

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

FOR

ST GEORGE'S POLICE CHILDREN TRUST

**Charity Number: 1147445
Scottish Charity Number: SC043652
Company Number: 07822521**

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

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ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number:	1147445
Scottish Charity Number:	SC043652
Company Number:	07822521
Business Address:	St. Andrews Harlow Moor Road Harrogate HG2 0AD
Registered Office:	St. Andrews Harlow Moor Road Harrogate HG2 0AD
Auditor:	Murray Harcourt Limited Registered Auditors 6 Queen Street Leeds LS1 2TW
Bankers:	Barclays Bank Plc 25 James Street Harrogate HG1 1QX
Investment Advisors:	Cazenove Capital Management 12 Moorgate London EC2R 6DA

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

TRUSTEES' REPORT
(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
for the Year Ended 31 December 2020

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, submit their Annual Report and audited accounts for the St George's Police Children Trust (the Company) for the year ended 31 December 2020. The Trustees confirm that the Annual Report and financial statements comply with current statutory requirements. The principal site and registered office for the Charity is St Andrews, Harlow Moor Road, Harrogate, HG2 0AD.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The St George's Police Children Trust was registered as an incorporated charity on 25 October 2011 and commenced trading on 1 January 2013. On 1 January 2013 the trade and assets not restricted by permanent endowment of the St George's Police Trust (SGPT) were transferred to the St George's Police Children Trust at fair market value. The St George's Police Children Trust has been granted a linking order between the two Charities to enable consolidated accounts to be prepared. The St George's Police Children Trust therefore acts as the corporate Trustee of the existing charity, the St George's Police Trust. The St George's Police Trust remains registered with the charities commission (1147445-1). The governing documents were last reviewed on the 8 August 2016.

The Company is registered as a charitable company limited by guarantee, registered Charity Commission number 1147445 and OSCR SC043652, and was set up by a Trust deed and is governed by the Memorandum and Articles of Association.

The principal objective of the St George's Police Children Trust is contained in the Memorandum and Articles of Association as follows:

- I. The Charity's objects are specifically restricted to the relief of those in need by reason of ill-health, disability, financial hardship or other disadvantage for the public benefit in particular but not limited to support children and young people up to the age 25 where a parent who is, or was, a serving officer, has died or has become incapacitated in some way that affects earning capability. The eligibility was extended in 2019 to cover the death of a Police Officer's partner. From 2021 the Charity will also provide counselling and wellbeing grants to the children of serving officers who donate to the charity.

Organisational Structure

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

- i. Six Trustees appointed by the National Police Chiefs' Council of England, Wales and Northern Ireland (NPCC);
- ii. One Trustee appointed by the Scottish Chief Police Officers' Staff Association (SCPOSA);
- iii. Two Trustees appointed by the Police Superintendents' Association of England and Wales (PSAEW);
- iv. One Trustee appointed by the Association of Scottish Police Superintendents (ASPS);
- v. One Trustee appointed by the Superintendents' Association of Northern Ireland (SANI);
- vi. Six Trustees appointed by the Police Federation of England and Wales (PFEW), of whom at the date of their appointment two are to be Police Inspectors, two are to be Police Sergeants and two are to be Police Constables;
- vii. Three Trustees appointed by the Scottish Police Federation (SPF) of whom at the date of their appointment one is to be a Police Inspector, one is to be a Police Sergeant and one is to be a Police Constable;

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Organisational Structure (continued)

- viii. One Trustee appointed jointly by the Police Federations of the British Transport Police, Civil Nuclear Constabulary and the Ministry of Defence Police;
- ix. Three Trustees appointed by the Police Federation of Northern Ireland (PFNI) of whom at the date of their appointment one is to be a Police Inspector, one is to be a Police Sergeant and one is to be a Police Constable; and
- x. Up to six Co-Opted Trustees at any one time who are appointed by the Trustees.

The current membership is as follows:

Name	Force	Appointment Date	Termination Date
L Kelly (Chair)	Police Service of Northern Ireland	13/06/2018	
J Skelton	Nottinghamshire	12/05/2016	
A Grandison (Vice Chair)	West Yorkshire	22/09/2014	
R Barber	South Yorkshire	25/05/2016	
A McLaren	Police Service of Scotland	01/12/2018	06/12/2020
N Bathgate	Police Service of Scotland	12/05/2015	19/01/2020
P Booth	North Yorkshire	01/10/2016	06/12/2020
M Lally	Greater Manchester	01/08/2017	12/04/2021
A MacDonald	Police Service of Scotland	11/05/2017	06/02/2020
S Martin	Police Service of Northern Ireland	01/11/2018	31/01/2020
S Carle	Police Service of Scotland	06/02/2020	
D Hamilton	Police Service of Scotland	08/04/2020	15/02/2021
R Wood	Police Service of Scotland	08/04/2020	
M Davis	Co-Opted Trustee	11/05/2017	
C Moore	Police Service of Northern Ireland	13/06/2018	09/04/2021
R Dutton	Co-Opted Trustee	21/11/2013	
B Jones	Police Service of Scotland	16/02/2021	
P Clark	Lincolnshire	16/07/2019	
P Hilman	Police Service of Northern Ireland	07/02/2019	30/04/2020
E Shakespeare	Co-Opted Trustee	31/10/2019	02/10/2020
T Purcell	Police Service of Northern Ireland	16/07/2018	
D Orford	Durham	20/05/2015	
G McDowall	Police Service of Scotland	11/05/2017	06/02/2020
I Hopkins	Greater Manchester	21/01/2016	23/12/2020
G King	West Yorkshire	20/10/2014	
A Lees	Co-Opted (NARPO)	02/08/2016	
D Murphy	Police Superintendents Association	02/11/2017	
D Simpson	Northumbria Police	14/03/2018	
D Townsend	British Transport Police	01/09/2015	31/03/2020
J Robins	West Yorkshire	16/06/2016	
J Harwin	Cleveland Police	12/04/2018	
L Winward	North Yorkshire	21/07/2016	
E Aldred	North Yorkshire	07/12/2020	
N Goodband	British Transport Police	16/07/2020	
W Kerr	Police Service of Scotland	07/12/2020	
A Malcolm	Police Service of Scotland	16/02/2021	

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TRUSTEES' REPORT
(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
for the Year Ended 31 December 2020

Trustee Induction and Training

With the increasing size and complexity of the St George's Police Children Trust it is important that the Trustees have the necessary skills and experience to both fulfil their legal duties and ensure that the appropriate management and internal controls are in place for the Trust's efficient running. The Trustees review both their membership and their performance regularly and training or professional advice is used as appropriate. On appointment, new Trustees have an induction meeting with the Chief Executive. This covers all the activities of the Charity, future strategy and their legal responsibilities and duties. Normally an annual Trustee Training Day is run for the Trustees by an external trainer but in June 2020 this had to be cancelled due to Covid 19. Further appropriate training is organised if required.

The Charity appointed Patrick Cairns to the position of Chief Executive in June 2014. The Chief Executive is appointed to manage the day to day running of the organisation and provide support to the Trustees in the strategic direction. To discharge this function the CEO works closely with Paul Grant the Deputy CEO, Peter Moore the Chief Finance Manager and Steve Cook the Human Resources Manager.

The Trustees have the following sub-committees to assist their operation:

Finance and Human Resources Committee

This sub-committee meets on a quarterly basis and oversees financial performance and human resources issues.

Investment Sub-Committee

This sub-committee meets twice a year to oversee the performance of the investment portfolio and its managers.

Public Benefit

St George's Police Children Trust is a charity working for the children of police officers. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities.

All the charitable activities focus on the provision of financial support to the children of serving and retired police officers who have died or who have been incapacitated from earning a living. The Charity also supports children where the partner of a Police Officer has died. From 2021 the Charity will also provide counselling and wellbeing grants to the children of serving officers who donate to the charity.

Our objects and funding limit the services we provide to serving and retired police officers in the North of England, North Wales, Northern Ireland and Scotland as well as British Transport Police, the Civil Nuclear Constabulary and the Ministry of Defence Police. The number of serving police officers in this catchment area is now approximately 62,000 and the number of police officers making the voluntary donation is around 29,000 (the number of retired police officers is likely to be similar). During 2020, the Trust supported 257 children within education and a further 87 within further education.

Further information about the direct beneficiaries of our services is provided in the Annual Report.

The Trust distributes grants to the families of children within education and is dependent on the weekly income of each household with each beneficiary allocated a weekly amount. The distribution of grants to children in higher education is not means tested with an annual grant to all those eligible of £1,500.

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TRUSTEES' REPORT
(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
for the Year Ended 31 December 2020

Strategic Report

Financial and Operational Review 2020

The St George's Police Children Trust has posted financial results in line with predictions for 2020 despite difficult economic times, a global pandemic and the reduction in police officer donor numbers to the charity. In 2020 the Charity posted a deficit of £97,636 compared to a deficit £7,228 in 2019. The main reason for the deficit was an increase in the provision for long term liabilities of £324,789 following the annual calculation of the provision required to support the beneficiaries through to the age of 25. The Trust's investments increased by £457,560 which meant the net movement of funds for the year was a surplus of £359,724.

During 2020 the Trust worked with all Federations and Benevolent Funds to ensure those eligible children were getting the support they deserved, this work will continue into 2021. The Trust continued to use testimonials to support its work which has a direct impact on encouraging officers to support the Charity.

During 2020 the Trust undertook a review of the range of benefits it offers to beneficiaries. This review was conducted by the Trustees and Senior Management team through the Trustees Executive Group. At the February 2021 board meeting the Trustees approved the following major additions to the benefits offered by the Trust and these were implemented from 1 January 2021

- To make available a counselling grant of £1,000 for children of officers where the police officer is still serving and donates.
- Ex gratia wellbeing grant for children of officers where the police officer is still serving and donates.

The Trustees took the decision to use the property on Lascelles Road to benefit the children and young people by allowing the house to be used for holiday stays for beneficiaries and their families. The property continued to be used as a holiday let free to beneficiaries throughout 2020 with great success. This has continued into 2021 with all school holiday weeks now typically fully booked.

Investment Income

There was a small increase in investment income in 2020 from £635,455 to £663,028.

Support Costs

The Trust does not directly employ staff but instead operates with a service level agreement with The Police Treatment Centres ("PTC") and is charged a management charge (note 6) to cover the management and administration of the Trust.

The Investment Policy

The Investment Policy agreed by the Board of Trustees is to increase income in line with inflation while preserving the real value of capital sums invested. The breakdown, nature of investments and Investment Policy has been agreed with the PTC Trustees' Investment Sub-Committee and the PTC Finance and Human Resources Committee. The Trustees have placed restrictions on the Investment Manager's authority and the Investment Policy will be continually monitored and reviewed at six-monthly intervals.

The portfolio is invested in a multi asset fund which is managed by Cazenove.

There was an unrealised gain of £457,560 on investments for 2020.

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Company Number: 07822521

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) for the Year Ended 31 December 2020

Reserves Policy

The Reserves Policy agreed by the Board of Trustees is to maintain available reserves of at least £3.5 million. The Trust requires this level of reserves because it does not have a guaranteed income and this represents the Trust's ability to maintain reserves to meet commitments to current beneficiaries without the need to raise additional funds. Currently the reserves, when based on the unrestricted assets less the unrestricted liabilities, mean that the Trust has sufficient reserves to meet its long-term liabilities.

In addition, the Trustees recognise that the value of annual benefits disbursed to beneficiaries cannot be met by the value of annual officer donations alone, therefore they have also resolved to retain sufficient reserves to generate enough income through its investments to support the revenue budget and the disbursement of those monies to beneficiaries. The Reserves Policy will continually to be monitored and reviewed on an annual basis.

Future Plans

The Trust has created a stable footing from which it can move forward and provide support to children who have a lost a parent throughout their education. The key objectives for 2021 are:

- To promote the changes agreed by the Trustees to all Police Officers within our constituent forces;
- To continue its awareness campaign to increase the number of officers that are donating to the Charity; and
- To create a Fundraising and PR Strategy to increase awareness of the Trust within forces to ensure it is supporting all those who are eligible;
- To review the benefits available to beneficiaries.

Employees and Volunteers

The Trust does not employ anyone directly but has a Service Level Agreement with The Police Treatment Centres to manage the service.

Risk Management

The Trustees have a risk management strategy which comprises a quarterly review of the Risk Register by the Finance and Human Resources Committee and an annual review of any key risks to the Trust by the full Board. The strategy identifies and establishes systems and actions to mitigate those risks and implement procedures designed to minimise any potential impact on the Trust should those risks materialise. A Risk Register has been prepared covering significant risks using the accepted criteria of likelihood of occurrence and potential impact on the Trust's activities.

This Register was prepared in conjunction with management of the PTC and is kept under review with a formal update being performed when required. Following a detailed analysis of the Trust's operations, key risks were documented and where necessary, plans to mitigate them have been introduced.

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TRUSTEES' REPORT
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Post Balance Sheet Events

The United Kingdom continued to be affected by the pandemic coronavirus (COVID-19) with most businesses including St George's Police Children Trust being asked to shut down and for staff to work from home from January 2021. The Trust has put in place contingency plans which will allow the current beneficiaries to be paid on a quarterly basis together with sufficient cash reserves to make payments for the foreseeable future. Income comes through salary sacrifice direct from Police Officer's pay and it is unlikely that there will be any significant reductions in donations at this point. The other main source of income is through dividends from the Trust's investments. While there is expected to be volatility around the value of the investments it is unlikely this will have a long-term impact on the dividends. The Trust has significant reserves and it is considered that this will support it through the economic turbulence of the pandemic.

Trustees' Responsibilities

The Charity Trustees (who are also the Directors of St George's Police Children Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for the year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of the resources of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its business.

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

Auditor

Murray Harcourt Limited was appointed as statutory auditor on 31 August 2016 and has indicated its willingness to continue in office.

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TRUSTEES' REPORT
(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
for the Year Ended 31 December 2020

Statement of disclosure of information to auditor

The Trustees confirm that, at the date of the approval of these financial statements, so far as they are each aware:

- there is no relevant information of which the company's auditor is unaware; and
- they have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Trustees



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

Date: 06/05/2021

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

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

Opinion

We have audited the financial statements of St George's Police Children Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (Incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, it is not possible to predict with certainty the potential impact of future developments in both the charitable company's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the charitable company will continue to operate as a going concern.

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (including the Directors' Report and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ST GEORGE'S POLICE CHILDREN TRUST
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INDEPENDENT AUDITOR'S REPORT
for the Year Ended 31 December 2020

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

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

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

Extent to which the audit was capable of detecting Irregularities, including fraud (continued)

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

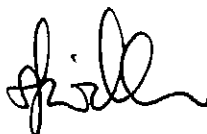
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Williams FCA
Senior Statutory Auditor
Murray Harcourt Limited
6 Queen Street
Leeds
LS1 2TW

Date: 11/5/21

ST GEORGE'S POLICE CHILDREN TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the Year Ended 31 December 2020

		Unrestricted funds	Restricted funds	Endowment funds	2020 Total	2019 Total
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	2	557,228	-	-	557,228	527,805
Investments	3	664,863	-	-	664,863	641,386
Total income		<u>1,222,091</u>	<u>-</u>	<u>-</u>	<u>1,222,091</u>	<u>1,169,191</u>
Expenditure on:						
Raising funds	4	37,780	-	30,665	68,445	78,477
Charitable activities	5	1,251,282	-	-	1,251,282	1,097,942
Total expenditure		<u>1,289,062</u>	<u>-</u>	<u>30,665</u>	<u>1,319,727</u>	<u>1,176,419</u>
Net gains on investments	11	252,560	-	205,000	457,560	1,192,895
Net Income/(expenditure)		<u>185,589</u>	<u>-</u>	<u>174,335</u>	<u>359,924</u>	<u>1,185,667</u>
Net movement in funds		<u>185,589</u>	<u>-</u>	<u>174,335</u>	<u>359,924</u>	<u>1,185,667</u>
Reconciliation of funds						
Total funds brought forward		6,844,335	-	7,130,266	13,974,601	12,788,934
Total funds carried forward		<u>7,029,924</u>	<u>-</u>	<u>7,304,601</u>	<u>14,334,525</u>	<u>13,974,601</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net deficit for the year of £97,636 (2019 – £7,228 deficit) plus the net unrealised gain on investments of £457,560 (2019 – £1,192,895), amounting to a surplus of £359,924 (2019 – surplus of £1,185,667).

The notes on pages 16 to 27 form an integral part of these financial statements

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

BALANCE SHEET
As at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	382,937	391,842
Investments	11	17,524,196	16,721,737
		<hr/>	<hr/>
		17,907,133	17,113,579
Current assets			
Debtors	12	157,154	128,170
Cash at bank and in hand	21	396,799	540,919
		<hr/>	<hr/>
		553,953	669,089
Liabilities			
Creditors: amounts falling due within one year	13	(67,970)	(74,265)
		<hr/>	<hr/>
Net current assets		485,983	594,824
Total assets less current liabilities		<hr/>	<hr/>
		18,393,116	17,708,403
Provisions for liabilities	14	(4,058,591)	(3,733,802)
		<hr/>	<hr/>
Total net assets		<hr/>	<hr/>
		14,334,525	13,974,601
The funds of the charity			
Unrestricted funds	16	7,029,924	6,844,335
Endowment funds	17	7,304,601	7,130,266
		<hr/>	<hr/>
Total charity funds		<hr/>	<hr/>
		14,334,525	13,974,601

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


A Grandison
Trustee

The notes on pages 16 to 27 form an integral part of these financial statements

ST GEORGE'S POLICE CHILDREN TRUST

STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Cash flow from operating activities	20	<u>(460,505)</u>	<u>(316,655)</u>
Net cash flow from operating activities		<u>(460,505)</u>	<u>(316,655)</u>
Cash flow from Investing activities			
Payments to acquire listed investments	11	-	(750,000)
Dividends and interest received		<u>664,863</u>	<u>641,386</u>
Net cash flow from Investing activities		<u>664,863</u>	<u>(108,614)</u>
Net (decrease) / increase in cash and cash equivalents		204,358	(425,269)
Cash and cash equivalents at start of period		<u>1,177,298</u>	<u>1,602,567</u>
Cash and cash equivalents at end of period	21	<u><u>1,381,656</u></u>	<u><u>1,177,298</u></u>

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

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2020

1. Summary of significant accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 General Information and basis of preparation

St George's Police Children Trust is a company limited by guarantee incorporated in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The charity's activities focus on the provision of financial support to the children of serving and retired police officers who have died or who have been incapacitated from earning a living.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice (GAAP).

Assets and liabilities

The charitable company commenced trade on 1 January 2013. The charitable company has obtained a linking order with St George's Police Trust (Charity Number 1147445-1).

St George's Police Children Trust is considered to be the Reporting Charity for the two organisations.

On 1 January 2013 the trade and assets not restricted by a permanent endowment, of the St George's Police Trust were transferred to the St George's Police Children Trust at fair market value (where the Trustees have assessed fair market value as being equal to book value). The fair market value of this transfer totalled £3,943,863.

The remaining assets of the St George's Police Trust have been accounted for as a restricted branch within the permanent endowment fund. Subsequent transactions have been recognised within the permanent endowment fund in accordance with the requirements of the SORP and the Charities Act 2011.

The nature of these transactions and the linking order are considered to represent a group restructuring exercise. As such merger accounting has been used to reflect the transaction as it meets the criteria for such accounting under Financial Reporting Standard 102 and the SORP 2015.

Due to the strong position of the balance sheet and level of liquid resources, the Trustees have identified no material uncertainties that may cast significant doubt over the ability of the charity to continue as a going concern.

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

1.2 Fund accounting

Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside at the discretion of the Trustees for specific purposes.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Endowment funds are those donated whereby the fund cannot be used as if it were income. Subsequently the fund represents an investment in capital that is utilised in achieving the charity's objectives.

Income generated by the endowment fund will be recognised within unrestricted income funds whilst the capital gains and losses and the cost incurred in maintaining and safeguarding the capital will be credited/charged against the endowment fund.

1.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy and receipt is probable. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that receipt is probable, the amount involved can be quantified and the charity is entitled to the income.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost. All items of a capital nature over £500 are included at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold buildings	- 2% straight line
Freehold land	- not depreciated
Fixtures, fittings and equipment	- 25% straight line

ST GEORGE'S POLICE CHILDREN TRUST
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1.6 Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss is taken to the Statement of Financial Activities.

1.7 Grants

Grants payable are accounted for on an accruals basis and in accordance with FRS 102 to the extent that, where a constructive obligation to continue payments to existing recipients is considered to exist, as a result of a past event, full provision is made for the total expected future payments to be made, discounted to reflect inflation. Grants are paid in line with the objects of the Trust which are to benefit the children of police officers (serving and retired) whose parent is either dead or incapacitated from earning a living.

1.8 Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past events.

1.9 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.10 Current asset investments

Funds held on deposit and classified as current asset investments are stated at market value at the balance sheet date. Any difference between cost and market value is adjusted for through the Statement of Financial Activities.

1.11 Taxation

The Charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.12 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Provisions for future grant obligations

The charity makes a provision in respect of its obligation to pay existing grant recipients in future periods. The provision is calculated assuming all children will continue into further education up to the age of 25 and payments will continue at current rates. Inflation is considered to be 2%. The key assumptions used in calculating the required provision are reviewed annually and adjusted where necessary to reflect changes in economic conditions and the circumstances of the grant recipients. The carrying value of the provision for future grant payments is detailed in note 14 to the financial statements.

Income recognition

The financial statements include accrued income of £42,555 (2019: £52,246) in respect of management's estimate of officers donations pledged but not yet remitted to the organisation as at the reporting date. The amount of income due is calculated based on management's estimate of the number of officers donating. The differences between expected income and amounts remitted in the period are recognised as accrued income.

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

2. Income from donations and legacies

	Unrestricted funds £	Endowment funds £	2020 Total £	2019 Total £
Donations	11,126	-	11,126	5,767
Officers donations	546,102	-	546,102	522,038
	<u>557,228</u>	<u>-</u>	<u>557,228</u>	<u>527,805</u>

All income from donations and legacies was attributable to unrestricted funds in both reporting periods.

3. Investment income

	Unrestricted funds £	Endowment funds £	2020 Total £	2019 Total £
Income from UK listed investments	663,028	-	663,028	635,455
Bank interest receivable	1,835	-	1,835	5,931
	<u>664,863</u>	<u>-</u>	<u>664,863</u>	<u>641,386</u>

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

4. Expenditure on raising funds

	Unrestricted funds £	Endowment funds £	2020 Total £	2019 Total £
Investment management fees	37,780	30,665	68,445	78,477
	<u>37,780</u>	<u>30,665</u>	<u>68,445</u>	<u>78,477</u>

Expenditure on raising funds was £68,445 (2019: £78,477) of which £30,665 (2019: £36,880) was attributable to endowment and £37,780 (2019: £41,597) was attributable to unrestricted funds.

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

5. Expenditure on charitable activities

	Activities undertaken directly £	Support costs £	2020 Total £	2019 Total £
Grant making – unrestricted	1,099,752	147,318	1,247,070	1,091,685
Governance costs (note 6)	-	4,212	4,212	6,257
	<u>1,099,752</u>	<u>151,530</u>	<u>1,251,282</u>	<u>1,097,942</u>

All expenditure on charitable activities was attributable to unrestricted funds in both reporting periods.

Grants are paid to benefit the children of police officers (serving or retired) whose parent is either dead or incapacitated from earning a living.

Support costs include the management charge of £130,000 (2019: £130,000) from The Police Treatment Centres (see note 18) which covers personnel and establishment costs.

The cost of charitable activities above reflects the movement in the assessment of the provision for future liabilities (see note 14) which is itself dependent on the grants made and financial circumstances of the grant beneficiary.

6. Analysis of governance and support costs

	General support costs £	Governance costs £	2020 Total £	2019 Total £
Management charge – Police Treatment Centres	130,000	-	130,000	130,000
Communication and Information Technology	1,237	-	1,237	2,089
Other office expenses	7,176	-	7,176	8,854
Depreciation – owned assets	8,905	-	8,905	8,906
Legal and other professional fees	-	312	312	857
Auditor's remuneration	-	3,900	3,900	5,400
	<u>147,318</u>	<u>4,212</u>	<u>151,530</u>	<u>156,106</u>

ST GEORGE'S POLICE CHILDREN TRUST
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7. Net Income/(expenditure) for the year

	2020	2019
	£	£
Net income/(expenditure) is stated after charging:		
Depreciation – owned assets	8,905	8,906
Auditor's remuneration	3,900	5,400
	<u> </u>	<u> </u>

8. Employees

	2020	2019
	£	£
Management charge	130,000	130,000
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000 in the year (2019: None).

All personnel costs are borne by The Police Treatment Centres and are included in the management charge of £130,000 (2019: £130,000) for the year. The management charge covers establishment costs, legal and professional fees, the costs of St George's Trust Benefits Review as well as personnel costs.

9. Trustees' emoluments

No Trustees received remuneration from the charity during the year (2019 – None). In addition, no Trustees received expenses from the charity during the year (2019 – None).

ST GEORGE'S POLICE CHILDREN TRUST
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10. Tangible fixed assets

	Fixtures, fittings and equipment £	Freehold land and buildings £	Total £
Cost			
At 1 January and 31 December 2020	5,093	445,273	450,366
Depreciation			
At 1 January 2020	5,093	53,431	58,524
Charge for the year	-	8,905	8,905
At 31 December 2020	5,093	62,336	67,429
Net book values			
At 31 December 2020	-	382,937	382,937
At 31 December 2019	-	391,842	391,842

ST GEORGE'S POLICE CHILDREN TRUST
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11. Fixed asset investments

	Endowed listed Investments £	Unrestricted listed investments £	Endowment cash held as part of investment portfolio £	Unrestricted cash held as part of investment portfolio £	Total £
Valuation					
As at 1 January 2020	7,206,712	8,878,646	(76,446)	712,825	16,721,737
Management fees	-	-	(30,665)	(37,780)	(68,445)
Distributions received	297,056	365,972	-	-	663,028
Interest	-	-	-	316	316
Transfers	(297,056)	(365,972)	-	663,028	-
Withdrawals	-	-	-	(250,000)	(250,000)
Equalisation	-	-	1,603	1,976	3,579
Revaluation	203,397	250,584	-	-	453,981
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2020	7,410,109	9,129,230	(105,508)	1,090,365	17,524,196
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Historic cost at 31 December 2020	5,773,951	7,114,332	(105,508)	1,090,365	13,873,140
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All investments are held in the UK.

If a decision were taken to dispose of unrestricted investments at a future date to fund charitable expenditure, legal advice and regulatory consultation would be sought to ensure no liens are held over the assets.

Under the terms of the Endowment fund there is no restriction upon the transfer of income generated. As such, the Trustees have made a transfer of £297,056 in the year from the Endowed investments to the Unrestricted investments.

12. Debtors

	2020 £	2019 £
Prepayments and accrued income	157,154	128,170
	<hr/>	<hr/>
	157,154	128,170
	<hr/>	<hr/>

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade Creditors	500	368
The Police Treatment Centres current account	44,710	45,884
Accruals and deferred Income	22,760	28,013
	<u>67,970</u>	<u>74,264</u>

14. Provisions for liabilities

	2020 £	2019 £
At 1 January 2020	3,733,802	3,474,638
Utilised in the year	(774,963)	(682,672)
Charge for the year	1,099,752	941,836
	<u>4,058,591</u>	<u>3,733,802</u>
At 31 December 2020	<u>4,058,591</u>	<u>3,733,802</u>

The provision relates to the obligation to pay existing grant recipients in future periods. The provision is calculated assuming all children will continue into further education up to the age of 25 and payments will continue at current rates. Inflation is considered to be 2%. The amount of the provision estimated to be payable in one year is £774,963 (2019: £682,672).

15. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:				
Tangible assets	-	-	382,937	382,937
Investment assets	7,304,601	-	10,219,595	17,524,196
Current assets	-	-	553,953	553,953
Current liabilities	-	-	(67,970)	(67,970)
Long-term liabilities	-	-	(4,058,591)	(4,058,591)
	<u>7,304,601</u>	<u>-</u>	<u>7,029,924</u>	<u>14,334,525</u>

ST GEORGE'S POLICE CHILDREN TRUST
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16. Unrestricted funds

	At 1 January 2020 £	Incoming resources £	Outgoing resources £	Gains and losses £	31 December 2020 £
General fund	6,844,335	1,222,091	(1,289,062)	252,560	7,029,924

Purposes of unrestricted funds

The general fund is for the payment of grants to orphaned children of police officers and children of officers that have been incapacitated to help with their maintenance whilst in full time education.

17. Permanent Endowment funds

	At 1 January 2020 £	Incoming resources £	Outgoing resources £	Gains and losses £	31 December 2020 £
Investments	7,130,266	-	(30,665)	205,000	7,304,601

Purpose of endowment funds

The endowment fund was donated to ensure the charity had sufficient assets to achieve its charitable objectives.

18. Related party transactions

The Trust operates from the premises of The Police Treatment Centres. All personnel costs are paid by this charity. A management charge of £130,000 (2019: £130,000) has been charged by The Police Treatment Centres to the Trust.

At 31 December 2020, £44,710 (2019: £45,884) was owed to The Police Treatment Centres in respect of its current account with the Trust.

19. Indemnity Insurance

The charity paid for the insurance premiums to indemnify Trustees and senior staff from any loss arising from neglect or defaults of Trustees or staff and any consequent loss.

ST GEORGE'S POLICE CHILDREN TRUST
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20. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020	2019
	£	£
Net income / (expenditure) for year	359,924	1,185,667
Depreciation and impairment of tangible fixed assets	8,905	8,906
(Gains) / losses on investments	(457,560)	(1,192,895)
Interest and dividends received	(664,863)	(641,386)
Increase in provisions (net of payments)	324,789	259,164
Decrease / (increase) in debtors	(28,984)	58,797
Increase in creditors	(2,716)	5,092
Net cash outflow from operating activities	<u>(460,505)</u>	<u>(316,655)</u>

21. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	396,799	540,919
Cash held in investment portfolio	<u>984,857</u>	<u>636,379</u>
Net cash	<u>1,381,656</u>	<u>1,177,298</u>

22. Financial Instruments

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

	2020	2019
	£	£
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 11)	<u>17,524,196</u>	<u>16,721,737</u>
Equity instruments measured at cost less impairment:		
- Current asset investments	<u>-</u>	<u>-</u>
Measured at amortised cost:		
- Accrued income	<u>42,555</u>	<u>52,246</u>

ST GEORGE'S POLICE CHILDREN TRUST
Company Number: 07822521

22. Financial Instruments (continued)

Financial liabilities

Measured at amortised cost

- Trade creditors (note 13)	500	368
- The Police Treatment Centres current account (note 13)	44,710	45,884
- Accruals (note 13)	22,760	28,013
	<u>67,970</u>	<u>74,265</u>

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

	2020 £	2019 £
<i>Income and expense</i>		
Financial assets measured at fair value through net income / expenditure	<u>663,028</u>	<u>635,455</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income / expenditure	<u>457,560</u>	<u>1,192,895</u>