



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

**FOR
THE POLICE CHILDREN'S CHARITY**

Charity Number: 1147445

Scottish Charity Number: SC043652

Company Number: 07822521



Index

Welcome	3
Grants Available	4
Vision, Mission Statement and Values	5
Legal and Administrative Information	7
Trustee' Report (Including Directors' Report and Strategic Report)	8
Independent Auditor's Report	16
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22

Welcome from our Chair, Liam Kelly



The Police Children's Charity exists to support donating Police Families across the United Kingdom in times of need. It primarily supports and benefits children & young people not only when parental bereavement occurs, but also in ill health retirement cases where reduced income could have a detrimental impact.

During 2022 we implemented two new grants for Serving Officers with significant increase in applications during 2023 as awareness increases.

During 2023 we approved an additional birthday grant which commences in January 2024 adding to an already comprehensive support package.

In my role as Chair over the last five years I have been humbled by the support and assistance we have been able to provide to Police Families when they are in most need. To remain fit for purpose, the Charity will continue to evolve and reflect the changing world of policing. In 2024 the Charity will extend its eligibility to all police staff. This is a positive step in making the Charity fully inclusive within policing.

Being unable to positively intervene because there was no donor in the family is both frustrating and heart-breaking. Therefore, I would ask that awareness of what this Charity provides is promoted and would encourage all those eligible to consider becoming a donor.

New Support Available



Birthday Grants

A new birthday grant of £150 per child will be given to all eligible Beneficiaries from January 2024.



Police Staff

From January 2024, The Police Children's Charity extended its eligibility to all Police Staff. We believe that this extension of support recognises the changing landscape of modern policing and truly supports all of our constituent forces.



Retired Officer Eligibility

From January 2023, Retired Officers who had not previously donated to The Police Children's Charity during their career, became eligible to sign-up and, after an initial 12 month period, had full access to benefits when needed for any children still within the age range covered by the Charity.

Providing a helping hand if the unimaginable happens

The Police Children's Charity is a registered Charity which provides support to Police Families by helping to ease the financial pressures of bringing up children in the face of life-changing circumstances.

These circumstances could include the loss of either parent (whether or not they are a Serving or Retired Police role) or when the Police parent is unable to earn an income due to injury or illness, sustained on or off duty, or when a child is struggling as a result of mental health challenges.

Support from the Charity can provide a degree of financial certainty in difficult times and is provided for on or off duty incidents to families of forces in the North of England, North Wales, Northern Ireland and Scotland who donate to the Charity.

Our Vision

Our Vision is to create an environment where The Police Children's Charity Beneficiary families are free of financial cares and concerns.

Our Mission Statement

To provide present and future financial and other support to The Police Children's Charity Beneficiaries.

Our Values

- Always put our Beneficiaries at the heart of our work.
- Actively seek out new Beneficiaries.
- Continue to support all Beneficiaries in an open and transparent way.
- Deal with all new and existing applications in a sensitive manner.



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THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

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:	TC Group Registered Auditors 6 Queen Street Leeds LS1 2TW
Bankers:	Barclays Bank Plc 25 James Street Harrogate HG1 1QX
Investment Advisors:	Cazenove Capital Management 12 Moorgate London EC2R 6DA

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, submit their Annual Report and audited accounts for The Police Children's Charity (the Company) for the year ended 31 December 2023. The Trustees confirm that the Annual Report and financial statements comply with current statutory requirements. The principal site and registered office for the Charity is St Andrews, Harlow Moor Road, Harrogate, HG2 0AD.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Police Children's Charity 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. In January 2022 the Charity changed its trading name to the Police Children's Charity.

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 Police Children's Charity 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);

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Organisational Structure (continued)

- vi. Six Trustees appointed by the Police Federation of England and Wales (PFEW)
- vii. Three Trustees appointed by the Scottish Police Federation (SPF);
- viii. One Trustee appointed jointly by the Police Federations of the British Transport Police, Civil Nuclear Constabulary and the Ministry of Defence Police;
- ix. Three Trustees appointed by the Police Federation of Northern Ireland (PFNI); and
- x. Up to six Co-Opted Trustees at any one time who are appointed by the Trustees.

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

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Organisational Structure (continued)

The current membership is as follows:

Name	Force	Appointment Date TPCC	Termination Date
L Kelly (Chair)	Police Service of Northern Ireland	09/04/2015	
R Wood (Vice chair)	Police Service of Scotland	08/04/2021	
C Bentley	West Yorkshire	28/08/2023	
M Davis	Co-opted	19/05/2017	
A Freeburn	Police Service of Scotland	03/04/2024	
M Hamilton	Co-opted	19/02/2024	
R Hay	Police Service of Scotland	18/10/2022	
C Irvine	Durham	25/01/2022	
B Jones	Police Service of Scotland	16/02/2022	
S Kennedy	Merseyside	24/11/2022	
A Lees	Co-Opted (NARPO)	02/08/2016	
M Marshall	British Transport Police	01/09/2022	
G McGrath	Police Service of Northern Ireland	31/07/2023	
K Meynell	Derbyshire	25/04/2022	
R Murray	Cleveland	01/01/2022	
L Poultny	South Yorkshire	18/01/2024	
T Purcell	Police Service of Northern Ireland	18/07/2018	
J Robins	West Yorkshire	16/06/2016	
A Shaw	Police Service of Scotland	12/07/2022	
D Simpson	Northumbria Police	14/03/2018	
J Skelton	Nottinghamshire	12/05/2016	
E Aldred	North Yorkshire	07/12/2021	16/03/2023
R Dutton	Co-opted	21/11/2013	22/01/2024
A Grandison (Vice Chair)	West Yorkshire	22/09/2014	31/12/2023
I Magee	Police Service of Northern Ireland	16/03/2022	05/05/2023
D Murphy	Police Superintendents' Association	02/11/2017	14/02/2024
L Winward	North Yorkshire	21/07/2016	31/12/2023

Trustee Induction and Training

With the increasing size and complexity of The Police Children's Charity 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 Charities 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. An annual Trustee Training Day was run for the Trustees by an external trainer in June 2023. 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 Peter Moore the Chief Finance Manager, Andy Malcolm Executive Officer Scotland and Fiona Warrington the Human Resources Manager.

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

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

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

The Police Children's Charity 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. In 2021 the Charity introduced 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 67,000 and the number of police officers making the voluntary donation is around 26,200 (the number of retired police officers is likely to be similar). During 2023, the Charity supported 303 children within education and a further 63 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 which 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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Strategic Report

Financial and Operational Review 2023

The Police Children's Charity has posted financial results in line with predictions for 2023 despite difficult economic times, a war in Ukraine and the reduction in police officer numbers donating. During 2023 West Mercia sadly decided to withdraw from the Charity reducing the income but more importantly denying their officers access to financial support. In 2023 the Charity posted a deficit of £128,170 compared to a surplus of £371,755 in 2022. The main reason for the surplus was an increase in the provision for long term liabilities of £203,405 following the annual calculation of the provision required to support the beneficiaries through to the age of 25 together with not drawing down on the contingency fund. The Trust's investments increased by £231,416 which meant the net movement of funds for the year was a surplus of £103,336.

During 2023 the Charity worked with all Federations and Benevolent Funds to ensure those eligible were getting the support they deserved, this awareness will continue into 2024. The Trust continued to use testimonials to support its work which has a direct impact on encouraging officers to support the Charity.

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 2023 with great success. This has continued into 2024 with all school holiday weeks now typically fully booked. As a result of the success the charity has an agreement with the Police Treatment Centres to rent its cottages to TPCC beneficiaries when not being used by patients.

Investment Income

There was a small increase in investment income in 2023 from £712,227 to £718,517. The Charity took advantage of the higher interest rates to increase the interest it gained from Barclays from £9,210 to £44,131.

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 profit of £231,506 on investments for 2023.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Reserves Policy

The Reserves Policy agreed by the Board of Trustees is to maintain available reserves of at least £3.8 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, means 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 be continually monitored and reviewed on an annual basis.

Future Plans

The Charity 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 2024 are:

- To enhance the name change and rebrand amongst forces.
- To promote the changes agreed by the Trustees to all Police Officers within our constituent forces;
- To implement the additional benefit of a birthday gift for all children under the age of 18 of £150
- To continue its awareness campaign to increase the number of officers that are donating to the Charity; and
- 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 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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Post Balance Sheet Events

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

Trustees' Responsibilities

The Charity Trustees (who are also the Directors of The Police Children's Charity 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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

TRUSTEES REPORT
(Including Directors' Report and strategic Report)
for the Year Ended 31 December 2023

Auditor

TC Group was appointed as statutory auditor on 25th July 2022 and has indicated its willingness to continue in office.

Statement of disclosure of information to auditor

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

- there is no relevant 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



R Wood (Chair of the Finance and Human Resources Committee)

Date: 02/05/2024

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2023

Opinion

We have audited the financial statements of The Police Children's Charity (the 'charitable company') for the year ended 31 December 2022 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 2022, 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2023

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 requires us to report to you if, in our opinion:

- 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 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; or

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2023

fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006), the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, corporation tax and employment tax legislation;
- We considered the nature of the industry, the control environment and business performance, including key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

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

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

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

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Hart FCA
Senior Statutory Auditor
TC Group
6 Queen Street
Leeds
LS1 2TW

Date: 9 May 2024

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2023

Restricted Endowment	Notes	funds	funds	funds	Unrestricted 2023 Total	2022 Total
		£	£	£	£	£
Income from:						
Donations and legacies	2	491,358	-	-	491,358	520,854
Investments	3	762,647	-	-	762,647	721,437
Total Income		1,254,005	-	-	1,254,005	1,242,291
Expenditure on:						
Raising funds	4	38,843	-	31,347	70,190	76,091
Charitable activities	5	1,311,985	-	-	1,311,985	794,445
Total expenditure		1,350,828	-	31,347	1,382,175	870,536
Net gains/(losses) on investments	11	131,018	-	100,448	231,506	(1,895,829)
Net Income/(expenditure)		34,195	-	69,141	103,336	(1,524,074)
Net movement in funds		34,195	-	69,141	103,336	(1,524,074)
Reconciliation of funds						
Total funds brought forward		7,398,036	-	6,901,514	14,299,550	15,823,624
Total funds carried forward		7,432,231	-	6,970,655	14,402,886	14,299,550

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 £128,170 (2022: surplus of £371,755) plus the net unrealised gain on investments of £231,506 (2022: loss of £1,895,829), amounting to a deficit/surplus of £103,336 (2022: deficit of £1,524,074).

The notes on pages 17 to 28 form an integral part of these financial statements

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

BALANCE SHEET
for the Year Ended 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	10	356,220	365,126
Investments	11	17,385,025	16,968,158
		<u>17,741,245</u>	<u>17,333,284</u>
Current assets			
Debtors	12	147,440	134,344
Cash at bank and in hand	21	479,126	539,190
		<u>626,566</u>	<u>723,534</u>
Liabilities			
Creditors: amounts falling due within one year	13	(128,585)	(74,333)
		<u></u>	<u></u>
Net current assets		497,981	599,201
Total assets less current liabilities		<u>18,239,226</u>	<u>17,932,485</u>
Provisions for liabilities	14	(3,836,340)	(3,632,935)
		<u></u>	<u></u>
Total net assets		<u>14,402,886</u>	<u>14,299,550</u>
The funds of the charity			
Unrestricted funds	16	7,432,231	7,398,036
Endowment funds	17	6,970,655	6,901,514
		<u></u>	<u></u>
Total charity funds		<u>14,402,886</u>	<u>14,299,550</u>

The financial statements were approved by the Trustees and authorised for issue on 02/05/2024 and signed on its behalf by:

R Wood
Trustee



The notes on pages 17 to 28 form an integral part of these financial statements

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

CASH FLOW STATEMENT
for the Year Ended 31 December 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	20	<u>(637,260)</u>	<u>(640,625)</u>
Net cash flow from operating activities		<u>(637,260)</u>	<u>(640,625)</u>
Cash flow from investing activities			
Purchase of investments	11	-	-
Dividends and interest received		<u>762,647</u>	<u>721,437</u>
Net cash flow from investing activities		<u>762,647</u>	<u>721,437</u>
Net (decrease) / Increase in cash and cash equivalents		125,387	80,812
Cash and cash equivalents at start of period		<u>1,219,232</u>	<u>1,138,420</u>
Cash and cash equivalents at end of period	21	<u>1,344,619</u>	<u>1,219,232</u>

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

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

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

The Police Children's Charity 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 2 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).

The Police Children's Charity 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 Police Children's Charity 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 2019.

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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

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 part of support costs and 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 £1,000 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

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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

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. 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 £68,853 (2022: £57,450) 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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

2. Income from donations and legacies

	Unrestricted funds £	Endowment funds £	2023 Total £	2022 Total £
Donations	13,396	-	13,396	18,432
Officers donations	477,962	-	477,962	502,422
	<hr/> 491,358	<hr/> -	<hr/> 491,358	<hr/> 520,854
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

3. Investment Income

	Unrestricted funds £	Endowment funds £	2023 Total £	2022 Total £
Income from UK listed investments	718,517	-	718,517	712,227
Bank interest receivable	44,131	-	44,131	9,210
	<hr/> 762,647	<hr/> -	<hr/> 762,647	<hr/> 721,437
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

4. Expenditure on raising funds

	Unrestricted funds £	Endowment funds £	2023 Total £	2022 Total £
Investment management fees	38,843	31,347	70,190	76,091
	<hr/> 38,843	<hr/> 31,347	<hr/> 70,190	<hr/> 76,091
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Expenditure on raising funds was £70,190 (2022: £76,091) of which £31,347 (2022: £33,041) was attributable to endowment and £38,843 (2022: £43,050) was attributable to unrestricted funds.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

5. Expenditure on charitable activities

	Activities undertaken directly £	Support costs £	2023 Total £	2022 Total £
Grant making – unrestricted	1,000,925	305,040	1,305,965	788,426
Governance costs (note 6)	-	6,020	6,020	6,019
	<hr/>	<hr/>	<hr/>	<hr/>
	1,000,925	6,020	1,311,985	794,445
	<hr/>	<hr/>	<hr/>	<hr/>

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 £270,000 (2022: £270,000) 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 support costs

	General support costs £	Governance costs £	2023 Total £	2022 Total £
Management charge – Police Treatment Centres	270,000	-	270,000	270,000
Communication and Information Technology	1,750	-	1,750	1,475
Other office expenses	24,385	-	24,385	22,004
Depreciation – owned assets	8,905	-	8,905	8,905
Legal and other professional fees	-	-	-	939
Auditor's remuneration	-	6,020	6,020	4,300
Other	-	-	-	780
	<hr/>	<hr/>	<hr/>	<hr/>
	305,040	6,020	311,060	308,403
	<hr/>	<hr/>	<hr/>	<hr/>

7. Net income/(expenditure) for the year

	2023 £	2022 £
Net income/(expenditure) is stated after charging:		
Depreciation – owned assets	8,905	8,905
Auditor's remuneration	6,020	5,080
	<hr/>	<hr/>

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

8. Employees

	2023	2022
	£	£
Management charge	-	-

1 employees received emoluments of more than £60,000 in the year (2022: None).

All personnel costs are borne by The Police Treatment Centres and are included in the management charge of £270,000 (2022: £270,000) 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

None Trustees received remuneration from the charity during the year (2022: None). In addition, None Trustees received expenses from the charity during the year (2022: None).

10. Tangible fixed assets

	Fixtures, fittings and equipment £	Freehold land and buildings £	Total £
Cost			
At 1 January and 31 December 2023	5,093	445,273	450,366
Depreciation			
At 1 January 2023	5,093	80,147	85,240
Charge for the year	-	8,905	8,905
At 31 December 2023	5,093	89,052	84,145
Net book values			
At 31 December 2023	-	356,211	356,211
At 31 December 2022	-	365,126	365,126

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

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 2023	7,072,815	9,215,301	(171,301)	851,343	16,968,158
Management fees	-	-	(31,347)	(40,843)	(72,190)
Distributions received	-	-	-	39,125	39,125
Interest	-	-	-	718,517	718,517
Transfers	-	-	-	-	-
Withdrawals	-	-	-	(500,000)	(500,000)
Equalisation	-	-	-	-	-
Revaluation	100,488	130,928	-	-	231,416
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2023	7,173,303	9,436,229	(202,648)	1,068,142	17,385,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Historic cost at 31 December 2023	5,596,500	7,291,783	(253,932)	1,238,789	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, any income generated by the Endowed investments are added to the Unrestricted investments.

12. Debtors

	2023 £	2022 £
Prepayments and accrued income	147,440	134,344
	<hr/>	<hr/>
	147,440	134,344
	<hr/>	<hr/>

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade Creditors	151	425
The Police Treatment Centres current account	61,469	49,312
Accruals and deferred income	66,965	24,596
	<hr/> 128,585	<hr/> 73,693

14. Provisions for liabilities

	2023 £	2022 £
At 1 January 2023	3,632,935	3,920,424
Utilised in the year	796,069	(768,991)
Charge for the year	(592,664)	481,502
	<hr/> 3,836,340	<hr/> 3,632,935
At 31 December 2023	<hr/> 3,836,340	<hr/> 3,632,935

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. During the year, the discount rate estimate used to discount the provision to present value was revised to reflect increased government bond yields at 31 December 2023 compared with prior period ends. The rates applied at 31 December 2023 ranged between 3% and 5%. As a result of this change in accounting estimate, the provision was reduced by £287,489 compared to the provision amount had the prior year discount rate estimate been applied. The amount of the provision estimated to be payable in one year is £796,069 (2022: £768,991).

15. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Fund balances at 31 December 2023 as represented by:				
Tangible assets	-	-	356,220	356,220
Investment assets	6,970,655	-	10,414,370	17,385,025
Current assets	-	-	626,566	626,566
Current liabilities	-	-	(128,585)	(128,585)
Long-term liabilities	-	-	(3,836,340)	(3,836,340)
	<hr/> 6,970,655	<hr/> -	<hr/> 7,432,231	<hr/> 14,402,886

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

16. Unrestricted funds

	At 1 January 2023 £	Incoming resources £	Outgoing resources £	Gains and losses £	31 December 2023 £
General fund	7,398,036	1,254,005	(1,350,828)	131,018	7,432,231

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 2023 £	Incoming resources £	Outgoing resources £	Gains and losses £	31 December 2023 £
Investments	6,901,514	-	(31,347)	100,488	6,970,655

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 £270,000 (2022: £270,000) has been charged by The Police Treatment Centres to the Trust.

At 31 December 2023, £61,469 (2022: £49,312) 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.

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

20. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income / (expenditure) for year	103,336	(1,524,075)
Depreciation and impairment of tangible fixed assets	8,905	8,905
(Gains) / losses on investments	(231,417)	1,895,829
Interest and dividends received	(762,647)	(721,437)
Increase / (decrease) in provisions (net of payments)	203,406	(287,489)
Decrease / (increase) in debtors	(13,096)	(12,998)
Increase / (decrease) in creditors	54,253	640
Net cash outflow from operating activities	<u>(637,260)</u>	<u>(640,625)</u>

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	479,126	539,190
Cash held in investment portfolio (note 11)	865,493	680,042
Net cash	<u>1,344,619</u>	<u>1,219,232</u>

22. Financial Instruments

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

	2023 £	2022 £
<i>Financial assets</i>		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 11)	<u>17,385,025</u>	<u>16,968,158</u>

THE POLICE CHILDREN'S CHARITY
Company Number: 07822521

NOTES TO FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

22. Financial instruments (continued)

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

	2023	2022
	£	£
<i>Income and expense</i>		
Financial assets measured at fair value through net income / expenditure	<u>718,517</u>	<u>712,227</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income / expenditure	<u>231,506</u>	<u>(1,895,829)</u>



The Police Children's Charity

**Providing a helping hand if
the unimaginable happens**

The Police Children's Charity

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Registered Charity No. 1147445 **OSCR Registration No.** SC043652
Company No. 07822521