

Police Children's Fund Registered Company number 08542702
Police Children's Fund Registered Charity number 1156903
The Gurney Benevolent Fund Registered Charity number 1156903-2

POLICE CHILDREN'S FUND
(FORMERLY THE GURNEY FUND)

TRUSTEES' REPORT AND AUDITED GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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POLICE CHILDREN'S FUND

LEGAL AND ADMINISTRATIVE DETAILS

Police Children's Fund is administered by:

Chairman	T Packham
Treasurer	T Arthur
Managing Trustees and Directors	M Brunning J Carter-Lang H Darby R Nolan J Gilmer W Rumford I Simmons G Smith M Tyler M Warnes Resigned May 2024 Resigned February 2024 Resigned February 2024
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.policechildrensfund.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

POLICE CHILDREN'S FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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

Last year I mentioned the need for the country to repay its debt for the bailouts from government, a time which 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. Although some of these costs may have reduced slightly in some areas, when coupled with higher mortgage rates this continues to put enormous pressure on many families.

2023/24 was an exceptionally busy year for the charity. I reported last year that in 2022 the trustees had taken the decision to make some changes to its' Articles of Association, including the Objects. At the same time, a complete rebrand was approved and all of these changes were completed by the end of 2023. The charity's values and missions 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 the rebrand and change to our Objects will enable us to achieve all of these things and continue to help many more officers and their children.

As part of the rebrand workshops and discussions, a name change was also approved. The board of trustees felt it important to reflect in our name, what we provide as a children's charity therefore, at the start of the 2023/24 financial year we were known as The Gurney Fund but I am pleased to report we are now officially known as Police Children's Fund.

I am delighted to announce that we now have a new patron. To mark the anniversary of Their Majesties' Coronation, we have received news that His Majesty King Charles III is delighted to accept the patronage of Police Children's Fund. This is wonderful news for the Fund, and we are sure that the royal patronage will help highlight our mission to provide police children with financial support and stability throughout their educational and developmental years following a significant change in family life.

I would like to place on record my gratitude to two retiring trustees during this financial year: Bill Rumford and Jenny Gilmer. Both served the Fund for a number of years and made a significant contribution in helping the Fund achieve its' aims. I am always grateful for the continued support and commitment of all the trustees as well as the Fund's employees and advisers.

I would like to take this opportunity to thank all our contributing police officers, donors and fundraisers who continue to support us as it really does make a difference to all those in the Police Children's Fund family.

The following covers the Fund's financial year 1 April 2023 to 31 March 2024.

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 March 2024. 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. On 17 October 2023 the Fund's title was officially changed to Police Children's Fund and remains a company limited by guarantee.

POLICE CHILDREN'S FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2024

**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, as amended by Special Resolutions dated 7 November 2013, 11 February 2014, 12 November 2015, 14 June 2023, 17 October 2023 and 2 November 2023 and constitutes a limited company, limited by guarantee as defined by the Companies Act 2006.

Appointment of Trustees

In accordance with Articles 17.1 and 17.9 of the Articles of Association, the Board of trustees when complete should consist of not more than twelve individuals, such appointments being nominated by the Nominating Bodies as follows:-

- Two nominated by the National Police Chief's Council
- Two nominated by the Police Superintendent's Association
- Up to eight nominated by the Branch Councils of the Police Federation of England and Wales of the contributing Police Forces

In each case the nominated Trustee being a member of the Nominating Body that nominates them, or a member of NARPO, and their nomination being approved by the existing Trustees.

- Up to two co-opted Trustees appointed for their skills and experience

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 for reasonable expenses. There is also a Paying Employees Policy which is reviewed annually.

POLICE CHILDREN'S FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2024

**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 by reason of financial hardship or other social or economic disadvantage, including by supporting the advancement of their education and personal development, to enable them to contribute to society as mature and responsible individuals.

In this Article:

•'children' shall include young adults still in education and shall mean a child or adopted child of a relevant officer. The Trustees may consider applications relating to a stepchild of a relevant officer if they consider that the stepchild was substantially supported by the relevant officer, or children of a serving officer from one of the contributing Police Forces where it is the officer's spouse that is deceased, causing hardship.

•'relevant officer' shall mean a deceased officer or ex-officer, or an officer retired on medical grounds, who were serving with one of the contributing Police Forces at their death or retirement."

The Trustees carry out the Fund's objectives by issuing weekly allowances, educational and mental health support 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.

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 financial need and at the sole discretion of the Trustees.

FINANCIAL REVIEW

Contributions are derived from police officers and staff 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 2024 a total of 211 beneficiaries were in receipt of a weekly allowance.

In addition, payments were awarded towards educational expenditure and mental health support.

The Annual Review took place in February 2024 and identified 41 beneficiaries where a financial need for assistance to continue could no longer be established. Weekly allowances were increased for 2 beneficiaries and reduced for 60.

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 2024 contact was being maintained with 165 beneficiaries who remained eligible for celebratory payments and mental health support grants upon application.

At 31 March 2024 there were 45 beneficiaries registered for higher education assistance.

POLICE CHILDREN'S FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2024

**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 57% 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 to those families in need.

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. All fundraising activity is monitored and administered by the Fund's Manager and Administrator. The charity is also registered with the 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 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 donors;
- (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 £6,748,098 (2023: £7,038,940). Free reserves, which are unrestricted funds less tangible fixed assets and designated funds, were £2,865,273 (2023: £3,170,284). The charity had total restricted funds of £342,276 (2023: £337,087) and designated funds at the year-end were £3,482,825 (2023: £3,468,656). Designated funds relate to the market value of investments at year end less aggregate unrealised gains on investments when the market value exceeded historic cost. At the year end, the charity had total funds of £7,090,374 (2023: £7,376,024).

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.

INVESTMENT PERFORMANCE REVIEW

In our last annual report we highlighted various issues that had affected the global economy, and in many ways these still persist today, such as Ukraine, high interest rates and inflation. Although we had expected and hoped that some of these would be resolved by now, it was not to be the case; inflation and consequently interest rates have remained stubbornly high. There are signs that the situation is easing, but not before stresses and strains had appeared in government forecasts and private individuals' circumstances.

Alluded to above, inflation remains a concern, and perhaps in hindsight, market expectations of a steep fall in rates were naïve. In many ways it was simply a matter of timescale not direction. This was always a difficult situation to manage for central banks and many commentators derided the Bank of England for not lowering rates earlier, having already harangued it for not raising them sooner in the cycle. There are signs that the UK economy is emerging from its turbulent period and the new Chancellor of the Exchequer will be inheriting an improving economic outlook.

Moving on to performance over the last year it is comforting to report that this has matched all the benchmark indices and is higher by 6.33% over the period. One concern that had been highlighted more recently was portfolio performance versus an additional inflation benchmark, namely the Consumer Price Index (CPI). It is pleasing to state that whilst the CPI has increased by 4.19% there was a relative outperformance of 2.14% over the period. As inflation cools and interest rates fall, we would expect to see improved capital growth accordingly.

Annual income from the portfolio has improved over the last twelve months and at the year end stood at circa £167,173, rising further since to £172,480. Again, we would expect to see gradual improvement in this figure over time.

Another point worth mentioning is that after many years of avoiding the government bond market due to its poor returns and inflated prices, we decided to purchase an array of gilts to reduce risk in the portfolio whilst producing a guaranteed income in excess of 4%. It is the first time in twelve years that we have done so and provides a secure source of income with little risk of default.

Looking forward there are many uncertainties in 2024, as 40% of the world's populace vote in general elections. We have seen from our own recent election how fortunes can change quickly, and also how the US election has a dark shadow cast over it by the two nominees. From an investment perspective it is vitally important that whoever wins an election, they retain the confidence of their respective markets as otherwise chaos ensues and we would not wish to go through the turbulence seen during Liz Truss's premiership.

In summary, the last twelve months have been a period of readjustment as the world returns to more normal economic policy, although the unwinding of the last thirteen years of experimentation has caused issues that are yet to be completely dealt with. However, given that hopefully there are no more "black swan" events such as Covid or Ukraine on the horizon, then the waters do

FUTURE PLANS AND POST BALANCE SHEET EVENTS

Towards the end of 2023 renovation work commenced on the registered office at Bath Road in Worthing. The property has been a Fund asset for over 60 years and was in need of decoration and repair both internally and externally. The Fund's full-time employees are based here and it is often used for meetings with the Fund's officers as well as the accountants, investment managers and marketing & social media consultants. Just over £40,000 was spent on the renovation during 2023/24 and it is anticipated that £40k to £60k will be spent in 2024/25.

POLICE CHILDREN'S FUND

CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES (INCLUDING THE DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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

GENERAL

The Fund's board meets four times a year which provides opportunities for collective decision-making and for contributing creative ideas to ensure the charity thrives with the sole purpose of helping beneficiaries. 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.

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.

POLICE CHILDREN'S FUND

**CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES
(INCLUDING THE DIRECTORS REPORT)
FOR THE YEAR ENDED 31 MARCH 2024**

**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 [redacted] and signed on behalf of the Board by



**Tim Packham
Chairman**

8.8.24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
POLICE CHILDREN'S FUND
FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the consolidated financial statements of Poice Children's Fund (the 'parent charitable company') and its subsidiaries (the 'group') and the individual parent company for the year ended 31 March 2024 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 2024, 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 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

POLICE CHILDREN'S FUND

FOR THE YEAR ENDED 31 MARCH 2024

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

POLICE CHILDREN'S FUND

FOR THE YEAR ENDED 31 MARCH 2024

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:

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.

Capability of the audit in detecting irregularities, including fraud

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF

POLICE CHILDREN'S FUND

FOR THE YEAR ENDED 31 MARCH 2024

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

- circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures

- made by the Trustees.

Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence

- obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

- financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Accountants
Statutory Auditor
Chichester

Date

8 August 2024

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

POLICE CHILDREN'S FUND

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds			2024	2023
		General £	Designated £	Restricted	Total £	Total £
Income						
Donations and legacies	3	237,628	-	-	237,628	236,974
Income from investments		167,227	-	13,066	180,293	185,546
Total Income		404,855	-	13,066	417,921	422,520
Expenditure						
Raising funds - investment manager costs		34,775	-	1,787	36,562	40,564
Charitable activities	4	944,645	-	-	944,645	1,048,942
Total expenditure		979,420	-	1,787	981,207	1,089,506
Net realised gains/(loss) on investments		259,966	-	(3,007)	256,959	271,646
Net unrealised gains/(loss) on investments		-	14,169	6,508	20,677	(835,411)
Net income/(expenditure)		(314,599)	14,169	14,780	(285,650)	(1,230,752)
Transfers between funds		9,591	-	(9,591)	-	-
Net movement in funds		(305,008)	14,169	5,189	(285,650)	(1,230,752)
Reconciliation of funds:						
Total funds brought forward		3,570,281	3,468,656	337,087	7,376,024	8,606,776
Total funds carried forward		3,265,273	3,482,825	342,276	7,090,374	7,376,024

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

POLICE CHILDREN'S FUND
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

Company number 08542702
Charity numbers 1156903 & 1156903-2

	Notes	2024	2023
		£	£
Fixed assets			
Freehold property	6	400,000	400,000
Investments			
Listed investments	7	6,593,749	6,732,933
		<u>6,993,749</u>	<u>7,132,933</u>
Current assets			
Sundry debtors	8	45,781	36,569
Cash at bank and in hand		64,369	28,844
Deposit accounts		13,111	186,455
Stockbroker income account		<u>13,361</u>	<u>12,081</u>
		136,622	263,949
Current liabilities			
Sundry creditors	9	<u>(39,997)</u>	<u>(20,858)</u>
Net current assets		96,625	243,091
Total assets less current liabilities		<u>7,090,374</u>	<u>7,376,024</u>
Group funds:			
Unrestricted general funds			
General			
Brought forward		3,570,281	3,951,684
Movement for the year		(314,599)	(392,115)
Transfer between reserves		9,591	10,712
Carried forward		3,265,273	3,570,281
Unrestricted designated funds			
Investment fund	10		
Brought forward		3,468,656	4,269,241
Movement for the year		14,169	(800,585)
Carried forward		3,482,825	3,468,656
Restricted funds the Gurney Benevolent Endowment			
Investment fund			
Brought forward		337,087	385,851
Movement for the year		14,780	(38,052)
Transfer between reserves		<u>(9,591)</u>	<u>(10,712)</u>
Carried forward		342,276	337,087
Total Group funds		<u>7,090,374</u>	<u>7,376,024</u>

The notes 1 to 18 form part of these accounts.


For the year ending 31 March 2024 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 financial statements.

The financial statements were approved by the trustees and authorised for issue on

and signed on its behalf by

 8.8.24

Tim Packham
Chairman

POLICE CHILDREN'S FUND

**CHARITY BALANCE SHEET
AS AT 31 MARCH 2024**

**Company number 08542702
Charity number 1156903**

	Notes	2024 £	2023 £
Fixed assets			
Freehold property	6	400,000	400,000
Investments			
Listed investments at market value	7	6,259,577	6,429,822
		<u>6,659,577</u>	<u>6,829,822</u>
Current assets			
Sundry debtors	8	45,275	36,371
Cash at bank and in hand		64,373	28,844
Deposit accounts		9,022	154,841
Stockbroker income account		<u>9,851</u>	<u>9,920</u>
		<u>128,521</u>	<u>229,976</u>
Current liabilities			
Sundry creditors	9	<u>(39,997)</u>	<u>(20,858)</u>
Net current assets		<u>88,524</u>	<u>209,118</u>
Total assets less current liabilities		<u><u>6,748,101</u></u>	<u><u>7,038,940</u></u>
Charity funds:			
Unrestricted general funds			
General			
Brought forward		3,570,284	3,951,687
Movement for the year		<u>(305,008)</u>	<u>(381,403)</u>
Carried forward		3,265,276	3,570,284
Unrestricted designated funds			
Investment fund	10		
Brought forward		3,468,656	4,269,241
Movement for the year		<u>14,169</u>	<u>(800,585)</u>
Carried forward		3,482,825	3,468,656
Total Charity funds		<u><u>6,748,101</u></u>	<u><u>7,038,940</u></u>

The notes 1 to 18 form part of these accounts.

For the year ending 31 March 2024 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 financial statements.

The financial statements were approved by the trustees and authorised for issue on

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 8.8.24

Tim Packham
Chairman

POLICE CHILDREN'S FUND

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Net cash outflow from operating activities	1	(553,359)	(666,784)
Net cash inflow from investing activities	2	416,820	787,495
Net (decrease)/increase in cash balances held	3	(136,539)	120,711
Cash and cash equivalents consists of:		2024 £	2023 £
Cash at bank and in hand		90,841	227,380
Cash and cash equivalents at 31 March		90,841	227,380
Note 1 - Reconciliation of changes in resources to net inflow from operating activities		2024 £	2023 £
Net income/(expenditure) for the year before other recognised gains and losses		(563,286)	(666,987)
Decrease/(increase) in debtors		(9,212)	2,491
(Decrease)/increase in creditors		19,139	(2,288)
Net cash outflow from operating activities		(553,359)	(666,784)
Note 2 - Net investment proceeds/(purchases)		2024 £	2023 £
Payments to acquire shares		(850,663)	(337,191)
Receipts from sales of shares		1,267,483	1,124,686
Net cash inflow from investing activities		416,820	787,495
Note 3 - Net decrease in cash balances held			
	Movement in year £	2024 £	2023 £
Deposit accounts	(173,344)	13,111	186,455
Stockbroker income account	1,280	13,361	12,081
Current account and cash	35,525	64,369	28,844
	(136,539)	90,841	227,380

POLICE CHILDREN'S FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

1 Principal accounting policies

Basis of preparation

Police Children's Fund 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 Police Children's 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 Police Children's Fund also control the Gurney Benevolent Fund and manage the two charities on a unified basis. Accordingly these financial statements consolidate the results of Police Children's 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 Police Children's Fund and the Gurney Benevolent Fund. "Charity" is used when referring to Police Children's 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. Contributing officers donate 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.

POLICE CHILDREN'S FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

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 or opening of the deposit or similar account.

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.

POLICE CHILDREN'S FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

2 Expenditure

	2024 £	2023 £
Expenditure is stated after charging:		
Auditor's remuneration:		
Audit of the financial statements	10,300	9,700
Accountancy and other services	4,620	4,320
	14,920	14,020

3 Donations and legacies

	2024 £	2023 £
Forces contributions	230,892	212,758
Forces donations and collecting boxes	15 3,861	2,012
Private donations	16 2,875	7,885
Legacies	18 -	14,319
	237,628	236,974

4 Expenditure on charitable activities

	2024 £	2023 £
Allowances and grants to children	623,206	804,321
Christmas and birthday gifts	69,845	66,118
Administration costs detailed below	125,933	60,483
Wages and salaries allocation	5 78,744	85,151
Trustees' expenses	12,698	13,788
Audit of the financial statements	10,300	9,700
Accountancy and other services	4,620	4,320
Legal and professional fees	19,299	5,061
	944,645	1,048,942
<u>Administration costs:</u>		
Telephone and postage	1,755	1,995
Printing and stationery	1,893	5,239
Marketing	43,674	25,880
Sundries	462	261
Rates and insurance	4,967	4,173
Lighting, heating and cleaning	4,552	3,075
Repairs, renewals and garden upkeep	65,881	19,303
Staff travel and training	2,749	557
	125,933	60,483

Included in charitable activity costs above are governance costs totalling £46,917 (2023: £32,869). These costs include audit and accountancy, legal fees, and trustee meeting expenditure.

POLICE CHILDREN'S FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

5 Staff costs

Group and charity	2024 £	2023 £
Gross salaries	68,905	73,541
Employers national insurance contributions	1,897	2,591
Pension scheme contributions	7,942	9,019
	<u>78,744</u>	<u>85,151</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 £2,953 (2023: £3,151) were reimbursed. These expenses related to reimbursed travel expenses and were paid to 10 trustees (2023: 8).

The average number of staff employed during the year was 2 (2023: 2).

Two staff members are entitled to pension contributions relating to a defined contribution pension scheme, there was £748 (2023: £661) 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 £78,744 (2023: £85,151).

6 Freehold property

Group and charity	2024 £	2023 £
Cost at 1 April 2023	400,000	400,000
Cost at 31 March 2024	<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 (2023: £400,000). This is considered to be the residual value.

7 Investments: listed

Group	Total £	Government Bonds £	Equity Holdings £
Valuation at 1 April 2023	6,732,933	226,483	6,506,450
Acquisitions	850,663	152,139	698,524
Disposals	(1,010,524)	-	(1,010,524)
Changes in unrealised gains	20,677	(1,947)	22,624
Valuation at 31 March 2024	<u>6,593,749</u>	<u>376,675</u>	<u>6,217,074</u>
Charity	Total £	Government Bonds £	Equity Holdings £
Valuation at 1 April 2023	6,429,822	197,603	6,232,219
Acquisitions	744,661	120,401	624,260
Disposals	(929,074)	-	(929,074)
Changes in unrealised gains	14,168	(2,130)	16,298
Valuation at 31 March 2024	<u>6,259,577</u>	<u>315,874</u>	<u>5,943,703</u>

POLICE CHILDREN'S FUND

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024**

8 Debtors	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Deferred expenses	8,351	1,713	8,351	1,713
Contributions from forces	34,683	33,303	34,683	33,303
Accrued investment income	2,747	1,553	2,241	1,355
	45,781	36,569	45,275	36,371

9 Creditors	2024 £	2023 £
Group and charity		
PAYE and NI	1,687	1,447
Other creditors and accruals	38,310	19,411
	39,997	20,858

10 Designated funds	2024 £	2023 £
Charity		
Market value of investments at 31 March 2024	6,259,577	6,429,822
Historical cost of investments	(2,776,752)	(2,961,166)
	3,482,825	3,468,656

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 £	2023 Total funds £
Income				
Donations and legacies	236,974	-	-	236,974
Income from investments	174,891	-	10,655	185,546
Total income	411,865	-	10,655	422,520
Expenditure				
Expenditure on raising funds	38,621	-	1,944	40,565
Expenditure on charitable activities	1,048,942	-	-	1,048,942
Total expenditure	1,087,563	-	1,944	1,089,507

POLICE CHILDREN'S FUND

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024**

12 Analysis of group net assets by type of fund

	Fixed Asset £	Investments £	Current Assets £	Creditors £	Total £
Unrestricted funds	400,000	6,259,574	128,521	(39,997)	6,748,098
Restricted fund - Gurney	-	334,175	8,101	-	342,276
Benevolent Fund					
	400,000	6,593,749	136,622	(39,997)	7,090,374

13 Charity results

	2024 £	2023 £
Income	404,855	411,865
Expenditure on raising funds	(34,775)	(38,621)
Expenditure on charitable activities	(944,645)	(1,048,942)
Realised gains on investments	259,966	283,583
Unrealised gains / (losses) on investments	14,169	(800,585)
Transfer from Gurney Benevolent Fund	9,591	10,712
Net income/(expenditure)	(290,839)	(1,181,988)

14 Gurney Benevolent Fund results

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

	2024 £	2023 £
The income and expenses were:		
Income from investments	13,066	10,655
Expenditure on raising funds	(1,787)	(1,944)
Net realised (losses) on investments	(3,007)	(11,937)
Net unrealised gains / (losses) on investments	6,508	(34,826)
Transfer to general unrestricted fund	(9,591)	(10,712)
Net income/(expenditure) for the year	5,189	(48,764)

The assets and liabilities were:

Fixed asset investments	334,175	303,114
Current assets	8,101	33,973
Total net assets	342,276	337,087
Represented by:		
Restricted funds	342,276	337,087
Total funds	342,276	337,087

POLICE CHILDREN'S FUND

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

15 Forces donations and collecting boxes

		2024 £	2023 £
Portsmouth & SE Hants	NARPO Book Sale	310	-
Surrey	Police Federation Awards Evening	1,966	-
Beds, Cambs & Herts	Armed Police Unit	-	1,050
Hampshire	Police Federation Charity Dinner	1,500	-
Hampshire	Hampshire Constabulary	-	662
Leicestershire	Leicestershire Police	-	300
Warwickshire	Collection boxes	85	-
		3,861	2,012

16 Private donations

		2024 £	2023 £
Anonymous		360	360
Broadfoot Antiques		-	300
Doubleday Charitable Trust		-	800
E Brown		-	1,825
Giftaid		-	561
In memory of D Golding		-	150
In memory of J Dicker		-	25
Just Giving		1,920	2,663
In memory of C Bennett		25	-
Mr K Gromett		60	60
In memory of S Murden		100	-
Mr M Helyar		120	120
Mr Simon Stabb		-	500
Mrs Susan Craggs		200	180
Much Loved		90	341
		2,875	7,885

17 Financial commitments

At 31 March 2024 the Charity had total financial commitments under non-cancellable contracts of £14,026 (2023: £nil).

18 Legacy income

Legacy income 2024: £nil (2023: £14,319).

19 Related party transactions

The total amount of donations received from trustees without conditions 2024: £60, (2023: £nil).

20 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.