	<u>196</u>	<u>423,043</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £18,134.

16 Service Contract Commitment

At the balance sheet date, the Company had a service contract agreement with an outstanding amount payable of £120,929.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.