

METROPOLITAN AND CITY POLICE

ORPHANS FUND

Registered Charity Number 234787

ANNUAL REPORT & ACCOUNTS 2021



George Hay & Company
Chartered Accountants
& Statutory Auditors
83 Cambridge Street
London
SW1V 4PS

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

PATRON



H.R.H The Duke of Cambridge KG, KT, PC, ADC

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

PRESIDENT



Cressida Dick CBE QPM

VICE PRESIDENT



Ian Dyson QPM

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021**

TRUSTEES	D Davies G Gilbert C Knight (resigned 31.12.21) D Lawes S Owens G Smyth Q.P.M A Sutherland (resigned 30.11.21) A Maybanks (resigned 31.10.21) J Howard A Shuttleworth (resigned 1.4.21) N Jerome S Davies G Gaskain D Murphy (resigned 30.9.21) K Malda (appointed 1.4.21) K Gordon (appointed 1.12.21) M Reed (appointed 1.12.21) P Dodds (appointed 1.10.21) A Picton (appointed 1.4.22)
EX-OFFICIO MEMBERS	The President and Vice-President
CHIEF EXECUTIVE OFFICER	P. Smyth
DEPUTY CHIEF EXECUTIVE OFFICER	M. Cooper
WEBSITE:	https://www.met-cityorphans.org.uk/
PRINCIPAL ADDRESS	30 Hazlewell Road Putney London SW15 6LH
REGISTERED CHARITY NUMBER	234787
BANKERS	LLOYDS TSB BANK PLC Pall Mall Branch, St. James's, 8 – 10 Waterloo Place, London, SW1Y 4BE
AUDITORS	George Hay & Company Chartered Accountants & Statutory Auditors 83 Cambridge Street London SW1V 4PS
INVESTMENT MANAGERS	CCLA Investments Management Limited 80 Cheapside, London, EC2V 6DZ Close Brothers Asset Management 8th Floor, 10 Exchange Square, Primrose Street, London, EC2A 2BY

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

I am delighted to present my fifth Annual Report and Annual Accounts as Chair of the Metropolitan & City Police Orphan's Fund, it was an honour to be appointed as Chair of the fund which is the oldest Police Charity in the world. I would like to take this opportunity of thanking all those who gave up their valuable time to serve on the Board of Management.

I would also wish to place on record our enormous thanks to the sponsors of our Annual Luncheon, George Burrows Insurance, Reynolds Dawson Solicitors and ARC Legal Insurance. Their support for our luncheon and indeed their support throughout the year is of huge assistance to the Fund.

The COVID-19 pandemic had a major effect on our investments with sharp drops in valuations. We are pleased that by mid 2021 the value of our investments had largely recovered. We sincerely thank CCLA Investments and Close Brothers Asset Management for all their work in protecting our investments at such a volatile time.

Working in close liaison with our investment advisers, CCLA and Close Brothers, we closely monitored the performance of our investments and in particular the dividend payments that are our lifeblood as a charity. Our sincere thanks go to Antonia Cavalieri at CCLA and Adam Griffin at Close Brothers for their patience and advice. They made steering our way through the pandemic so much easier.

We are pleased that dividends held up better than we could have hoped for, and although down on previous years, not as bad as first feared.

The Board took the pandemic as an opportunity to have a close look at our investment strategy and having considered the matter decided to instruct Close Brothers to try and achieve a better rate of income albeit if that means slightly less growth. The Board took the view that it is the income that is important to support our families. Growth leads to a better looking balance sheet but increased valuations do not necessarily mean increased income. In the last 5 years our investments have grown by around 50%, which is great but in the same period our investment income has grown by around 10%, barely keeping up with inflation. The Board have decided that extra income is preferable to extra in valuations.

As we enter 2022, it is pleasing to report that our income streams are steady and we anticipate all our grants and allowances being maintained at normal levels throughout 2022.

Given the background of the Pandemic, the fund had a successful year, we hope to continue this in the coming years by increasing the level of support to the children of police officers serving or retired who have died or are so incapacitated that they are unable to contribute financially to the upkeep of their families.

We are now supporting more children than at any point since the years following the two World Wars. This is mainly due to our efforts to trace families who for whatever reason had not applied to the fund previously. By liaising with Police Pension Branch we were able to trace a number of families who had up until then missed out on our support. We will endeavour to continue to support children who otherwise would be faced with financial hardships in their family life. We continue to review our finances to ensure we can maximise the amounts we can provide in support of families.

As a Charity we rely very heavily on voluntary contributions. I would like to thank all our donors and subscribers for their financial generosity. Without their on-going commitment we would not have been able to provide the same level of support in caring for our unfortunate orphans.

We are very proud of the achievements of the children we support it never ceases to amaze me of the resilience of young people and the fantastic results they attain, often in the face of adversity and tragic family loss. Many of the young people we support go on to attain qualifications to assist them in life and benefit their communities.

The Trustees wish to convey their sincere thanks to all our generous Donors and Subscribers, for their continued support in 2021.

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

We wish to thank the Staff Associations and National Association of Retired Police Officers (London Branch) who kept the fund informed of officers and retired officers who have died and still have children in full time education, but for this information, many cases could have been overlooked.

I also wish to place on record my thanks to my fellow Board of Management members for their continued support and for finding the time in their busy working lives to attend meetings, at their own expense, I am very grateful for their unwavering commitment and dedication.

Simon Ovens
Chairman of the Board of Management

Date: 12th October 2022

METROPOLITAN AND CITY POLICE ORPHANS FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ORIGINS

The Charity (**Charity Number 234787**) was founded in 1870, and was formerly known as **THE METROPOLITAN AND CITY POLICE ORPHANAGE**. With the approval of the Charity Commission, the orphanage closed on 31st July 1937. On the following day the **Metropolitan and City Police Orphans Fund** came into being.

OBJECTIVES AND ACTIVITIES

Objectives and aims

1. To relieve beneficiaries in cases of need or hardship.
2. To advance the education, professional or vocational training of beneficiaries in need of financial assistance, to include education at school, college or university and education or training in music or the arts.
3. To promote the health of and relieve sickness, infirmity or disability among beneficiaries in cases of need, by the provision of medical treatment and financial assistance to enable them to participate in healthy recreational activities.
4. To help the beneficiaries, especially but not exclusively, through leisure time activities, so as to develop their skills, capacities and capabilities, to enable them to participate in society as mature and responsible individuals.

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. In order to carry out the Charity's aim for the public benefit, the Trustees award grants and allowances to cover the different circumstances of those in need:

Bereavement Payment is given to families immediately upon the death of a serving officer.

Compassionate Allowance is awarded to children of police officers of the Metropolitan Police Service ("the MPS") and the City of London Police who have not completed their education where one or both of whose police parent are dead, disabled or incapacitated, or in the judgement of the Trustees, is incapable of materially contributing to their own family's support due to sickness, infirmity or disability; or in exceptional cases, persons who have ceased to be beneficiaries on completion of their education but who in the opinion of the Trustees remain in need of assistance.

Education Grants are awarded to children for any educational purpose which in the opinion of the Trustees is likely to contribute to the spiritual, moral, mental or physical development of the child. We also award a Discretionary Grant to help with the payment of tuition fees.

Clothing Grant is awarded to children who are leaving full time education to seek employment. The grant is awarded for financial assistance in the purchase of clothing for employment interviews.

Holiday Grant is awarded to our families who are on the lowest incomes.

Family Support is awarded to families on a higher income and are small payments given to such families twice per year, at summer holidays and Christmas, to assist with maintaining the children's wellbeing. Such payments are felt necessary to ensure that all police officers children receive an acknowledgement of the contributions made by their police parent.

Payments made in 2021:

- Compassionate Allowance	£549,970
- Education Grants (includes tuition fee grants)	£57,570
- Clothing Grant	£6,750
- Holiday Grant	£153,580
- Family Support	£92,884
- Bereavement	£16,000
TOTAL	£876,754

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Charity continues to remain focused on the educational needs of our orphans. The Grants paid by the Fund go to individuals and not to corporate bodies. The Trustees are of the opinion that the Fund's responsibility under the Charity's Deed of Trust is to provide educational funding in order that our orphans are given the best possible educational advantage.

In making grants (£876,754) during the year; the Trustees' are of the opinion that they have discharged their duties under the Charity's Deed of Trust.

Investment performance

Our investments are managed by CCLA Investment Management Limited and Close Brothers Asset Management with the objective of maximizing the income receivable whilst allowing a degree of capital growth. We will continue to have quarterly reports provided on the performance of our investments, in light of our continued policy of reducing the exposure to UK equities in favour of a greater allocation to markets overseas. In our view, the enhanced allocation to international investment increases the opportunities to generate attractive long term returns and reduces the risks that arise from too great an exposure to a single market.

FINANCIAL REVIEW

Financial position

The accounts have been prepared in accordance with the revised Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2019).

The net result show a net cash surplus of £228,281 compared to a surplus of £116,949 in 2020.

Expenditure in 2021 decreased by £37,194 on the previous year. Previous years have seen small deficits in expenditure over income. This has been largely offset by the growth in valuation of our investments. In 2019 with the assistance of Metropolitan Police Pensions Branch we undertook a major effort to try and trace families who were eligible for assistance but not currently claiming. This resulted in an additional 37 children coming onto the fund.

With the assistance of the Metropolitan and City Police Federations, the National Association of Retired Police Officers (London Branch) we are trying to ensure that no families are missed in future.

Compassionate Allowance and Miscellaneous Grants; which represented 78% of the Funds expenditure, decreased by £42,226 to £876,754 compared to 2020.

Other Costs; decreased by £3,837 to £100,756, details of this expenditure can be found in the notes to the financial statements, under the heading 'Total Resources Expended'. The main reason for this decrease was due to higher costs in 2020 relating to higher premises costs.

Gains on investments amounted to £3,281,450 compared to a gain on investments of £1,983,682 in 2020. Taking into account these gains means that the Fund grew by £3,580,542 in 2021.

METROPOLITAN AND CITY POLICE ORPHANS FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

Principal funding sources

Income; in 2021 increased by £303,786 on the previous year, however due to the performance of our investments overall and the receipt of a large legacy the charities funds increased by £3,580,542.

Police Subscriptions; which produced 25% of our income for 2021 and increased slightly to £356,464 compared to £354,153 in the previous year.

Donations; decreased from £58,373 to £55,058. Donations accounted for 3.9% of our income.

Donations through Collecting Boxes; decreased by £3,150 to £886 compared to 2020. Collection Boxes were a significant income stream for us in the past and used to regularly bring in £20k per annum. The closure of so many police station front counters and the move to telephone and internet reporting has greatly reduced the effectiveness of this method of income generation.

Legacies; There was one legacy totalling £267,434 that was invested in our Unrestricted Funds Account.

Investment Income; which produced 52% of our income; increased by £66,442 to £744,162.

Reserves policy

The current level of unrestricted reserves is £31,058,131. The Fund is increasingly reliant upon the income generated by these reserves to fulfil its charitable objectives. In 2021 the reserves generated 52% of Income. The policy on reserves is reviewed annually. The Fund supports its beneficiaries over long periods, 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 projections.

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

- a) The amount of police officer subscriptions
- b) The number of recipients of the allowances
- c) The level of inflation
- d) Income and Capital growth yields available from the investment portfolio.

The current policy of the Trustees is to maintain the current level of reserves and to try and achieve small increases in reserves to alleviate the effects of inflation. The income generated from our reserves is expended for the benefit of our unfortunate orphans. Other sources of income are insufficient to support our charitable aims, without the income from reserves. The current level of reserves is therefore needed to meet the capital requirements of the Charity.

FUTURE PLANS

We intend to strengthen our links with our benefactors and donors to assist us in developing more effective initiatives to expand the general awareness of the Charity.

The Fund has signed up to organisations such as EasyFundraising, VirginMoneyGiving and Love2Donate in order to maximise opportunities for donations and to ensure that all due Gift aid is claimed.

We will continue to improve our performance by increasing the number of applicants registered with the Charity and therefore increase the amount of expenditure on grants payable.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Declaration of Trust dated 31st August 1918 and Scheme of 12th October 1937 and adopted 8th May 1964 as amended 28th June 1967, 23rd May 1968, 28th May 1970, 26th September 1983, 14th November 2002, 10th June 2009 and 17th January 2017.

METROPOLITAN AND CITY POLICE ORPHANS FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The overall governance of the Fund is vested in the Trustees, there are fourteen members, two nominated by the Metropolitan Police Commissioner and one by the Commissioner of the City of London Police, with the remainder nominated by Staff Associations within the Services. The Board of Management meet at the Fund's office each month to consider applications and variations in the circumstances of recipients. Regular checks for changes are made by way of correspondence, enquiries of parents and educational establishments.

The day to day running of the Fund is delegated to the Chief Executive Officer (CEO) and Deputy Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day management and control of the administration of the charitable funds and reports monthly to the Board of Management. The CEO ensures that the criteria for spending charitable monies are fully met; that full accounting records are maintained and that devolved decision making or delegated arrangements are in accordance with the policies and procedures set out by the Board of Management.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations, to improve their knowledge of charity law and their responsibilities as trustees.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Fund is exposed, in particular those related to the operations and finance of the Fund, and are satisfied that systems are in place to mitigate their exposure to major risks. A review of the Charity's risk management process is undertaken on a quarterly basis. Procedures are in place to ensure compliance with health and safety of staff and visitors to the offices. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

ACKNOWLEDGEMENTS

The Trustees wish to convey their sincere thanks to all our generous Donors and Subscribers, for their continued support in 2021.

We wish to thank the Staff Associations and National Association of Retired Police Officers (London Branch) who kept the fund informed of officers and retired officers who have died and still have children in full time education, but for this information, many cases could have been overlooked.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 12th October 2022 and signed on its behalf by:

.....
S Ovens - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF METROPOLITAN AND CITY POLICE ORPHANS FUND

Opinion

We have audited the financial statements of Metropolitan and City Police Orphans Fund (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF METROPOLITAN AND CITY POLICE ORPHANS FUND

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company's operations, we identified that the principal risks of non-compliance with laws and regulations relates to grant making. We considered the extent to which non-compliance might have a material effect on the financial statements that results in the situation that no further grant funding can be provided. We also considered the relevant laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined there were no principal risks directly impacting the Fund's revenue and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
METROPOLITAN AND CITY POLICE ORPHANS
FUND**

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

George Hay & Company
Chartered Accountants
& Statutory Auditors
83 Cambridge Street
London
SW1V 4PS

Date:

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	679,816	-	679,816	442,472
Investment income	3	<u>738,322</u>	<u>5,840</u>	<u>744,162</u>	<u>677,720</u>
Total		1,418,138	5,840	1,423,978	1,120,192
EXPENDITURE ON					
Raising funds	4	100,756	-	100,756	88,062
Charitable activities	5				
Compassionate allowances		549,970	-	549,970	629,151
Miscellaneous grants		326,784	-	326,784	289,829
Direct costs		147,376	-	147,376	138,507
Other		<u>-</u>	<u>-</u>	<u>-</u>	<u>16,531</u>
Total		1,124,886	-	1,124,886	1,162,080
Net gains on investments		<u>3,250,818</u>	<u>30,632</u>	<u>3,281,450</u>	<u>1,983,682</u>
NET INCOME		3,544,070	36,472	3,580,542	1,941,794
RECONCILIATION OF FUNDS					
Total funds brought forward		27,514,061	241,848	27,755,909	25,814,115
TOTAL FUNDS CARRIED FORWARD		<u><u>31,058,131</u></u>	<u><u>278,320</u></u>	<u><u>31,336,451</u></u>	<u><u>27,755,909</u></u>

The notes form part of these financial statements

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	1,693	1,693
Investments	12	<u>30,413,040</u>	<u>27,156,969</u>
		30,414,733	27,158,662
CURRENT ASSETS			
Debtors	13	225,429	129,160
Cash at bank		<u>717,923</u>	<u>489,642</u>
		943,352	618,802
CREDITORS			
Amounts falling due within one year	14	(21,634)	(21,555)
		<u>921,718</u>	<u>597,247</u>
NET CURRENT ASSETS			
		<u>31,336,451</u>	<u>27,755,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>31,336,451</u>	<u>27,755,909</u>
NET ASSETS			
		<u>31,336,451</u>	<u>27,755,909</u>
FUNDS	16		
Unrestricted funds		31,058,131	27,514,061
Restricted funds		<u>278,320</u>	<u>241,848</u>
TOTAL FUNDS		<u>31,336,451</u>	<u>27,755,909</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12th October 2022 and were signed on its behalf by:

.....
Trustee

.....
Trustee

.....
Trustee

The notes form part of these financial statements

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>202,902</u>	<u>(8,647)</u>
Net cash provided by/(used in) operating activities		<u>202,902</u>	<u>(8,647)</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		(410,550)	(2,283,799)
Sale of fixed asset investments		<u>435,929</u>	<u>2,409,395</u>
Net cash provided by investing activities		<u>25,379</u>	<u>125,596</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		228,281	116,949
Cash and cash equivalents at the beginning of the reporting period		<u>489,642</u>	<u>372,693</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>717,923</u></u>	<u><u>489,642</u></u>

The notes form part of these financial statements

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	3,580,542	1,941,794
Adjustments for:		
Gain on investments	(3,281,450)	(1,983,682)
(Increase)/decrease in debtors	(96,269)	29,466
Increase in creditors	<u>79</u>	<u>3,775</u>
Net cash provided by/(used in) operations	<u><u>202,902</u></u>	<u><u>(8,647)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank	<u>489,642</u>	<u>228,281</u>	<u>717,923</u>
	<u>489,642</u>	<u>228,281</u>	<u>717,923</u>
Total	<u><u>489,642</u></u>	<u><u>228,281</u></u>	<u><u>717,923</u></u>

The notes form part of these financial statements

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All incoming resources are recognised once the Fund has entitlement to the resources.

Subscription income is recognised on a receivable basis.

Donations are recognised as and when they received as cleared funds in the bank.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled and it is virtually certain that the amount of the incoming resources is known.

Investment income is recognised on a receivable basis.

Tax recovered from voluntary income received under gift aid is recognised in the Statement of Financial Activities when the income is receivable and is allocated to the income category to which the income relates.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds comprises costs associated with attracting voluntary income and investment management costs.

Direct costs include central functions allocated to activity cost categories on a basis consistent with the use of resources, and governance costs associated with meeting the constitutional and statutory requirements of the Charity and includes the audit fees and costs linked to the strategic management of the Charity.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Fund. The grants are accounted for where either the Trustees have agreed to pay the grant without conditions or the recipient has a reasonable expectation that they will receive a grant.

Tangible fixed assets

Freehold property held for the Charity's use is valued at cost. No depreciation has been charged, as it is the Trustees' policy to maintain the building in a continual state of sound repair. The Trustees consider that the life of this asset is so long and its residual value so high that its depreciation is insignificant.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

Restricted funds comprise those funds held on trust to be applied for restrictive purposes.

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES - continued

Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value (or their purchase value if acquired subsequent to the first day of the financial year). Unrealised gains and losses are calculated as the difference between the fair value at the year end and the carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Police subscriptions	356,464	354,153
Donations	55,058	58,373
Collecting boxes	860	4,036
Legacies	<u>267,434</u>	<u>25,910</u>
	<u><u>679,816</u></u>	<u><u>442,472</u></u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Investment income	<u>744,162</u>	<u>677,720</u>

4. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Fundraising events	<u>1,621</u>	<u>5,927</u>

Investment management costs

	2021	2020
	£	£
Investment management costs	<u>99,135</u>	<u>82,135</u>

Aggregate amounts	<u><u>100,756</u></u>	<u><u>88,062</u></u>
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**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Compassionate allowances	-	549,970	-	549,970
Miscellaneous grants	-	326,784	-	326,784
Direct costs	<u>17,558</u>	<u>-</u>	<u>129,818</u>	<u>147,376</u>
	<u><u>17,558</u></u>	<u><u>876,754</u></u>	<u><u>129,818</u></u>	<u><u>1,024,130</u></u>

6. GRANTS PAYABLE

	2021 £	2020 £
Compassionate allowances	549,970	629,151
Miscellaneous grants	<u>326,784</u>	<u>289,829</u>
	<u><u>876,754</u></u>	<u><u>918,980</u></u>

The total grants paid to individuals during the year was as follows:

	2021 £	2020 £
Compassionate allowances	549,970	629,151
Clothing	6,750	8,500
Education	57,570	78,080
Holiday	153,580	110,085
Family support	92,884	51,164
Bereavement	<u>16,000</u>	<u>42,000</u>
	<u><u>876,754</u></u>	<u><u>918,980</u></u>

7. SUPPORT COSTS

	Governance costs £
Direct costs	<u><u>129,818</u></u>

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Governance costs

	2021 Direct costs £	2020 Total activities £
Staff salaries and pensions	121,238	120,985
Auditors' remuneration	8,374	8,667
Legal and professional	<u>206</u>	<u>7,864</u>
	<u><u>129,818</u></u>	<u><u>137,516</u></u>

8. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u><u>8,374</u></u>	<u><u>8,667</u></u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The Trustees received no remuneration during this year or the previous year and there were no expenses reimbursed during this year or in the previous year. The Charity has taken out a Trustee indemnity insurance policy and paid a premium of £1,120 (2020: £1,120).

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	<u><u>121,238</u></u>	<u><u>120,985</u></u>
	<u><u>121,238</u></u>	<u><u>120,985</u></u>

The average monthly number of employees during the year was as follows:

	2021	2020
Administration	<u><u>2</u></u>	<u><u>2</u></u>

No employees received emoluments in excess of £60,000.

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2021 and 31 December 2021	<u>1,693</u>
NET BOOK VALUE	
At 31 December 2021	<u><u>1,693</u></u>
At 31 December 2020	<u><u>1,693</u></u>

The freehold property at 30 Hazlewood Road, Putney was purchased in 1937 and is used as the Fund's Office. The property was valued on 1st April 2003 by Foxtons, Estate Agents at £1.5m. The market value of the property is now believed to be in the region of £2m. This value has not been incorporated into the financial statements. The property is subject to a covenant whereby it cannot be sold without the prior consent of the Charity Commission.

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	27,156,969
Additions	410,550
Disposals	(192,341)
Revaluations	<u>3,037,862</u>
At 31 December 2021	<u>30,413,040</u>
NET BOOK VALUE	
At 31 December 2021	<u><u>30,413,040</u></u>
At 31 December 2020	<u><u>27,156,969</u></u>

Investment assets held outside the UK total £5,927,841 (2020: £5,768,851).

The value of the following investments represents more than 5% of the total market value as at 31st December 2021:

CCLA Revenue Reserve - £8,773,993 (29%)
CCLA General Fund - £7,319,642 (24%)

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	1,309	1,352
Accrued income	<u>224,120</u>	<u>127,808</u>
	<u>225,429</u>	<u>129,160</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>21,634</u>	<u>21,555</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	1,693	-	1,693	1,693
Investments	30,166,466	246,574	30,413,040	27,156,969
Current assets	911,606	31,746	943,352	618,802
Current liabilities	<u>(21,634)</u>	<u>-</u>	<u>(21,634)</u>	<u>(21,555)</u>
	<u>31,058,131</u>	<u>278,320</u>	<u>31,336,451</u>	<u>27,755,909</u>

16. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	27,514,061	3,544,070	31,058,131
Restricted funds			
Education	89,604	13,513	103,117
War memorial fund	74,339	11,210	85,549
War memorial hospital	58,356	8,801	67,157
Twells memorial	7,744	1,168	8,912
Sir Edmund Henderson	<u>11,805</u>	<u>1,780</u>	<u>13,585</u>
	<u>241,848</u>	<u>36,472</u>	<u>278,320</u>
TOTAL FUNDS	<u>27,755,909</u>	<u>3,580,542</u>	<u>31,336,451</u>

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,418,138	(1,124,886)	3,250,818	3,544,070
Restricted funds				
Education	2,164	-	11,349	13,513
War memorial fund	1,795	-	9,415	11,210
War memorial hospital	1,409	-	7,392	8,801
Twells memorial	187	-	981	1,168
Sir Edmund Henderson	285	-	1,495	1,780
	<u>5,840</u>	<u>-</u>	<u>30,632</u>	<u>36,472</u>
TOTAL FUNDS	<u><u>1,423,978</u></u>	<u><u>(1,124,886)</u></u>	<u><u>3,281,450</u></u>	<u><u>3,580,542</u></u>

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	25,590,652	1,923,409	27,514,061
Restricted funds			
Education	82,793	6,811	89,604
War memorial fund	68,688	5,651	74,339
War memorial hospital	53,920	4,436	58,356
Twells memorial	7,155	589	7,744
Sir Edmund Henderson	10,907	898	11,805
	<u>223,463</u>	<u>18,385</u>	<u>241,848</u>
TOTAL FUNDS	<u><u>25,814,115</u></u>	<u><u>1,941,794</u></u>	<u><u>27,755,909</u></u>

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,114,788	(1,162,080)	1,970,701	1,923,409
Restricted funds				
Education	2,002	-	4,809	6,811
War memorial fund	1,661	-	3,990	5,651
War memorial hospital	1,304	-	3,132	4,436
Twells memorial	173	-	416	589
Sir Edmund Henderson	264	-	634	898
	<u>5,404</u>	<u>-</u>	<u>12,981</u>	<u>18,385</u>
TOTAL FUNDS	<u><u>1,120,192</u></u>	<u><u>(1,162,080)</u></u>	<u><u>1,983,682</u></u>	<u><u>1,941,794</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.20 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	25,590,652	5,467,479	31,058,131
Restricted funds			
Education	82,793	20,324	103,117
War memorial fund	68,688	16,861	85,549
War memorial hospital	53,920	13,237	67,157
Twells memorial	7,155	1,757	8,912
Sir Edmund Henderson	10,907	2,678	13,585
	<u>223,463</u>	<u>54,857</u>	<u>278,320</u>
TOTAL FUNDS	<u><u>25,814,115</u></u>	<u><u>5,522,336</u></u>	<u><u>31,336,451</u></u>

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,532,926	(2,286,966)	5,221,519	5,467,479
Restricted funds				
Education	4,166	-	16,158	20,324
War memorial fund	3,456	-	13,405	16,861
War memorial hospital	2,713	-	10,524	13,237
Twells memorial	360	-	1,397	1,757
Sir Edmund Henderson	549	-	2,129	2,678
	<u>11,244</u>	<u>-</u>	<u>43,613</u>	<u>54,857</u>
TOTAL FUNDS	<u><u>2,544,170</u></u>	<u><u>(2,286,966)</u></u>	<u><u>5,265,132</u></u>	<u><u>5,522,336</u></u>

Unrestricted funds comprise those funds which the Trustees are free to use in furtherance of the general objective of the Charity.

Restricted funds comprise of the following funds:

Education Fund: Income of the fund provides grants to orphans for education purposes.

War Memorial Fund: Income of the fund provides allowances for benefit of necessitous orphans.

War Memorial Hospital Fund: Income of the fund provides grants to orphans receiving compassionate allowances.

Twells Memorial Fund: Income of the fund provides grants to orphans receiving compassionate allowances.

Sir Edmund Henderson: Income of the fund provides education grants to orphans.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

18. POST BALANCE SHEET EVENTS

In March of 2020, the World Health Organization declared a novel coronavirus and its resulting disease (COVID-19) a pandemic. In view of the potential impact on the Charity the Trustees have been closely monitoring of the value and performance of the investments held.

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Police subscriptions	356,464	354,153
Donations	55,058	58,373
Collecting boxes	860	4,036
Legacies	<u>267,434</u>	<u>25,910</u>
	679,816	442,472
Investment income		
Investment income	<u>744,162</u>	<u>677,720</u>
Total incoming resources	1,423,978	1,120,192
EXPENDITURE		
Raising donations and legacies		
Fundraising events	1,621	5,927
Investment management costs		
Investment management costs	99,135	82,135
Charitable activities		
Rates	1,717	1,633
Insurance	2,634	3,560
Other premises costs	4,464	7,612
Telephone	1,357	1,316
Postage and stationery	670	35
Computer expenses	5,705	2,223
Miscellaneous costs	1,011	1,143
Grants to individuals	<u>876,754</u>	<u>918,980</u>
	894,312	936,502
Support costs		
Governance costs		
Staff salaries and pensions	121,238	120,985
Auditors' remuneration	8,374	8,667
Legal and professional	<u>206</u>	<u>7,864</u>
	<u>129,818</u>	<u>137,516</u>
Total resources expended	<u>1,124,886</u>	<u>1,162,080</u>
Net income/(expenditure) before gains and losses	299,092	(41,888)

This page does not form part of the statutory financial statements

**METROPOLITAN AND CITY POLICE ORPHANS
FUND**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>243,588</u>	<u>1,118,548</u>
Net income	<u><u>542,680</u></u>	<u><u>1,076,660</u></u>

This page does not form part of the statutory financial statements