

**The Gurney Fund for Police Orphans Registered Charity Number : 261319**

**The Gurney Benevolent Fund Registered Charity Number : 261319-1**

**THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND**

**TRUSTEES' REPORT AND AUDITED GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2010**

## THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

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Annual General Meeting to be held at the Beach Hotel, Marine Parade, Worthing, West Sussex BN11 3QJ on Thursday, 4 November 2010 at 2.00pm

### AGENDA

- 1 Apologies for absence
- 2 To approve the Minutes of the last meeting, held at the Beach Hotel, Worthing on Thursday, 5 November 2009, which have been circulated.
- 3 To receive a report from the Chairman on behalf of the Trustees.
- 4 To receive a report on the accounts and investments:
  - (a) T Spelman, Treasurer
  - (b) D M Spofforth, BSc, FCA, Auditor
  - (c) R C Corfield, Stockbroker
- 5 To appoint a Chairman:

Office held for eight years by P Upham, who is seeking re-election
- 6 To appoint a Treasurer:

Office held for seventeen years by T Spelman, who is seeking re-election
- 7 Any other business

## THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

### CONTENTS

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	<b>Page</b>
Legal and administrative details	1
Chairman's report on behalf of the Trustees	2 to 6
Independent Auditor's report	7
Consolidated Statement of Financial Activities	8
Consolidated Balance Sheet	9
Charity Balance Sheet	10
Consolidated Cash Flow Statement	11
Notes to the Financial Statements	12 to 18

## THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

### LEGAL AND ADMINISTRATIVE DETAILS

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The Gurney Fund for Police Orphans and the Gurney Benevolent Fund are administered by:

<b>Chairman</b>	P Upham
<b>Treasurer</b>	T Spelman
<b>Managing Trustees</b>	J Apter (appointed November 2009) T Crux S Davenport (appointed April 2009) I Davies J Earle (appointed November 2009) D Griffiths MBE (retired April 2009) M Hale-Smith D Imbimbo (retired November 2009) P Land P Ogden (retired November 2009) M Richards QPM R Taylor N Wilkinson
<b>Director and Principal Office</b>	Miss C McNicol 9 Bath Road Worthing West Sussex BN11 3NU Tel: 01903 237256 Web Site: <a href="http://www.gurneyfund.org">www.gurneyfund.org</a>
<b>Bankers</b>	Lloyds TSB Bank Plc 41-43 South Street Worthing West Sussex BN11 3AU
<b>Chartered Accountants and Registered Auditor</b>	Spofforths LLP 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
<b>Legal Advisers</b>	Thomas Eggar Arundel House 1 Liverpool Gardens Worthing West Sussex BN11 1SL
<b>Stockbrokers</b>	Charles Stanley & Company Limited 43 Dudley Road Tunbridge Wells Kent TN1 1LE

## THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

### CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2010

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#### ESTABLISHMENT OF THE FUND

The Gurney Fund for Police Orphans was established in 1948 following the closure of the Southern Provincial School and Orphanage, originally founded in Hove, Sussex by Miss Catherine Gurney OBE, in 1890.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Management Committee is comprised of two ex-officio officers and ten serving police officers who are responsible for the administration of the Gurney Fund for Police Orphans and the Gurney Benevolent Fund; both Funds being registered charities. The ex-officio Trustees are the Chairman and Treasurer who are elected at a General Meeting. The nominative Trustees comprise two members from the Association of Chief Police Officers, appointed by the Chief Police Officers' Staff Association (CPOSA); two persons holding the Superintending rank, appointed from among the subscribing police forces by the Superintendents' Association and six people nominated from among the subscribing forces by the Police Federation, two from the Inspecting ranks, two holding the rank of Sergeant and two holding the rank of Constable. The Management Committee meet four times a year at which five members constitute a quorum. Any matters at a Management or General Meeting shall be determined by the majority of the votes of the members.

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The object of the Fund is the care and education of children of deceased or incapacitated police officers from the subscribing forces in England and Wales.

Beneficiaries include children of deceased or incapacitated police officers who were members of one of the twenty-two subscribing Forces. Police pensioners are regarded as "members" where children of a marriage before retirement are concerned. The Gurney Benevolent Fund helps support the children born of a marriage after retirement. The benefits of children of a parent who remarries cease automatically pending completion of an application form for consideration by the Trustees. Any awards made, albeit of a reduced amount, are backdated to the date of the remarriage.

To date, more than 3,182 children have received assistance. This figure does not include children who have benefited from the Gurney Benevolent Fund.

The Trustees carry out the Fund's objectives by:

making weekly allowances, paid quarterly;

awarding additional grants to assist with educational costs: the purchase of school uniform, sports kit, school activities, music tuition and instruments;

awarding Christmas gifts to all beneficiaries in receipt of weekly allowances;

arranging holidays for beneficiaries.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Due to the problems arising in establishing and monitoring need, in August 2004, the Management Committee agreed to amend their Guidelines: for both incapacitated officers and widows/widowers allowances will cease at 31 March of the year following permanent relocation outside the British Isles.

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

## **THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND**

### **CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2010**

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#### **THE GURNEY FUND FOR POLICE ORPHANS**

##### **FINANCIAL REVIEW**

Contributions are derived from regular police subscriptions; donations from the police and members of the public; sale of police property under the Police Property Act 1987; police collecting boxes; Gift Aid donations and legacies. Further revenue is raised from the investment dividends and interest on the investment account at the bank.

Members of the following Forces contribute via the Give as You Earn scheme: Dorset, Dyfed Powys, Essex, Gloucestershire, Leicestershire, Northamptonshire, South Wales, Suffolk and Thames Valley.

A total of 190 beneficiaries were on the register at 31 March 2010 receiving allowances varying from £10 to £60 per week. The basic weekly allowance paid to widows/widowers is £25; according to need. Of the six remarried mothers, nine dependant children were in receipt of allowances ranging from £10 to £50 per week.

During the year to 31 March 2010, 25 children were added to the register and ten reinstated.

There were 25 incapacitated officers, supporting 45 children, each receiving a weekly grant varying from £15 to £50.

In cases of retirement on ill-health grounds it is vital that regular monitoring is carried out to ensure that the Fund is not paying benefits to a parent who has embarked on any form of employment since leaving the Police Service. The parent should be in receipt of Incapacity Benefit, Employment Support Allowance or in possession of a Force Medical Officer's Certificate of Permanent Disability; Doctor's Medical Certificates and be able to confirm that he/she is totally incapacitated from doing any work and is in receipt of National Insurance Credits. All retired incapacitated officers on the Fund are asked to supply documentation confirming this information at each Gurney Fund Annual Review and also to advise the Fund of the outcome of any regular Force Medical Officer or Department for Work and Pensions Reviews.

The Trustees awarded grants for educational trips, books, music lessons and instruments, school uniform and equipment, ranging from £22 to £2,222 to 61 beneficiaries. The Annual Review identified 17 beneficiaries where monetary need could no longer be established; the allowances for 27 beneficiaries were increased and eight had their allowances reduced from 1 April 2010.

Where allowances from the Fund cease, because monetary need can no longer be established, links with the families are maintained until the children complete their education. At 31 March 2010 contact was being maintained with 58 children. Families on the Contact Register are reminded each year that they can apply for reinstatement of assistance from the Fund if their circumstances change.

The Fund does not pay allowances to beneficiaries who go on to higher education it may, however, consider providing a contribution to assist with annual tuition fees and/or a grant towards the cost of books and ancillary equipment. Grants totalling £33,181 for fees and just over £13,300 for books, computers, stationery and subscriptions were awarded to 37 beneficiaries this year.

We are pleased to report that governance and administration charges have been kept to a minimum of approximately 9% of income.

##### **RESERVES POLICY**

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 financial projections.

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

- a) the number of subscribing officers
- b) the number of claimants
- c) the level of inflation
- d) income and capital growth yields available for the investment portfolio.

##### **INVESTMENT POLICY**

The Trustees have identified the need to invest for a balance of growth and income so as to maintain the level of reserves necessary to support both current and future beneficiaries. The portfolio is under the discretionary management of the Charity's Stockbroker.

## **THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND**

### **CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2010**

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#### **THE GURNEY BENEVOLENT FUND**

##### **FINANCIAL REVIEW**

The limited income of this Fund is derived from investments previously held by the Southern Provincial Police School and Orphanage which are shown as a permanent endowment. There were five children on the register at 31 March 2009 receiving weekly allowances ranging from £25 to £40 per child. As a result of the Annual Review allowances for two beneficiaries were increased.

One grant of £2,054 was awarded to assist with school expenses and school trips.

The objectives of the Gurney Benevolent Fund are similar to those of the Gurney Fund for Police Orphans; it also does not pay allowances to beneficiaries who go on to higher education, it may, however, consider assisting with the payment of annual tuition fees and/or a grant towards the cost of books and ancillary equipment. No higher education grants were required this year.

As part of the review discussion on the Rules, set out in last year's Report, the Trustees decided to formalize the arrangements for holding the Permanent Endowment Fund investments: a minimum fund value of £300,000 must be retained at all times. Accordingly, a separate account has been set up by the Stockbrokers and Index Linked Gilt Edge stock, to at least that value, was transferred in January 2010. The Trustees note a useful increase in value subsequently and wish to contain risk to a minimum. An income arising from these investments will be available to the Trustees.

#### **GENERAL – THE GURNEY FUND FOR POLICE ORPHANS & THE GURNEY BENEVOLENT FUND**

In preparation for the transition from Incapacity Benefit to Employment and Support Allowance Ms Judy Redford joined the Committee at the April meeting. Ms Redford provided invaluable information on the mechanics of the new scheme and the timetable proposed for the phasing out of Incapacity Benefit. The Fund has received an application for assistance, under this new scheme, which will be reviewed at the Committee's first meeting of the new financial year.

During the year the Fund's Director received a number of enquiries from subscribing forces with regard to whether there were any plans to increase subscription levels. In conjunction with our Advisers the Committee did not feel it appropriate, or necessary, to propose an increase. Our Accountant and Stockbroker are ever alert to changes in the financial climate and the Fund's situation and the Committee review the matter on a regular basis.

I took the opportunity, at the last AGM, to highlight the importance of identifying and referring families to the Fund. During the year the Fund provided a statement in a case where an officer was suing his force for non-referral. The case has highlighted that there continues to be a need to raise awareness of the Fund's existence and its objectives. The Managing Committee will be reviewing this matter and hope that by working with Chief Constables, Welfare Officers, Local Representatives and Joint Branch Board Secretaries, the situation can be improved.

With regard to raising awareness of the Fund the UK Police Charities booklet, produced by The Police Federation of England and Wales, is proving to be very useful and I would like to thank them for affording us the opportunity to be included in this publication.

The sailing and activity holidays once again took place in July.

For the sailing event the Fund paid £14,819 for 24 beneficiaries, aged between 16 and 18. In total, donations of £1,713 were received from Forces towards pocket money and expenses for the beneficiaries.

Due to some health problems Mr David Ogden MBE, took a bit of a back seat for the event; Mrs Kerry Murray stepped into the breach and, despite the weather, the participants had a wonderful time. We are most grateful to Mrs Murray and the crew for all their hard work and delighted to report that Mr Ogden is on the mend and back in harness for the 2010 holiday.

The sailing holiday is proving so popular that we now have a considerable reserves list, made up of beneficiaries who have gone onto university or work, all of whom are eager to take up any last minute vacancies.

Mr Dino Imbimbo, and his team took 30 beneficiaries to the Ghyll Head Outdoor Education Centre in Cumbria. The trip cost £21,390 and donations totalling £2,052 were received from Forces to assist with pocket money.

Our thanks go to Mr Imbimbo, his team and the staff at Ghyll Head. As with the sailing holiday the weather was rather against them but the children still managed to enjoy themselves.

## **THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND**

### **CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2010**

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In addition to the support from Forces a contribution from The St George's Police Trust was received to help with costs; one of their young people having taken up a last minute vacancy. Our thanks go to Mr Michael Baxter for facilitating this.

Mr Alex Marshall, Chief Constable of Hampshire visited the group at Ghyll Head and proved to be a dab hand with the washing up.

Whilst they were affected by the extreme weather suffered by Cumbria over the winter we were pleased to learn that the Centre and staff at Ghyll Head survived in one piece and managed to keep the Centre open despite the terrible conditions.

Having retired from Thames Valley Police and the Committee Mr Imbimbo has kindly agreed to run the holiday for the Fund one more time to facilitate a handover to a new Group Leader.

In September Mr Robert Taylor represented the Fund at the National Police Memorial Day and Mr Terry Spelman, Treasurer, represented the Fund at the Metropolitan Police's Annual Ceremony of Remembrance in November. Mr Taylor and Mr Spelman reported to the Committee that these are very moving events.

There was some sad news in November when we were advised of the death of Mr Richard Powell-Chandler from Gloucestershire. Mr Powell-Chandler was a long term supporter of the Fund and his expertise with regard to effective giving will be much missed.

Mr Spelman and Miss McNicol, Director, were delighted to have the opportunity to represent the Fund at the National Association of Retired Police Officer's Reception given by Baroness Harris of Richmond DL at the House of Lords in December. The event, to mark the organisation's 90th anniversary, was very well attended and most convivial. Our congratulations to NARPO on reaching this milestone and our best wishes for their continued success.

At Christmas all beneficiaries on the Fund received a £95 gift cheque. Glitter levels at the office reach avalanche proportions in December due to the volume of cards received advising how much the assistance the Fund provides is appreciated.

#### **WELFARE SERVICE**

This service, available through both Funds, was first introduced in 1952 and offers advice and assistance to families. There has been a considerable increase in the complexity of the issues raised and the support of Local Representatives and Force Welfare Officers in resolving some of these matters is invaluable and greatly appreciated.

The Director is more than happy to assist Force representatives with any queries they may have when considering whether an application to the Fund is appropriate.

#### **RISK ASSESSMENT**

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

#### **RETIREMENTS**

Mr Dave Griffiths MBE, Inspectors' Representative, Gloucestershire Constabulary; joined the Committee in February 2008, retired in April. Successor Mr Steve Davenport, Dorset.

Mr Dino Imbimbo, Constables' Representative, Thames Valley Police; Fund Vice Chairman and Activity Holiday Group Leader, joined the Committee in August 2003 retired in November. Successor Mr John Apter, Hampshire Constabulary.

Mr Apter was appointed Vice Chairman in February.

Mrs Pat Ogden, Superintendents' Representative, Hampshire Constabulary, joined the Committee in April 2006 retired in November. Successor Mrs Julie Earle, Hampshire Constabulary.

## **THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND**

### **CHAIRMAN'S REPORT ON BEHALF OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2010**

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To those who comment that there is little point in taking up a reserve position with the Fund as vacancies seldom arise I would highlight that there is quite a steady turnover of Committee members. Whilst we have a full complement of Constables Reserves, two vacancies for Inspectors and one for Sergeants remained at the end of the financial year.

Mrs Pat Roberts, Fund Administrator, retired in September and is succeeded by Mrs Sherral Keywood.

#### **THANKS**

The Trustees gratefully acknowledge and record warmest thanks to the following:

The Police Federation of England and Wales in undertaking, at no charge to the Fund, the printing of the Annual Reports and Accounts;

Mr Harry Blandy, Ms Jane Stewart and the Print Room Team at the Police Federation;

The Fund's website is maintained by Devon & Cornwall Constabulary's Digital Media (Web) Team. A letter has been sent to the Chief Constable thanking him for his support and commending the makeover progressed by Mr Reuben Millard. The site is much improved due to Mr Millard's work;

Chief Constables, Force Welfare Officers, Local Representatives, Branch Board Secretaries of the Fund's subscribing forces for their commendable assistance and all contributing members in supporting the Management Committee in their endeavours to ensure that the welfare of the beneficiaries is maintained in every respect possible;

Our professional advisers;

Lloyds TSB Bank Plc and

Miss Christine McNicol, Director and Mrs Sherral Keywood, Fund Administrator who deal with the day to day work of the Fund and the Managing Committee.

#### **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).

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts Reports) Regulations 2008 and 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.

This report was approved by the board on 21 July 2010 and signed on behalf of the board by

Paul Upham  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
THE GURNEY FUND FOR POLICE ORPHANS**

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We have audited the consolidated financial statements of The Gurney Fund for Police Orphans for the year ended 31 March 2010 which comprise The Consolidated Statement of Financial Activities, The Balance Sheets, The Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees of the Charity as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Trustees and Auditors**

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) as set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of the Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Chairman's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice and of the state of the group's and the charity's affairs as at 31 March 2010 and of the groups incoming resources and application of resources, including its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993

**Spofforths LLP  
Chartered Accountants and Registered Auditor  
9 Donnington Park  
85 Birdham Road  
CHICHESTER  
West Sussex  
PO20 7AJ**

**22nd July 2010**

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Unrestricted funds				2010	2009
		Gurney £	Benevolent £	Designated £	Restricted £	Total £	Total £
<b>INCOMING RESOURCES</b>							
<b>Incoming resources from generated funds</b>							
Contributions, collections and donations	3	373,455	-	-	-	373,455	320,364
Investment income		141,028	26,073	-	1,317	168,418	200,839
Gift Aid refunded		156	-	-	-	156	466
<b>Total Incoming Resources</b>		<b>514,639</b>	<b>26,073</b>	<b>-</b>	<b>1,317</b>	<b>542,029</b>	<b>521,669</b>
<b>RESOURCES EXPENDED</b>							
<b>Costs of generating funds</b>							
Investment management costs		10,812	1,273	-	-	12,085	6,509
<b>Costs of charitable activities</b>							
Allowances and grants to children		378,321	10,374	-	-	388,695	409,519
Christmas gifts		18,145	475	-	-	18,620	20,436
Administration costs	4	21,649	-	-	-	21,649	17,660
Wages and salaries	6	39,332	-	-	-	39,332	39,679
		457,447	10,849	-	-	468,296	487,294
<b>Governance costs</b>	5	20,601	4,358	-	-	24,959	29,177
<b>Total resources expended</b>		<b>488,860</b>	<b>16,480</b>	<b>-</b>	<b>-</b>	<b>505,340</b>	<b>522,980</b>
<b>Net (expenditure) / income for the year before other recognised gains and losses</b>		<b>25,779</b>	<b>9,593</b>	<b>-</b>	<b>1,317</b>	<b>36,689</b>	<b>(1,311)</b>
Realised gains on investments		85,652	9,323	-	3,345	98,320	100,344
Unrealised gains/(losses) on investments		-	26,904	888,859	7,402	923,165	(1,423,035)
Unrealised gain/(loss) on freehold property revaluation		24,000	-	-	-	24,000	(19,000)
<b>Net (expenditure) / income for the year before transfers</b>		<b>135,431</b>	<b>45,820</b>	<b>888,859</b>	<b>12,064</b>	<b>1,082,174</b>	<b>(1,343,002)</b>
Gross transfers between funds		506,825	1,495	(506,825)	(1,495)	-	-
<b>Net movement in funds for the year</b>		<b>642,256</b>	<b>47,315</b>	<b>382,034</b>	<b>10,569</b>	<b>1,082,174</b>	<b>(1,343,002)</b>
Fund balances at 1 April 2009		4,702,057	205,156	-	300,000	5,207,213	6,550,215
<b>Fund balances at 31 March 2010</b>		<b>5,344,313</b>	<b>252,471</b>	<b>382,034</b>	<b>310,569</b>	<b>6,289,387</b>	<b>5,207,213</b>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Freehold property	7		380,000		356,000
<b>Investments</b>					
Listed investments at market value	8	5,553,571		4,531,166	
Lloyds AMS account		239,378		224,094	
Deposit accounts		73,684		60,938	
Stockbroker income account		10,164		32,501	
			5,876,797		4,848,699
			<u>6,256,797</u>		<u>5,204,699</u>
<b>Current assets</b>					
Sundry debtors	9	29,800		10,432	
Cash at bank and in hand		14,457		5,380	
		<u>44,257</u>		<u>15,812</u>	
<b>Current liabilities</b>					
Lloyds current account		-		(1,178)	
Sundry creditors	10	(11,667)		(12,120)	
		<u>(11,667)</u>		<u>(13,298)</u>	
<b>Net current assets</b>			32,590		2,514
<b>Total assets less current liabilities</b>			<u>6,289,387</u>		<u>5,207,213</u>
<b>Represented by:</b>					
<b>Unrestricted general funds</b>					
<b>The Gurney fund</b>					
Brought forward		4,702,057		5,150,690	
Movement for the year		135,431		58,192	
Transfer between reserves		506,825		(506,825)	
Carried forward			5,344,313		4,702,057
<b>The Gurney Benevolent fund</b>					
Brought forward		205,156		301,402	
Movement for the year		45,820		(96,246)	
Transfer between reserves		1,495			
Carried forward			252,471		205,156
<b>Unrestricted designated funds</b>					
<b>Investment fund</b>	11				
Brought forward		-		798,123	
Movement for the year		888,859		(1,304,948)	
Transfer between reserves		(506,825)		506,825	
Carried forward			382,034		-
<b>Restricted funds - The Gurney Benevolent Endowment</b>					
Brought forward		300,000		300,000	
Movement for the year		12,064		-	
Transfer between reserves		(1,495)		-	
Carried forward			310,569		300,000
<b>Total funds</b>			<u>6,289,387</u>		<u>5,207,213</u>

Approved by the Trustees on 21 July 2010 and signed on their behalf by

T Spelman

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CHARITY BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Freehold property	7		380,000		356,000
<b>Investments</b>					
Listed investments at market value	8	5,022,589		4,049,154	
Lloyds AMS account		239,378		224,094	
Deposit account		48,306		42,963	
Stockbroker income account		9,230		28,663	
			5,319,503		4,344,874
			<u>5,699,503</u>		<u>4,700,874</u>
<b>Current assets</b>					
Debtors	9	34,094		14,442	
Lloyds current account		4,412		-	
Cash at bank and in hand		6		39	
		<u>38,512</u>		<u>14,481</u>	
<b>Current liabilities</b>					
Lloyds current account		-		(1,178)	
Creditors	10	(11,668)		(12,120)	
		<u>(11,668)</u>		<u>(13,298)</u>	
<b>Net current assets</b>			26,844		1,183
<b>Total assets less current liabilities</b>			<u>5,726,347</u>		<u>4,702,057</u>
<b>Represented by:</b>					
<b>Unrestricted funds</b>					
<b>General fund</b>					
Brought forward		4,702,057		5,150,690	
Movement for the year		135,431		58,192	
Transfer between reserves		506,825		(506,825)	
Carried forward			5,344,313		4,702,057
<b>Designated fund</b>					
Brought forward	11	-		798,123	
Movement for the year		888,859		(1,304,948)	
Transfer between reserves		(506,825)		506,825	
Carried forward			382,034		-
<b>Total funds</b>			<u>5,726,347</u>		<u>4,702,057</u>

Approved by the Trustees on 21 July 2010 and signed on their behalf by

T Spelman

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	1	16,868	28,815
Net cash outflow from investment portfolio	2	(920)	(630,363)
<b>Net increase/(decrease) in cash balances held</b>	<b>3</b>	<b>15,948</b>	<b>(601,548)</b>

**Note 1 - Reconciliation of changes in resources to net inflow from operating activity**

	2010 £	2009 £
Net (outgoing)/incoming resources before other recognised gains and losses	36,689	(1,311)
(Increase)/decrease in debtors	(19,368)	36,654
Decrease in creditors	(453)	(6,528)
<b>Net cash inflow from operating activities</b>	<b>16,868</b>	<b>28,815</b>

**Note 2 - Net investment proceeds/(purchases)**

	2010 £	2009 £
Payments to acquire shares	(1,843,300)	(2,742,535)
Receipts from sales of shares	1,862,095	2,123,201
Equalisation adjustment to share cost	(19,715)	(11,029)
<b>Net cash outflow from investment portfolio</b>	<b>(920)</b>	<b>(630,363)</b>

**Note 3 - Net increase in cash balances held**

	Movement in year £	2010 £	2009 £
Lloyds AMS account	15,284	239,378	224,094
Deposit accounts	12,746	73,684	60,938
Stockbroker income account	(22,337)	10,164	32,501
Current account and cash	10,255	14,457	4,202
	<b>15,948</b>	<b>337,683</b>	<b>321,735</b>

# THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

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### 1 Principal accounting policies

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and properties and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities published in March 2005, and with the Charities Act 1993 and applicable accounting standards.

#### *Consolidation*

The Trustees of the Gurney Fund for Police Orphans, as appointed and elected in accordance with its rules and constitution, are automatically appointed as the Trustees of the Gurney Benevolent Fund in accordance with its governing document. As a result the Trustees of the Gurney Fund for Police Orphans also control the Gurney Benevolent Fund and manage the two charities on a unified basis. Accordingly these financial statements consolidate the results of the Gurney Fund for Police Orphans (the "charity") and the Gurney Benevolent Fund on a line by line basis. A separate statement of financial activities for the charity is not presented because advantage is taken of the exemptions afforded by paragraph 397 of the SORP. Throughout the financial statements "Group" is used when referring to the consolidated results of both the Gurney Fund for Police Orphans and the Gurney Benevolent Fund. "Charity" is used when referring to the Gurney Fund for Police Orphans only.

#### *Investments*

Investments are stated in the balance sheet at the market value ruling at the Balance Sheet date. Unrealised gains and losses are dealt with in the Statement of Financial Activities.

#### *Reserves*

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

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

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

#### *Freehold property*

Freehold property is stated at market value. An independent open market value is obtained every five years, and the value of the property is reviewed annually by the Trustees. The freehold property is an operational property which is maintained in good working order and is considered to have a useful economic life in excess of 50 years. As such no depreciation is provided, but annual impairment reviews are performed.

#### *Capital expenditure*

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

#### *Deferred income and expenditure*

Deferred income and expenses relate to income and expenditure received or incurred in advance of trips arranged for the following summer.

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

1 Principal accounting policies (continued)

*Incoming resources*

Donations are brought into account when received or receipt is reasonably certain. Legacies are brought into account on an accruals basis when the amount receivable can be quantified with reasonable certainty. Net investment income is included on an accruals basis.

*Resources expended*

All expenditure (including irrecoverable VAT), including grants payable, is brought into account on an accruals basis. Wages and salaries are apportioned between the relevant SOFA headings on a time spent basis.

*Pension contributions*

The fund contributes to a money purchase scheme on behalf of certain employees. There were no outstanding contributions at the year end.

2 Resources expended

Resources expended is stated after charging:  
Auditor's remuneration

2010	2009
£	£
<b>8,715</b>	<b>6,913</b>

3 Contributions, collections and donations

Forces subscriptions  
Forces donations and collecting boxes  
Private donations  
Legacies  
Trustee refunds  
Refund of grants

15  
16

2010	2009
£	£
<b>367,707</b>	<i>309,962</i>
<b>4,752</b>	<i>2,562</i>
<b>978</b>	<i>1,052</i>
-	<i>6,243</i>
<b>18</b>	<i>104</i>
-	<i>441</i>
<b>373,455</b>	<b>320,364</b>

4 Administration costs

Telephone and postage  
Printing and stationery  
Sundries  
Bank charges  
Rates and insurance  
Lighting, heating and cleaning  
Repairs, renewals and garden upkeep  
Staff training

2010	2009
£	£
<b>2,400</b>	<i>3,741</i>
<b>2,783</b>	<i>2,638</i>
<b>268</b>	<i>216</i>
<b>278</b>	<i>278</i>
<b>4,238</b>	<i>4,503</i>
<b>3,155</b>	<i>2,101</i>
<b>8,527</b>	<i>3,973</i>
-	<i>210</i>
<b>21,649</b>	<b>17,660</b>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

<b>5 Governance costs</b>	<b>2010</b>	<i>2009</i>
	£	£
Trustees' expenses	<b>6,259</b>	<i>6,589</i>
Audit and accountancy fees	<b>8,715</b>	<i>6,913</i>
Legal and professional fees	<b>1,040</b>	<i>6,718</i>
Wages and salaries	<b>6 8,945</b>	<i>8,957</i>
	<u><b>24,959</b></u>	<u><i>29,177</i></u>
	<u><b>24,959</b></u>	<u><i>29,177</i></u>
 <b>6 Staff costs</b>		
	<b>2010</b>	<i>2009</i>
	£	£
<b>Group and charity</b>		
Gross salaries	<b>39,985</b>	<i>40,098</i>
Employers national insurance contributions	<b>3,544</b>	<i>3,754</i>
Pension scheme contributions	<b>4,748</b>	<i>4,784</i>
	<u><b>48,277</b></u>	<u><i>48,636</i></u>
	<u><b>48,277</b></u>	<u><i>48,636</i></u>

Wages are allocated between charitable activities and governance costs as follows - 33% of the Director's wages being allocated to governance costs and the balance of the remaining wages costs be attributed to charitable activities.

No remuneration was paid to Trustees in the year but expenses amounting to £6,259 (2009: £6,589) were reimbursed.

The average number of staff employed during the year was 2 (2009: 2).

Two staff members are entitled to pension contributions relating to a defined contribution pension scheme. No employee receives remuneration of more than £60,000.

<b>7 Freehold property</b>	<b>2010</b>	<i>2009</i>
	£	£
<b>Group and charity</b>		
Valuation at 1 April 2009	<b>356,000</b>	<i>375,000</i>
Revaluation in year	<b>24,000</b>	<i>(19,000)</i>
	<u><b>380,000</b></u>	<u><i>356,000</i></u>
Valuation at 31 March 2010	<u><b>380,000</b></u>	<u><i>356,000</i></u>
	<u><b>380,000</b></u>	<u><i>356,000</i></u>
Historical cost	<u><b>6,451</b></u>	<u><i>6,451</i></u>
	<u><b>6,451</b></u>	<u><i>6,451</i></u>

The property was professionally valued by C G Spratt & Son, of 70a Brighton Road, Worthing, West Sussex on 19 January 2010. The Trustees have taken the view that a professional valuation is only required every five years as there is no intention to dispose of the property which is used as the administrative headquarters of the charity and the cost of doing this on an annual basis would be out of proportion to the value of the information obtained. In the years between professional valuations the Trustees monitor the value of the property using the "Nationwide Building Society House Price Index" and where appropriate will reflect any significant movements. The next professional valuation will take place in the year to 31 March 2015.

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

8 Investments: listed

Group

	Total £	British Government Funds £	Equity Holdings £
Valuation at 1 April 2009	4,531,166	2,417,733	2,113,433
Acquisitions	1,843,300	1,244,375	598,925
Disposals	(1,763,775)	(1,710,266)	(53,509)
Equalisation	19,715	10,704	9,011
Changes in unrealised gains	923,165	(24,665)	947,830
Valuation at 31 March 2010	<u>5,553,571</u>	<u>1,937,881</u>	<u>3,615,690</u>

Charity

	Total £	British Government Funds £	Equity Holdings £
Valuation at 1 April 2009	4,049,154	2,067,014	1,982,140
Acquisitions	1,452,560	862,975	589,585
Disposals	(1,376,995)	(1,323,840)	(53,155)
Equalisation	9,011	-	9,011
Changes in unrealised gains	888,859	(13,847)	902,706
Valuation at 31 March 2010	<u>5,022,589</u>	<u>1,592,302</u>	<u>3,430,287</u>

9 Debtors

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Legacy debtors	-	6,243	-	6,243
Due from Gurney Benevolent Fund	-	-	4,294	4,322
Deferred expenses	11,677	-	11,677	-
Bank interest	181	1,733	181	1,421
Contributions from forces	17,942	2,456	17,942	2,456
	<u>29,800</u>	<u>10,432</u>	<u>34,094</u>	<u>14,442</u>

10 Creditors

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
PAYE and NI	1,017	1,056	1,018	1,056
Other creditors and accruals	10,650	11,064	10,650	11,064
	<u>11,667</u>	<u>12,120</u>	<u>11,668</u>	<u>12,120</u>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

11 Designated funds

Group and charity	2010 £	2009 £
Market value of investments at 31 March 2010	5,022,589	4,049,154
Historical cost of investments at 31 March 2010	(4,640,555)	(4,555,979)
Fund deficit transferred to general reserves	-	506,825
Designated fund carried forward	<u>382,034</u>	<u>-</u>

The Trustees believe it would not be prudent to consider unrealised gains on investments as being distributable 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.

12 Analysis of group net assets by type of fund

	Fixed Asset £	Investments £	Current Assets £	Creditors £	Total £
Unrestricted funds	380,000	5,566,228	44,257	(11,667)	5,978,818
Restricted funds	-	310,569	-	-	310,569
	<u>380,000</u>	<u>5,876,797</u>	<u>44,257</u>	<u>(11,667)</u>	<u>6,289,387</u>

13 Charity results

	2010 £	2009 £
Incoming resources from generated funds	514,639	502,212
Costs of generating funds	(10,812)	(5,854)
Charitable activities	(435,798)	(461,010)
Administration costs	(21,649)	(17,662)
Governance costs	(20,601)	(24,775)
Realised gains on investments	85,652	84,279
Unrealised losses on investments	888,859	(1,304,948)
Unrealised deficit on freehold property	24,000	(19,000)
Net income/(expenditure) for year	<u>1,024,290</u>	<u>(1,246,758)</u>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

14 Gurney Benevolent Fund results

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

	2010 £	2009 £
The income and expenses were:		
Incoming resources from generated funds	27,390	19,457
Charitable activities	(10,849)	(8,624)
Investment management costs	(1,273)	(655)
Governance costs	(4,358)	(4,402)
Realised gains on investments	12,668	16,065
Unrealised gains/(losses) on investments	34,306	(118,087)
	<u>57,884</u>	<u>(96,246)</u>
Net income/(expenditure) for year		
	<u>57,884</u>	<u>(96,246)</u>
The assets and liabilities were:		
Fixed asset investments	557,294	503,825
Current assets	10,040	5,653
Creditors: amounts falling due within one year	(4,294)	(4,322)
	<u>563,040</u>	<u>505,156</u>
Total net assets		
	<u>563,040</u>	<u>505,156</u>
Represented by:		
Unrestricted funds	252,471	205,156
Restricted funds	310,569	300,000
	<u>563,040</u>	<u>505,156</u>
Total funds		
	<u>563,040</u>	<u>505,156</u>

15 Forces donations and collecting boxes

	2010 £	2009 £
Avon and Somerset	20	-
Bedfordshire	127	69
Essex	795	-
Gloucestershire	100	150
Hampshire	-	1,380
Hampshire	50	-
Hampshire	424	-
Hampshire	138	-
Hertfordshire	100	-
Kent	-	120
Norfolk	13	58
Suffolk	529	437
Surrey	166	25
Thames Valley	-	148
Thames Valley	800	-
Thames Valley	576	-
Thames Valley	120	-
Thames Valley	20	-
Warwickshire	650	-
Warwickshire	124	175
	<u>4,752</u>	<u>2,562</u>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2010

<b>16 Private donations</b>	<b>2010</b>	<i>2009</i>
	£	£
Mrs Susan Craggs	<b>180</b>	<i>180</i>
G L Doubleday Charitable Trust	<b>500</b>	<i>500</i>
Mr R Powell-Chandler	<b>40</b>	<i>40</i>
Mr P Savill	-	<i>32</i>
Mr P Mitchell	-	<i>50</i>
Mr K Brewin	-	<i>250</i>
Mrs P A Cooper	<b>25</b>	-
Mrs A M Hicks	<b>100</b>	-
Lions Club of Maldon	<b>73</b>	-
Mrs Carrie Taylor	<b>60</b>	-
	<b>978</b>	<i>1,052</i>

During the year the Trustees were grateful to receive a legacy of £6,243 from the estate of the late Mrs Mary G Nixon. This legacy was accounted for in 2009 under income recognition criteria as laid out in the Charity SORP (note 3).

**17 Related party transactions**

The Gurney Benevolent Fund does not directly employ its own staff but instead is administered by the staff of the Charity. Accordingly an annual recharge of administration expenses between the Charity and the Gurney Benevolent Fund is made. This recharge amounted to £4,294 (2009: £4,322) for the year.