

The Gurney Fund Registered Company number 08542702
The Gurney Fund Registered Charity number 1156903
The Gurney Benevolent Fund Registered Charity number 1156903-2

THE GURNEY FUND

TRUSTEES' REPORT AND AUDITED GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

THE GURNEY FUND

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THE GURNEY FUND

LEGAL AND ADMINISTRATIVE DETAILS

The Gurney Fund is administered by:

Chairman	T Packham
Treasurer	T Arthur Appointed Trustee May 2022 Appointed Treasurer August 2022
Managing Trustees and Directors	M Brunning J Carter-Lang H Darby R Nolan J Gilmer L Hutson W Rumford I Simmons G Smith M Tyler M Warnes Appointed August 2022 Appointed February 2023 Resigned November 2022 Appointed May 2022 Appointed May 2022
Fund Manager	S Keywood
Company number	08542702
Charity numbers	1156903 & 1156903-2
Registered Office	9 Bath Road Worthing West Sussex BN11 3NU Tel: 01903 237256 Web Site: www.gurneyfund.org
Bankers	Lloyds Bank Plc 41-43 South Street Worthing West Sussex BN11 3AU
Chartered Accountants and Statutory Auditor	Kreston Reeves LLP 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Investment Managers	Charles Stanley & Company Limited Windsor House 6 - 10 Mount Ephraim House Tunbridge Wells Kent TN1 1EE
Solicitor	H3 Solicitors Limited Suite 1, Brightams Farm Partridge Green Horsham West Sussex RH13 8EQ

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

Firstly, I would like to recognise and pay tribute to Her Majesty Queen Elizabeth II. The late Queen passed away in September of last year and I was honoured and greatly privileged to attend and represent The Gurney Fund at her state funeral. The late Queen was our patron, and we are awaiting news of who our new patron will be. We were pleased to have the opportunity of marking the Queen's Platinum Jubilee by making celebratory payments to all beneficiaries.

We now find ourselves in a different economic place from where we were last year. Having emerged from a global pandemic we have discovered a new norm with phrases such as 'working from home' and 'hybrid working'.

The need for the country to repay its debt for the bailouts from government during that time has led to higher taxation, coupled with the energy crisis caused by the war in Ukraine, which in turn has led to higher food and energy costs. Additionally, we have seen a number of frequent increases in mortgage rates, something we have not seen for a number of years. This has placed enormous pressures on many families.

I am pleased to report that from January 2023 we have introduced birthday payments to all beneficiaries.

We are currently working on amendments to our Articles of Association and I am delighted to add that since my last report all of our Board meetings are now held in person.

I would like to place on record my gratitude to Chris McNicol who retired in July 2022. Chris served as the Fund Manager for many years and her wealth of experience will be missed. I am pleased to advise that Sherral Keywood has stepped up as Fund Manager. I would also like to give thanks to former trustee Lucy Hutson.

A warm welcome is extended to a number of new trustees Helen Darby (Kent), Rachel Nolan (Essex), Bill Rumford (Bedfordshire) and Garry Smith (Hampshire) and I am pleased to update that Tom Arthur has stepped up to the role of Treasurer. I am grateful for the continued support and the commitment of all the Trustees.

The following covers the Fund's financial year 1 April 2022 to 31 March 2023.

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and the financial statements of the Charity.

ESTABLISHMENT OF THE FUND

In 1890 Miss Catherine Gurney, OBE established the Provincial Police Orphanage in Hove, East Sussex. The orphanage closed in 1947 and a permanent endowment was transferred to the Gurney Benevolent Fund. In 1948 The Gurney Fund came into being to provide allowances for the children of deceased or medically retired officers. In November 1978 approval was given to amend the Fund's title to The Gurney Fund for Police Orphans, the use of which continued until The Gurney Benevolent Fund and The Gurney Fund for Police Orphans were merged to form the incorporated charity The Gurney Fund on 1 October 2014. The Gurney Fund is a company limited by guarantee.

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its' governing document; the Articles of Association adopted 22 May 2013 (last amended 12 November 2015) and constitutes a limited company, limited by guarantee as defined by the Companies Act 2006.

Appointment of Trustees

In accordance with the Articles of Association, the Board of trustees when complete should consist of not more than twelve individuals, such appointments being nominated as:-

- Two ex-officio officers (Chair and Treasurer) elected by the Board of trustees
- Two members from the National Police Chief's Council (NPCC) appointed by the Chief Police Officer's Staff Association (CPOSA)
- Two persons holding the Superintending rank, appointed from among the subscribing police forces by the Superintendents' Association
- Six people nominated from among the subscribing forces by the Police Federation of England & Wales; two of each from the rank of Inspector, Sergeant and Constable

The Board meets at least four times a year at which five members constitute a quorum. Any matters at Board or General Meetings shall be determined by the majority of the votes of the members present.

Trustees' Training

New trustees are issued with a comprehensive information pack and on appointment they attend an induction course given by the Fund Manager. The course provides information on the Fund's structure and operation as well as the legal responsibilities and duties of a trustee. Changes in legislation and Charity Commission Guidelines are circulated to all trustees and discussed at board meetings.

Remuneration policy

The group considers its key management personnel comprise the Trustees, Fund Manager and Fund Administrator. Trustees are not remunerated for their time but are reimbursed expenses. There is also a Paying Employees Policy which is reviewed annually.

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The charity's objects are specifically restricted to the following:

The relief of children in need (for example by reason of their financial hardship or other social or economic disadvantage) and the advancement of their education.

"Children" shall mean a child of a member of a subscribing Police Force who is deceased, or who in the opinion of the Trustees is substantially incapacitated from earning a living and the expression shall include an adopted child and may include a step-child if, in the opinion of the Trustees, such a step-child was substantially supported by such deceased or medically retired police officer.

Applications are considered for the children of police officers of all ranks who are serving or have served in any of the subscribing police forces, children of police pensioners and the children of special constables (where death on duty or serious role-related injuries occur).

The trustees carry out the Fund's objectives by issuing weekly allowances, educational and counselling grants and awarding Christmas and birthday gift payments.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Due to the problems arising in establishing and monitoring "the relief of children in need" ("need"), in August 2004, the Trustees agreed to amend their Guidelines: for both medically retired officers and widows/widowers allowances will cease at 31 March of the year following permanent relocation outside the British Isles.

It is an established fact that an allowance from the Fund is a matter of bounty and not of right. All benefits are paid according to "need" and at the sole discretion of the Trustees.

FINANCIAL REVIEW

Contributions are derived from police officers who donate through their force payroll, public donations and legacies. Further revenue is raised from the investment dividends and interest on the investment account at the bank.

At 31 March 2023 a total of 228 beneficiaries were in receipt of a weekly allowance or grant of which 45 were new beneficiaries registered from 1 April 2022.

In addition to weekly allowances/grants, payments were awarded towards educational expenditure and counselling. Jubilee payments were also made to all beneficiaries in recognition of our patron, the late Queen.

The Annual Review took place in February 2023 and identified 26 beneficiaries where a financial need for assistance to continue could no longer be established. Weekly allowances/grants were increased for 35 beneficiaries and reduced for 11.

Where allowances from the Fund cease because a financial need can no longer be established, links with the families are maintained until the children complete their education. At 31 March 2023 contact was being maintained with 137 children who remained eligible for counselling grants as well as celebratory payments.

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

Fund Raising Standards

The charity recognises the vital contribution made by its supporters, with voluntary donations accounting for approximately 56% of the charity's incoming resources. Without this support it would not be possible for the charity to continue to undertake its current level of activity, which would have a devastating impact on the vulnerable people that we seek to care for.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. All fundraising activity is monitored and administered by the Fund's Manager and Administrator. The charity does not utilise the services of any external commercial fundraisers and the Trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The charity welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activities.

RESERVES POLICY

The Fund supports its beneficiaries over long periods, over 20 years for some and, in ensuring that sufficient reserves are held for the continuity of such support, the trustees are mindful of the need to make long term financial projections.

The trustees regularly review the level of reserves to ensure they are appropriate, taking into account projections of:

- (a) the number of donating officers;
- (b) the number of beneficiaries;
- (c) the level of inflation;
- (d) income and capital growth yields available for the investment portfolio.

At the year end, the charity had total unrestricted funds of £7,038,940 (2022: £8,220,928). Free reserves, which are unrestricted funds less tangible fixed assets and designated funds, were £3,170,284 (2022: £3,551,687). The charity had total restricted funds of £337,087 (2022: £385,851) and designated funds at the year end were £3,468,656 (2022: 4,269,241). Designated funds relate to the market value of investments at year end less aggregate unrealised gains on investments when the market value exceed historic cost. At the year end, the charity had total funds of £7,376,024 (2022: 8,606,776).

INVESTMENT POLICY

The Trustees have identified the need to invest for a balance of growth and income in order to maintain the level of reserves necessary to support both current and future beneficiaries. The portfolio is under the discretionary management of the Fund's Investment Manager: Charles Stanley & Co Limited.

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Company number 08542702
Charity numbers 1156903 & 1156903-2

INVESTMENT PERFORMANCE REVIEW

Over the course of the last year there have been many factors that have affected stockmarkets such as inflation worries, interest rates, the energy crisis and of course the ongoing conflict in Ukraine. All of these weighed heavily on markets at different times throughout the year. Many of these concerns will linger and act as a drag on equity indices in 2023, although we do anticipate an easing of conditions towards the end of the year and certainly into Q1 2024.

Despite Ukraine and Mr Putin grabbing many headlines, inflation was the main factor concerning investors over the last year. The normal weapon used to curtail inflation is interest rate rises and indeed, these were used to peg back inflation as it rose to 10% in most countries, being a 40 year high. We are beginning to see the effects of these rate rises, but it is incumbent on all central banks not to overshoot and therefore stifle any nascent economic recovery. With the Federal Reserve (FED) and the Bank of England having ceased QE in 2021, it returned to more normal economic policy, unlike the European ECB which continues to print money and raise rates – this has been compared to flooring the accelerator and keeping your foot on the brake. It does not quite seem to make sense.

Performance over the last year has been reasonable and is in line with most of the agreed benchmarks on a total return basis (income and capital movements combined). A similar picture can be seen over both three and five year periods too, and it is worth noting that these returns have been achieved by taking a lower risk than investing in pure direct equity investments. The portfolio comprises of a wide and diverse selection of holdings covering many different geographies and asset types.

The portfolio income has remained at a similar level to last year being £166,123 versus £167,243 (31.03.22) and we would expect this to be maintained over the coming year. It is true to say that companies have been raising dividends, but this process has stalled slightly, simply due to the increased costs of doing business as profit margins have been reduced.

More recently, the collapse of two banks in the US (Silicon Valley Bank and Silvergate) as well as Credit Suisse, resulted in market concerns about contagion in the banking sector. This derailed the recovery in markets in the period just after Christmas and saw a return of investors' fears of more interest rate rises. Although there were more increases, the concerns over the security of the banking sector saw central banks raise rates in smaller increments in order to assuage those concerns. Due to inflation remaining stubbornly high, the reality is that interest rates will remain higher for longer.

During 2022, equity markets fell in lockstep with fixed interest markets. This was the first time since 1969 that this had happened. It was the result of ultra-low interest rates forcing bond prices up and easy money for companies as they were able to borrow at atypically low rates of interest thus forcing their share prices up too. Of course, this all reversed when inflation rose its head, and the complete reverse happened.

Looking forward there are reasons for equity investors to remain hopeful that the latter half of 2023 and 2024 will be better than the last eighteen months as the effects of the pandemic, and hopefully Ukraine recede. It is also likely that inflation will also be lower than current levels easing pressure on central banks. Supply chain issues have mostly been resolved although many countries are looking to exclude China from its supply and manufacturing processes, and this will take time to achieve fully, but we have seen a return to some form of normality over the last few months. It is fair to say that investors should not expect stellar returns from investments in the coming months and that a period of consolidation and reduced volatility would be welcome.

FUTURE PLANS AND POST BALANCE SHEET EVENTS

In 2022 the trustees took the decision to make some changes to its' Articles of Association, including the Objects. At the same time, a complete re-brand was approved. These changes are still in the discussion phase. The charity's values and missions will remain the same and the foresight of Catherine Gurney and the work she did for the police community will always be at the heart of what we do. We want to help as many eligible police families as possible but we also need more officers from our contributing forces to sign up and donate. We hope that by re-branding and adapting our Objects we will be able to achieve all of these things and continue to help many more officers and their children.

THE GURNEY FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

GENERAL – THE GURNEY FUND

The Fund's Board meets four times a year to review applications and ensure that the needs of existing Fund families are met. With assistance from our advisers the meetings also provide an opportunity for trustees to ensure that changes in legislation and recommendations from the Charity Commission are implemented.

Following a review of the activity holidays which had been provided annually by the Fund to small groups of 11-18 year olds, the trustees agreed the time was right to change direction. Beneficiaries across all three registers now receive counselling assistance as well as birthday and Christmas payments. Those in receipt of weekly assistance may also apply for help towards school holiday activities which are deemed to have an educational, developmental or wellbeing benefit to the child/young person.

Officer donations were last increased, from 10p to 20p per week, on 1 January 1989. The matter is reviewed regularly. When the need for an increase is identified the Fund's stakeholders will be consulted fully before any change is made.

RISK REGISTER

As part of its on-going risk assessment management, the major risks to which the Fund is exposed are continually assessed and the findings reviewed by the Trustees. The Trustees are satisfied that appropriate measures are in place to mitigate the exposure to such risks.

THANKS

The Trustees gratefully acknowledge and record warmest thanks to the Fund's employees, professional advisers and those within the contributing police forces (including Chief Constables and Federation Representatives) for their assistance in ensuring the welfare of Fund beneficiaries is maintained in every respect possible.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the 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 each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources, including the income and expenditure, of the charitable company for that period. In preparing 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 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2006, the Charity (Accounts Reports) Regulations 2008 and the Memorandum & Articles of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GURNEY FUND

**CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES
(INCLUDING THE DIRECTORS REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

**Company number 08542702
Charity numbers 1156903 & 1156903-2**

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each Trustee at the date of approval is aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, which included the directors' report and strategic report, was approved by the Board on 3 August 2023 and signed on behalf of the Board by



**Tim Packham
Chairman**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF

THE GURNEY FUND

FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the consolidated financial statements of The Gurney Fund (the 'parent charitable company') and its subsidiaries (the 'group') and the individual parent company for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the balance sheets, the Consolidated 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 group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year 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 and the Charities Act 2011.

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF

THE GURNEY FUND

FOR THE YEAR ENDED 31 MARCH 2023

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual 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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE GURNEY FUND
FOR THE YEAR ENDED 31 MARCH 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Confirmation of investment valuation and income to third party documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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 Auditors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE GURNEY FUND
FOR THE YEAR ENDED 31 MARCH 2023**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
Chichester

Date 7 August 2023

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE GURNEY FUND

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds			2023	2022
		General £	Designated £	Restricted	Total £	Total £
Income						
Donations and legacies	3	236,974	-	-	236,974	234,696
Income from investments		174,891	-	10,655	185,546	176,152
Total Income		411,865	-	10,655	422,520	410,848
Expenditure						
Raising funds - investment manager costs		38,621	-	1,944	40,565	46,583
Charitable activities	4	1,048,942	-	-	1,048,942	870,468
Total expenditure		1,087,563	-	1,944	1,089,507	917,051
Net realised gains/(loss) on investments		283,583	-	(11,937)	271,646	239,085
Net unrealised gains/(loss) on investments		-	(800,585)	(34,826)	(835,411)	154,479
Net (expenditure)		(392,115)	(800,585)	(38,052)	(1,230,752)	(112,640)
Transfers between funds		10,712	-	(10,712)	-	-
Net movement in funds		(381,403)	(800,585)	(48,764)	(1,230,752)	(112,640)
Reconciliation of funds:						
Total funds brought forward		3,951,684	4,269,241	385,851	8,606,776	8,719,416
Total funds carried forward		3,570,281	3,468,656	337,087	7,376,024	8,606,776

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

THE GURNEY FUND
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

Company number 08542702
Charity numbers 1156903 & 1156903-2

	Notes	2023	2022
		£	£
Fixed assets			
Freehold property	6	400,000	400,000
Investments			
Listed investments	7	6,732,933	8,084,193
		<u>7,132,933</u>	<u>8,484,193</u>
Current assets			
Sundry debtors	8	36,569	39,060
Cash at bank and in hand		28,844	29,414
Deposit accounts		186,455	64,524
Stockbroker income account		12,081	12,731
		<u>263,949</u>	<u>145,729</u>
Current liabilities			
Sundry creditors	9	(20,858)	(23,146)
Net current assets		<u>243,091</u>	<u>122,583</u>
Total assets less current liabilities		<u><u>7,376,024</u></u>	<u><u>8,606,776</u></u>
Group funds:			
Unrestricted general funds			
General			
Brought forward		3,951,684	4,216,385
Movement for the year		(392,115)	(274,968)
Transfer between reserves		10,712	10,267
Carried forward		<u>3,570,281</u>	<u>3,951,684</u>
Unrestricted designated funds			
Investment fund	10		
Brought forward		4,269,241	4,110,708
Movement for the year		(800,585)	158,533
Carried forward		<u>3,468,656</u>	<u>4,269,241</u>
Restricted funds the Gurney Benevolent Endowment			
Investment fund			
Brought forward		385,851	392,323
Movement for the year		(38,052)	3,795
Transfer between reserves		(10,712)	(10,267)
Carried forward		<u>337,087</u>	<u>385,851</u>
Total Group funds		<u><u>7,376,024</u></u>	<u><u>8,606,776</u></u>

The notes 1 to 18 form part of these accounts.

For the year ending 31 March 2023 the parent company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies but as this parent company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the trustees and authorised for issue on 3 August 2023 and signed on its behalf by



Tim Packham
Chairman

THE GURNEY FUND

**CHARITY BALANCE SHEET
AS AT 31 MARCH 2023**

**Company number 08542702
Charity number 1156903**

	Notes	2023 £	2022 £
Fixed assets			
Freehold property	6	400,000	400,000
Investments			
Listed investments at market value	7	6,429,822	7,705,559
		<u>6,829,822</u>	<u>8,105,559</u>
Current assets			
Sundry debtors	8	36,371	39,060
Cash at bank and in hand		28,844	29,414
Deposit accounts		154,841	59,526
Stockbroker income account		9,920	10,515
		<u>229,976</u>	<u>138,515</u>
Current liabilities			
Sundry creditors	9	(20,858)	(23,146)
Net current assets		<u>209,118</u>	<u>115,369</u>
Total assets less current liabilities		<u><u>7,038,940</u></u>	<u><u>8,220,928</u></u>
Charity funds:			
Unrestricted general funds			
General			
Brought forward		3,951,687	4,216,388
Movement for the year		(381,403)	(264,701)
Carried forward		3,570,284	3,951,687
Unrestricted designated funds			
Investment fund	10		
Brought forward		4,269,241	4,110,708
Movement for the year		(800,585)	158,533
Carried forward		3,468,656	4,269,241
Total Charity funds		<u><u>7,038,940</u></u>	<u><u>8,220,928</u></u>

The notes 1 to 18 form part of these accounts.

For the year ending 31 March 2023 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the trustees and authorised for issue on 3 August 2023 and signed on its behalf by



Tim Packham
Chairman

THE GURNEY FUND

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Net cash outflow from operating activities	1	(666,784)	(502,899)
Net cash inflow from investing activities	2	787,495	443,287
Net (decrease)/increase in cash balances held	3	120,711	(59,612)
Cash and cash equivalents consists of:		2023 £	2022 £
Cash at bank and in hand		227,380	106,669
Cash and cash equivalents at 31 March		227,380	106,669
Note 1 - Reconciliation of changes in resources to net inflow from operating activities		2023 £	2022 £
Net income/(expenditure) for the year before other recognised gains and losses		(666,987)	(506,204)
Decrease/(increase) in debtors		2,491	733
(Decrease)/increase in creditors		(2,288)	2,572
Net cash outflow from operating activities		(666,784)	(502,899)
Note 2 - Net investment proceeds/(purchases)		2023 £	2022 £
Payments to acquire shares		(337,191)	(70,251)
Receipts from sales of shares		1,124,686	513,538
Net cash inflow from investing activities		787,495	443,287
Note 3 - Net decrease in cash balances held			
	Movement in year £	2023 £	2022 £
Deposit accounts	121,931	186,455	64,524
Stockbroker income account	(650)	12,081	12,731
Current account and cash	(570)	28,844	29,414
	120,711	227,380	106,669

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

1 Principal accounting policies

Basis of preparation

The Gurney Fund Limited is a company limited by guarantee incorporated in England and Wales and has no share capital. 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 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Consolidation

The Trustees of The Gurney Fund, as appointed and elected in accordance with its rules and constitution, are automatically appointed as the Trustees of the Gurney Benevolent Fund in accordance with its governing document. As a result the Trustees of The Gurney Fund also control the Gurney Benevolent Fund and manage the two charities on a unified basis. Accordingly these financial statements consolidate the results of The Gurney Fund (the "charity") and the Gurney Benevolent Fund on a line by line basis. A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. Throughout the financial statements "Group" is used when referring to the consolidated results of both The Gurney Fund and the Gurney Benevolent Fund. "Charity" is used when referring to The Gurney Fund only.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Reserves

The group funds support their beneficiaries over long periods of up to 20 years, and in ensuring that sufficient reserves are held for the continuity of such support, the Trustees are mindful of the need to make long term financial projections. Subscribing officers contribute by a fixed weekly sum and until an increase in this sum is requested there is no correlation between income from this source and inflationary effects on allowances to beneficiaries.

Within the charity a designated fund has been set-up to isolate any unrealised gains or losses on investments until they are realised upon disposal.

The restricted fund consists of a permanent endowment arising from the sale of certain investments and the sale proceeds of the Southern Provincial Police School and Orphanage. It is the Trustees intention going forward to maintain the level of the Gurney Benevolent Fund investment portfolio invested in the gilts market to at least a balance equal to the permanent endowment fund.

Freehold property

Freehold property is stated at deemed cost less accumulated depreciation and accumulated impairment losses. The Freehold property is currently held at residual value, such that no further depreciation is charged.

Capital expenditure

Capital expenditure below £5,000 is written off in the year in which it is incurred.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition of opening of the deposit or similar account.

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Pension contributions

The fund contributes to a money purchase scheme on behalf of certain employees which are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of twelve months from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

2 Expenditure

	2023	2022
	£	£
Expenditure is stated after charging:		
Auditor's remuneration:		
Audit of the financial statements	9,700	8,750
Accountancy and other services	4,320	2,390
	14,020	11,140

3 Donations and legacies

	2023	2022
	£	£
Forces subscriptions	212,758	223,105
Forces donations and collecting boxes	15 2,012	744
Private donations	16 7,885	5,847
Legacies	17 14,319	5,000
	236,974	234,696

4 Expenditure on charitable activities

	2023	2022
	£	£
Allowances and grants to children	804,321	688,297
Christmas and birthday gifts	66,118	41,500
Administration costs detailed below	60,483	36,175
Wages and salaries allocation	5 85,151	85,215
Trustees' expenses	13,788	6,692
Audit of the financial statements	9,700	8,750
Accountancy and other services	4,320	2,390
Legal and professional fees	5,061	1,449
	1,048,942	870,468
<u>Administration costs:</u>		
Telephone and postage	1,995	3,794
Printing, stationery and marketing	31,119	19,498
Sundries	261	377
Rates and insurance	4,173	3,757
Lighting, heating and cleaning	3,075	2,689
Repairs, renewals and garden upkeep	19,303	5,893
Staff travel and training	557	167
	60,483	36,175

Included in charitable activity costs above are governance costs totalling £32,869 (2022: £19,281). These costs include audit and accountancy, legal fees, and trustee meeting expenditure.

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

5 Staff costs

	2023 £	2022 £
Group and charity		
Gross salaries	73,541	73,549
Employers national insurance contributions	2,591	2,997
Pension scheme contributions	9,019	8,669
	<u>85,151</u>	<u>85,215</u>

There were no related party transactions in the year except for the reimbursement of trustees' expenses. No remuneration was paid to Trustees in the year but expenses amounting to £3,151 (2022: £4,085) were reimbursed. These expenses related to reimbursed travel expenses and were paid to 8 trustees (2022: 9).

The average number of staff employed during the year was 2 (2022: 3).

Three staff members are entitled to pension contributions relating to a defined contribution pension scheme, there was £661 (2022: £948) of outstanding contributions at the year end (included within creditors). No employee receives employment benefits in excess of £60,000 p.a.

The group considers its key management personnel comprise the trustees, the fund manager and fund administrator. The total employment benefits including employer pension contributions of the key management personnel were £85,151 (2022: £85,215).

6 Freehold property

	2023 £	2022 £
Group and charity		
Cost at 1 April 2022	400,000	400,000
Cost at 31 March 2023	<u>400,000</u>	<u>400,000</u>
Historical cost (pre transfer on incorporation)	<u>6,451</u>	<u>6,451</u>

The freehold property included above was recognised using a previous basis (valuation basis) valuation as a deemed cost on transition to SORP (FRS 102). The asset is being depreciated from the valuation date of 1 April 2015 and having a net book value of £400,000 (2022: £400,000). This is considered to be the residual value.

7 Investments: listed

Group	Total £	Government Bonds £	Equity Holdings £
Valuation at 1 April 2022	8,084,193	-	8,084,193
Acquisitions	337,191	229,781	107,410
Disposals	(853,040)	-	(853,040)
Changes in unrealised gains	(835,411)	(3,298)	(832,113)
Valuation at 31 March 2023	<u>6,732,933</u>	<u>226,483</u>	<u>6,506,450</u>
Charity			
Valuation at 1 April 2022	7,705,559	-	7,705,559
Acquisitions	267,989	200,249	67,740
Disposals	(743,141)	-	(743,141)
Changes in unrealised gains	(800,585)	(2,646)	(797,939)
Valuation at 31 March 2023	<u>6,429,822</u>	<u>197,603</u>	<u>6,232,219</u>

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

8 Debtors	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred expenses	1,713	2,737	1,713	2,737
Contributions from forces	33,303	36,323	33,303	36,323
Accrued investment income	1,553	-	1,355	-
	<u>36,569</u>	<u>39,060</u>	<u>36,371</u>	<u>39,060</u>

9 Creditors	2023 £	2022 £
Group and charity		
PAYE and NI	1,447	2,164
Other creditors and accruals	19,411	20,982
	<u>20,858</u>	<u>23,146</u>

10 Designated funds	2023 £	2022 £
Charity		
Market value of investments at 31 March 2023	6,429,822	7,705,560
Historical cost of investments	(2,961,166)	(3,436,319)
	<u>3,468,656</u>	<u>4,269,241</u>

The Trustees believe it would not be prudent to consider unrealised gains on investments as being expendable as the gains or losses may differ materially from those which are subsequently realised.

When the market value of investments exceeds their historic cost the aggregate unrealised gain is credited to the designated fund. Where the market value of investments is less than their historic cost the aggregate unrealised loss remains within the general fund.

11 Income and expenditure - prior period	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	2022 Total funds £
Income				
Donations and legacies	234,696	-	-	234,696
Income from investments	166,155	-	9,997	176,152
Total income	<u>400,851</u>	<u>-</u>	<u>9,997</u>	<u>410,848</u>
Expenditure				
Expenditure on raising funds	44,436	-	2,148	46,584
Expenditure on charitable activities	870,468	-	-	870,468
Total expenditure	<u>914,904</u>	<u>-</u>	<u>2,148</u>	<u>917,052</u>

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

12 Analysis of group net assets by type of fund

	Fixed Asset £	Investments £	Current Assets £	Creditors £	Total £
Unrestricted funds	400,000	6,429,819	229,976	(20,858)	7,038,937
Restricted fund - Gurney Benevolent Fund	-	303,114	33,973	-	337,087
	400,000	6,732,933	263,949	(20,858)	7,376,024

13 Charity results

	2023 £	2022 £
Income	411,865	400,851
Expenditure on raising funds	(38,621)	(44,436)
Expenditure on charitable activities	(1,048,942)	(870,468)
Realised gains on investments	283,583	239,085
Unrealised gains / (losses) on investments	(800,585)	158,533
Transfer from Gurney Benevolent Fund	10,712	10,267
Net income/(expenditure)	(1,181,988)	(106,168)

14 Gurney Benevolent Fund results

The results of the Gurney Benevolent Fund, as extracted from these audited accounts, are as follows-

	2023 £	2022 £
The income and expenses were:		
Income from investments	10,655	9,997
Expenditure on raising funds	(1,944)	(2,148)
Net realised gains / (losses) on investments	(11,937)	-
Net unrealised gains / (losses) on investments	(34,826)	(4,054)
Transfer to general unrestricted fund	(10,712)	(10,267)
Net expenditure for year	(48,764)	(6,472)

The assets and liabilities were:

Fixed asset investments	303,114	378,634
Current assets	33,973	7,214
Total net assets	337,087	385,848
Represented by:		
Restricted funds	337,087	385,848
Total funds	337,087	385,848

THE GURNEY FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2023

15 Forces donations and collecting boxes

		2023 £	2022 £
Dorset	The Dorchester & Weymouth Police Ball via retired Inspector Les Fry	-	609
Beds, Cambs & Herts	Armed Police Unit	1,050	-
Hampshire	Hampshire Constabulary	662	-
Leicestershire	Leicestershire Police	300	-
Warwickshire	Collection boxes	-	135
		2,012	744

16 Private donations

		2023 £	2022 £
Anonymous		360	270
Broadfoot Antiques		300	-
Doubleday Charitable Trust		800	700
E Brown		1,825	-
Giftaid		561	-
In memory of D Golding		150	-
In memory of J Dicker		25	-
Just Giving		2,663	2,581
Mr J Kidgell		-	23
Mr K Gromett		60	60
Mrs Louise Douglas - sale of tooth fairy bags		-	40
Mr M Davies		-	100
Mr M Helyar		120	120
Mr Simon Stabb		500	250
Mrs Susan Craggs		180	180
Much Loved		341	-
Paypal		-	314
Virgin Money Giving		-	814
Mr & Mrs Elder, Mr Brian Simmons and South Downs Funeral Service		-	395
		7,885	5,847

17 Legacy income

Legacy income 2023: £14,319 (2022: £5,000).

18 Ultimate controlling party

The company is under the control of the Trustees as listed in the Chairman's Report on behalf of the Trustees. There is no individual with overall control.