

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 2011

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

Annual General Meeting to be held at the Premier Inn, Crossbush Lane, Arundel, West Sussex BN18 9PQ on Thursday, 3 November 2011 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, 4 November 2010, 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

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THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE DETAILS

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

Chairman	P Upham
Treasurer	T Spelman
Managing Trustees	J Apter T Crux S Davenport I Davies J Earle M Hale-Smith (retired February 2011) P Land P Jones (appointed February 2011) M Richards QPM G Riley (appointed July 2010) R Taylor (retired July 2010) N Wilkinson
Director Principal Office	Miss C McNicol 9 Bath Road Worthing West Sussex BN11 3NU Tel: 01903 237256 Web Site: www.gurneyfund.org
Bankers	Lloyds TSB Bank Plc 41-43 South Street Worthing West Sussex BN11 3AU
Chartered Accountants and Registered Auditor	Spofforths LLP 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Legal Advisers	Thomas Eggar Arundel House 1 Liverpool Gardens Worthing West Sussex BN11 1SL
Stockbrokers	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 2011

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 membe

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 3,214 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 2011

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 188 beneficiaries were on the register at 31 March 2011 receiving allowances varying from £10 to £100 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 2011, 31 children were added to the register and eight reinstated.

There were 19 incapacitated officers, supporting 37 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 £14 to £1,871 to 69 beneficiaries. The Annual Review identified 13 beneficiaries where monetary need could no longer be established; the allowances for 26 beneficiaries were increased and nine had their allowances reduced from 1 April 2011.

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 2011 contact was being maintained with 64 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 £30,000 for fees and just over £12,740 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 8% 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 2011

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 eight children on the register at 31 March 2011 receiving weekly allowances ranging from £25 to £40 per child. As a result of the Annual Review allowances for one beneficiary were increased.

During the year to 31 March 2011 three children were added to the register.

Two grants of £80 and £1,539 were 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.

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

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

For the sailing event the Fund paid £15,386 for 24 beneficiaries, aged between 16 and 18. In total donations of £1,700 were received from Forces towards pocket money and expenses for the beneficiaries.

Mr Alex Marshall, Chief Constable for Hampshire joined the group for the safety briefing and spent time with the participants and their families.

Mr Dino Imbimbo and his team took 30 beneficiaries to the Ghyll Head Outdoor Education Centre in Cumbria. The trip cost £24,896 and donation totalling £1,710 were received from Forces to assist with pocket money.

This was Mr Imbimbo's final year as group leader, and the Committee are very grateful to him for all his hard work. Mr John Apter, the Fund's Vice Chairman will take over from Mr Imbimbo as holiday group leader in 2011.

Mr John Apter, Vice Chairman and Miss Christine McNicol, Director represented the Fund at the Northern Police Charities Annual General Meeting at Harrogate in June. The information presented to the meeting, on the review of the St George's Police Trust, and the opportunity to renew acquaintance and see the improvements carried out at the St Andrews Police Treatment Centre was much appreciated.

In September Mr Tim Crux, Inspectors representative from Essex, represented the fund at the National Police Memorial Day and Mr Terry Spelman, Treasures represented the Fund at the Metropolitan Police's Annual Ceremony of Remembrance in November.

At Christmas all beneficiaries on the Fund received a £95 gift cheque.

The Subscription and donations the Fund received are very much appreciated; as is the ingenuity of those raising money for the Fund.

The Fund collecting boxes have been up-dated and we are grateful to Ms Jane Stewart at the Police Federation for her assistance with this. If you would like to have a collecting box, or refresh the appearance of those already in use, please contact the Director.

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 2011

In May the Committee reviewed and accepted onto the Fund the first application from an officer in receipt of Employment Support Allowance. The opportunity was taken, by the Managing Committee, to review its Guidelines and it was agreed that, in order to apply for assistance from the Fund, applicants should be in either the ESA Work Related Activity Group or the ESA Support Group.

To ease the administrative burden, and encourage referrals, Forces were advised in June 2010 that the Fund would progress directly with those retired on ill health grounds the paperwork required.

Fund subscriptions were last increased, from 10p to 20p per week, on 1 January 1989. At the 2010 AGM the Treasurer, Mr Spelman, confirmed that there were no immediate plans for an increase. The matter is reviewed regularly; when the need for an increase is identified the Fund's stakeholders will be consulted fully before any change is made.

The payment of allowances and grants to Fund families switched from cheque to bank transfer in December and the transition went very smoothly. Christmas gifts will continue to be issued to beneficiaries by cheque until a suitable alternative is found.

A further review of Trustees Guidelines was undertaken in February and proposals to increase the assistance provided to those going onto higher education are in hand.

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 Robert Taylor, Constable representative from Thames Valley retired from the Committee in July 2010 and Mr Graham Riley, JBB Secretary for Gloucestershire took up the vacancy.

Mr Martyn Hale-Smith, Sergeants Representative from Sussex, retired from the Committee in February 2011 and Mr Peter Jones, from Hampshire took up the vacancy.

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;

Devon and Cornwall Constabulary's Digital Media (Web) Team, especially Mr Reuben Millard, who maintain the Fund's website.

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;

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 2011

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 financial statements giving a true and fair view, the Trustees should follow best practice and:

- 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the 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 4 August 2011 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

We have audited the consolidated financial statements of The Gurney Fund for Police Orphans for the year ended 31 March 2011 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 2011 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

11 August 2011

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

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2011

	Note	Unrestricted funds				2011	2010
		Gurney	Benevolent	Designated	Restricted		
		£	£	£	£	£	Total
							Total
INCOMING RESOURCES							
Incoming resources from generated funds							
Contributions, collections and donations	3	349,481	-	-	-	349,481	373,455
Investment income		147,545	8,649	-	9,086	165,280	168,418
Gift Aid refunded		97	-	-	-	97	156
Total Incoming Resources		497,123	8,649	-	9,086	514,858	542,029
RESOURCES EXPENDED							
Costs of generating funds							
Investment management costs		13,975	670	-	861	15,506	12,085
Costs of charitable activities							
Allowances and grants to children		386,055	16,055	-	-	402,110	388,695
Christmas gifts		17,195	760	-	-	17,955	18,620
Administration costs	4	18,642	-	-	-	18,642	21,649
Wages and salaries	6	39,294	-	-	-	39,294	39,332
		461,186	16,815	-	-	478,001	468,296
Governance costs	5	19,826	4,132	-	-	23,958	24,959
Total resources expended		494,987	21,617	-	861	517,465	505,340
Net (expenditure) / income for the year before other recognised gains and losses		2,136	(12,968)	-	8,225	(2,607)	36,689
Realised gains on investments		6,679	(16,019)	-	-	(9,340)	98,320
Unrealised gains/(losses) on investments		-	31,671	403,040	18,372	453,083	923,165
Unrealised gain/(loss) on freehold property revaluation		-	-	-	-	-	24,000
Net (expenditure) / income for the year before transfers		8,815	2,684	403,040	26,597	441,136	1,082,174
Gross transfers between funds		-	9,086	-	(9,086)	-	-
Net movement in funds for the year		8,815	11,770	403,040	17,511	441,136	1,082,174
Fund balances at 1 April 2010		5,344,313	252,471	382,034	310,569	6,289,387	5,207,213
Fund balances at 31 March 2011		5,353,128	264,241	785,074	328,080	6,730,523	6,289,387

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Freehold property	7		380,000		380,000
Investments					
Listed investments at market value	8	5,895,801		5,553,571	
Lloyds AMS account		208,409		239,378	
Deposit accounts		168,403		73,684	
Stockbroker income account		9,417		10,164	
			6,282,030		5,876,797
			<u>6,662,030</u>		<u>6,256,797</u>
Current assets					
Sundry debtors	9	60,665		29,800	
Cash at bank and in hand		20,711		14,457	
		<u>81,376</u>		<u>44,257</u>	
Current liabilities					
Sundry creditors	10	(12,883)		(11,667)	
		<u>(12,883)</u>		<u>(11,667)</u>	
Net current assets			68,493		32,590
Total assets less current liabilities			<u>6,730,523</u>		<u>6,289,387</u>
Represented by:					
Unrestricted general funds					
The Gurney fund					
Brought forward		5,344,313		4,702,057	
Movement for the year		8,815		135,431	
Transfer between reserves		-		506,825	
Carried forward			5,353,128		5,344,313
The Gurney Benevolent fund					
Brought forward		252,471		205,156	
Movement for the year		2,684		45,820	
Transfer between reserves		9,086		1,495	
Carried forward			264,241		252,471
Unrestricted designated funds					
Investment fund					
Brought forward	11	382,034		-	
Movement for the year		403,040		888,859	
Transfer between reserves		-		(506,825)	
Carried forward			785,074		382,034
Restricted funds - The Gurney Benevolent Endowment					
Brought forward		310,569		300,000	
Movement for the year		26,597		12,064	
Transfer between reserves		(9,086)		(1,495)	
Carried forward			328,080		310,569
Total funds			<u>6,730,523</u>		<u>6,289,387</u>

Approved by the Trustees on 4 August 2011 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 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Freehold property	7		380,000		380,000
Investments					
Listed investments at market value	8	5,318,736		5,022,589	
Lloyds AMS account		208,409		239,378	
Deposit account		163,379		48,306	
Stockbroker income account		8,773		9,230	
			5,699,297		5,319,503
			<u>6,079,297</u>		<u>5,699,503</u>
Current assets					
Debtors	9	62,260		34,094	
Lloyds current account		9,523		4,412	
Cash at bank and in hand		5		6	
		<u>71,788</u>		<u>38,512</u>	
Current liabilities					
Lloyds current account		-		-	
Creditors	10	(12,883)		(11,668)	
		<u>(12,883)</u>		<u>(11,668)</u>	
Net current assets			58,905		26,844
Total assets less current liabilities			<u>6,138,202</u>		<u>5,726,347</u>
Represented by:					
Unrestricted funds					
General fund					
Brought forward		5,344,313		4,702,057	
Movement for the year		8,815		135,431	
Transfer between reserves		-		506,825	
Carried forward			5,353,128		5,344,313
Designated fund					
Brought forward	11	382,034		-	
Movement for the year		403,040		888,859	
Transfer between reserves		-		(506,825)	
Carried forward			785,074		382,034
Total funds			<u>6,138,202</u>		<u>5,726,347</u>

Approved by the Trustees on 4 August 2011 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 2011

	Note	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	1	(32,256)	16,868
Net cash inflow/(outflow) from investment portfolio	2	101,513	(920)
Net increase in cash balances held	3	69,257	15,948

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

	2011 £	2010 £
Net (outgoing)/incoming resources before other recognised gains and losses	(2,607)	36,689
Increase in debtors	(30,865)	(19,368)
Increase/(decrease) in creditors	1,216	(453)
Net cash (outflow)/inflow from operating activities	(32,256)	16,868

Note 2 - Net investment proceeds/(purchases)

	2011 £	2010 £
Payments to acquire shares	(689,598)	(1,843,300)
Receipts from sales of shares	796,587	1,862,095
Equalisation adjustment to share cost	(5,476)	(19,715)
Net cash inflow/(outflow) from investment portfolio	101,513	(920)

Note 3 - Net increase in cash balances held

	Movement in year £	2011 £	2010 £
Lloyds AMS account	(30,969)	208,409	239,378
Deposit accounts	94,718	168,402	73,684
Stockbroker income account	(747)	9,417	10,164
Current account and cash	6,254	20,711	14,457
	69,257	406,939	337,683

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

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 2011

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

	2011	<i>2010</i>
	£	<i>£</i>
Resources expended is stated after charging: Auditor's remuneration	8,028	<i>8,715</i>

3 Contributions, collections and donations

		2011	<i>2010</i>
		£	<i>£</i>
Forces subscriptions		332,347	<i>367,707</i>
Forces donations and collecting boxes	15	6,061	<i>4,752</i>
Private donations	16	890	<i>978</i>
Legacies	17	10,100	<i>-</i>
Trustee refunds		83	<i>18</i>
		349,481	<i>373,455</i>

4 Administration costs

		2011	<i>2010</i>
		£	<i>£</i>
Telephone and postage		2,570	<i>2,400</i>
Printing and stationery		3,314	<i>2,783</i>
Sundries		182	<i>268</i>
Bank charges		278	<i>278</i>
Rates and insurance		4,253	<i>4,238</i>
Lighting, heating and cleaning		3,191	<i>3,155</i>
Repairs, renewals and garden upkeep		4,525	<i>8,527</i>
Staff training		329	<i>-</i>
		18,642	<i>21,649</i>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

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AS AT 31 MARCH 2011

5 Governance costs		2011	<i>2010</i>
		£	<i>£</i>
Trustees' expenses		6,242	<i>6,259</i>
Audit and accountancy fees		8,028	<i>8,715</i>
Legal and professional fees		511	<i>1,040</i>
Wages and salaries	6	9,177	<i>8,945</i>
		23,958	<i>24,959</i>
6 Staff costs		2011	<i>2010</i>
Group and charity		£	<i>£</i>
Gross salaries		39,843	<i>39,985</i>
Employers national insurance contributions		3,638	<i>3,544</i>
Pension scheme contributions		4,990	<i>4,748</i>
		48,471	<i>48,277</i>

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 £6,242 (2010: £6,259) were reimbursed.

The average number of staff employed during the year was 2 (2010: 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.

7 Freehold property		2011	<i>2010</i>
Group and charity		£	<i>£</i>
Valuation at 1 April 2010		380,000	<i>356,000</i>
Revaluation in year		-	<i>24,000</i>
Valuation at 31 March 2011		380,000	<i>380,000</i>
Historical cost		6,451	<i>6,451</i>

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 2011

8 Investments: listed

Group

	Total £	British Government Funds £	Equity Holdings £
Valuation at 1 April 2010	5,553,571	1,937,881	3,615,690
Acquisitions	689,598	-	689,598
Disposals	(805,927)	-	(805,927)
Equalisation	5,476	-	5,476
Changes in unrealised gains	453,083	115,389	337,694
	<u>5,895,801</u>	<u>2,053,270</u>	<u>3,842,531</u>

Charity

	Total £	British Government Funds £	Equity Holdings £
Valuation at 1 April 2010	5,022,589	1,592,302	3,430,287
Acquisitions	670,142	-	670,142
Disposals	(782,511)	-	(782,511)
Equalisation	5,476	-	5,476
Changes in unrealised gains	403,040	95,040	308,000
	<u>5,318,736</u>	<u>1,687,342</u>	<u>3,631,394</u>

9 Debtors

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Due from Gurney Benevolent Fund	-	-	4,067	4,294
Deferred expenses	11,958	11,677	11,958	11,677
Bank interest	80	181	80	181
Contributions from forces	33,354	17,942	33,354	17,942
Accrued investment income	15,273	-	12,801	-
	<u>60,665</u>	<u>29,800</u>	<u>62,260</u>	<u>34,094</u>

10 Creditors

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
PAYE and NI	1,000	1,018	1,000	1,018
Other creditors and accruals	11,883	10,649	11,883	10,650
	<u>12,883</u>	<u>11,667</u>	<u>12,883</u>	<u>11,668</u>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

11 Designated funds

Group and charity	2011 £	<i>2010</i> £
Market value of investments at 31 March 2011	5,318,736	<i>5,022,589</i>
Historical cost of investments at 31 March 2011	(4,533,662)	<i>(4,640,555)</i>
Designated fund carried forward	<u>785,074</u>	<i><u>382,034</u></i>

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	5,953,950	81,376	(12,883)	6,402,443
Restricted funds	-	328,080	-	-	328,080
	<u>380,000</u>	<u>6,282,030</u>	<u>81,376</u>	<u>(12,883)</u>	<u>6,730,523</u>

13 Charity results

	2011 £	<i>2010</i> £
Incoming resources from generated funds	497,123	<i>514,639</i>
Costs of generating funds	(13,975)	<i>(10,812)</i>
Charitable activities	(442,544)	<i>(435,798)</i>
Administration costs	(18,642)	<i>(21,649)</i>
Governance costs	(19,826)	<i>(20,601)</i>
Realised gains on investments	6,679	<i>85,652</i>
Unrealised losses on investments	403,040	<i>888,859</i>
Unrealised deficit on freehold property	-	<i>24,000</i>
Net income/(expenditure) for year	<u>411,855</u>	<i><u>1,024,290</u></i>

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

14 Gurney Benevolent Fund results

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

	2011	<i>2010</i>
	£	<i>£</i>
The income and expenses were:		
Incoming resources from generated funds	17,735	<i>27,390</i>
Charitable activities	(16,815)	<i>(10,849)</i>
Investment management costs	(1,531)	<i>(1,273)</i>
Governance costs	(4,132)	<i>(4,358)</i>
Realised gains on investments	(16,019)	<i>12,668</i>
Unrealised gains/(losses) on investments	50,042	<i>34,306</i>
	<hr/> 29,280 <hr/>	<hr/> <i>57,884</i> <hr/>
The assets and liabilities were:		
Fixed asset investments	582,732	<i>557,294</i>
Current assets	13,656	<i>10,040</i>
Creditors: amounts falling due within one year	(4,067)	<i>(4,294)</i>
	<hr/> 592,321 <hr/>	<hr/> <i>563,040</i> <hr/>
Total net assets		
Represented by:		
Unrestricted funds	264,241	<i>252,471</i>
Restricted funds	328,080	<i>310,569</i>
	<hr/> 592,321 <hr/>	<hr/> <i>563,040</i> <hr/>
Total funds		

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

15 Forces donations and collecting boxes		2011	<i>2010</i>
		£	<i>£</i>
Avon and Somerset	Mrs E Richley - The Winn Club	-	20
Bedfordshire	Ms Karen Dandrigde - Female Development Event	360	127
Devon & Cornwall	Mr N Burnell	50	-
Dorset	In memory of retired Inspector Percival Hill	160	-
Essex	In memory of Stephen Leese	-	795
Gloucestershire	PC Howard/Police Property Act fund	118	100
Hampshire	Isle of Wight Police Sports and Social Club Charity Ball	2,044	-
Hampshire	Marine Unit boat show challenge	100	50
Hampshire	Joint branch board dinner auction	1,530	424
Hampshire	Collecting box - Cowes	24	138
Hertfordshire	Bowling club - Four Counties Challenge Raffle	100	100
Norfolk	Mr H Murrel	20	13
Norfolk	Collecting boxes	126	-
Norfolk	Gorleston Probus Club	20	-
Suffolk	Collecting boxes	393	529
Surrey	Collecting boxes	43	166
Surrey	Ms C George - Control Room Dress Down Day	106	-
Sussex	Mrs M Dubios	45	-
Sussex	Sgt M Hale Smith - CJS Event Solutions Ltd	722	-
Thames Valley	Mr Trevor Nicholls	-	800
Thames Valley	Elaine Hardy - Hewlett-Packard Award	-	576
Thames Valley	Benevolent Fund	-	120
Thames Valley	Anonymous	5	20
Warwickshire	Stratford Rotary Club	-	650
Warwickshire	Collecting boxes	95	124
		6,061	<i>4,752</i>

16 Private donations		2011	<i>2010</i>
		£	<i>£</i>
Mrs Susan Craggs		180	180
G L Doubleday Charitable Trust		500	500
Mr R Powell-Chandler		-	40
Mr Barry G Morris		50	-
Ms Jillian A Edwards		50	-
Anonymous Donation		40	-
Mrs P A Cooper		-	25
Mrs A M Hicks		-	100
Lions Club of Maldon		-	73
Mrs Carrie Taylor		70	60
		890	<i>978</i>

17 Legacy income

During the year the Trustees were grateful to receive £10,100 from the estates of Jane Ann Carter and retired inspector Percival John Hill, Dorset Police.

18 Related party transactions

THE GURNEY FUND FOR POLICE ORPHANS AND THE GURNEY BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

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 £4,067 (2010: £4,294) for the year.