

METROPOLITAN POLICE BENEVOLENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

METROPOLITAN POLICE BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	DAC G.McNulty	Nominated by the Commissioner of the Metropolitan Police Service
	Chief Superintendent S. N. Ovens	The Superintendents Association and Chairman of The Metropolitan Police Combined Benevolent Fund
	PC A Maybanks (replaced by PC A O'Donnell in May 2019)	Representative of the Metropolitan and City Police Orphans Fund
	Vacant	Metropolitan Branch Board, Metropolitan Police Federation
	PS C. Knight	Metropolitan Branch Board, Metropolitan Police Federation
	PC P. Deller	General Secretary of the Metropolitan Branch Board, Metropolitan Police Federation
	DS Andy Picton	Metropolitan Branch Board, Metropolitan Police Federation
	Vacant	Metropolitan Branch Board, Metropolitan Police Federation
	Mrs F. Chowdhury (replaced by Rev'd Jonathan Osborne in April 2019)	Manager of the Metropolitan Police Welfare Funds/Senior Chaplain
	P. Van Tromp	Representative from the London Branch of The National Association of Retired Police Officers
Treasurer	Mr J Morgan	Senior Accountant, MPS
Secretary	Miss N Raj	Charities Accountant, MPS
Charity number	1125409	
Auditor	Bright Grahame Murray 3rd Floor 114a Cromwell Road London SW7 4AG	
Bankers	Lloyds TSB Pall Mall St. James Branch 8 Waterloo Place London SW1Y 4BE	

METROPOLITAN POLICE BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors	Bircham Dyson Bell 50 Broadway London SW1H 0BL
Investment advisors	Newton Investment Management Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA Black Rock Merrill Lynch Investment Managers PO Box 9036 Chelmsford CM99 2XD

METROPOLITAN POLICE BENEVOLENT FUND

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METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees have pleasure in presenting the Annual Report of the Metropolitan Police Benevolent Fund ("the Charity", also referred to as MPBF) for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and "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 2015)"

Objectives and activities

The objects of the charity are to:

- Provide financial support by way of a grant or a loan to serving, former, ex and retired police officers and their Widows, Widowers and dependants who are sick or injured suffering financial hardship or distress.
- Provide grants to other charities who exist for the relief of serving, former, ex and retired police officers and their Widows, Widowers and dependants.
- Assist serving, former, ex and retired police officers and their Widows, Widowers and dependants in such ways as the Trustees think fit, provided that these shall be exclusively charitable.
- Assist close family of deceased police officers who died in the line of duty to attend police memorial services.

Achievements and performance

Police officers who donate as part of the Give As You Earn payroll giving scheme to the MPBF are able to take advantage of the facilities at the Police Rehabilitation Centre, in Goring-on-Thames, for free. The Police Rehabilitation Centre is a registered charity which is funded almost entirely by the officers themselves. The facilities available include physiotherapy, general nursing, plus specialist treatments such as acupuncture, aromatherapy and hydrotherapy, therapeutic massage, rest and recuperation following either an illness or injury. Monthly contributions equal to a set charge per officer is sent to the Centre and on occasions an additional donation is made to assist with projects such as refurbishment. In 2019 a total of £2,188,917 (2018: £2,278,094) was paid by the MPBF to the Centre.

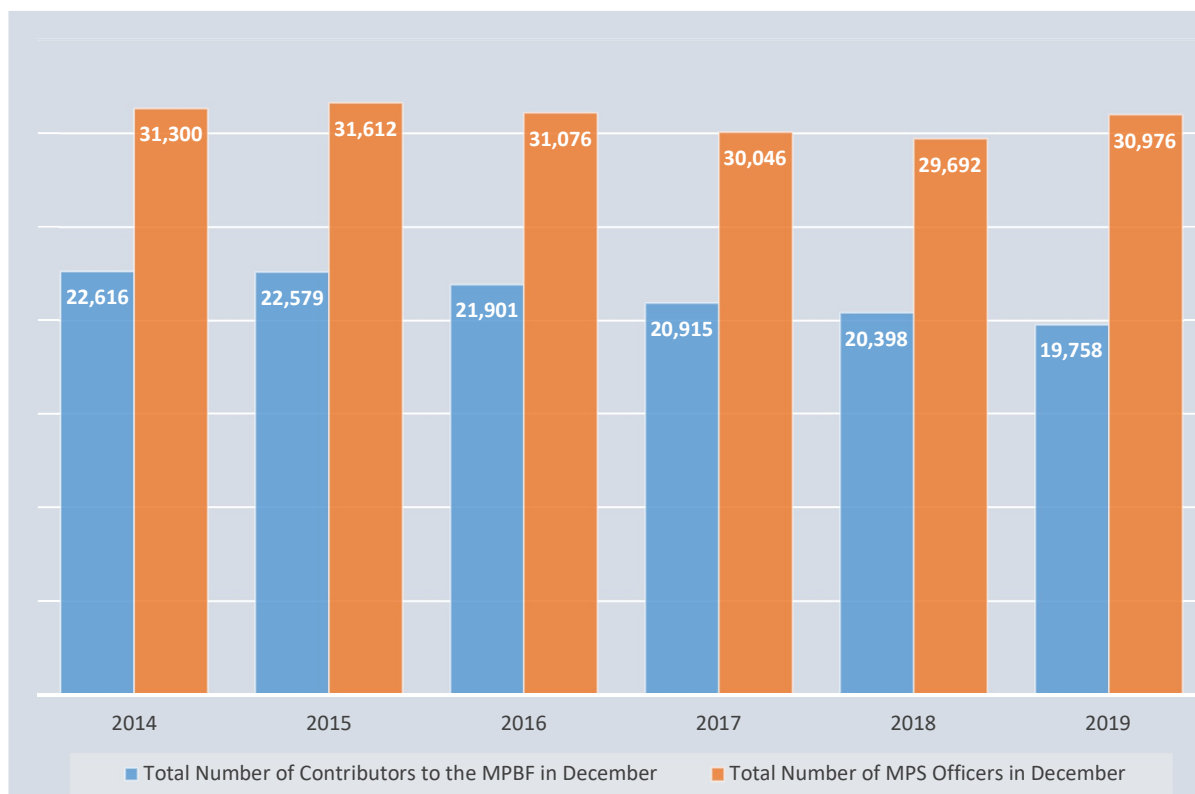
The MPBF also supports and has a letter of understanding with the Metropolitan and City Police Orphans Fund pledging financial assistance for as long as the MPBF can deem possible. In 2019 the MPBF received a grant request bid from the Metropolitan and City Police Orphans Fund for £350,000 (2018: £340,000). The Trustees agreed the bid.

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Figure 1 - The number of contributing MPS police officers and the total number of MPS police officers.



Over the past six years the percentage of officers contributing to the MPBF has fallen from 69% to 64%. This is due to a variety of reasons ranging from the lower salary received by new recruits to the difficulty in promoting the Charity and its benefits to the new recruits when they join. The Federation endeavour to reach as many new recruits as possible and their efforts are commended by the Trustees. In September 2016, there was a 53% increase in the contribution rate which has affected the number of officers contributing to the MPBF.

Another core purpose of the charity is to give financial assistance to serving, former, retired or ex Metropolitan Police officers and/or their dependants. Awards are either by a grant or a loan depending upon the circumstances of the case.

Requests for financial assistance are sent to a committee called the Relief Board to which the Trustees had delegated authority to consider applications for grants and loans under £10,000 and make recommendations without discussing the case with all Trustees. It should be noted that grant or loan cheques are signed by at least one Trustee and a Trustee is therefore aware of the expenditure recommended by the Relief Board and can question the Board's decision. Where the Relief Board seeks guidance and for cases above £10,000 all Trustees consider these applications and reach a majority decision. The Relief Board meet on a weekly basis and is comprised of representatives of the police officers' associations.

In 2019, a total of 73 (2018: 87) applications were reviewed by the Relief Board. Of these 45 (2018: 50) were awarded a grant, 21 (2018: 20) were awarded a loan and 7 (2018: 17) were declined. There were 50 new applicants to the Charity and of the 23 return applicants, the majority were making a second application.

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Figure 2 - Examples of awards made by the Charity.

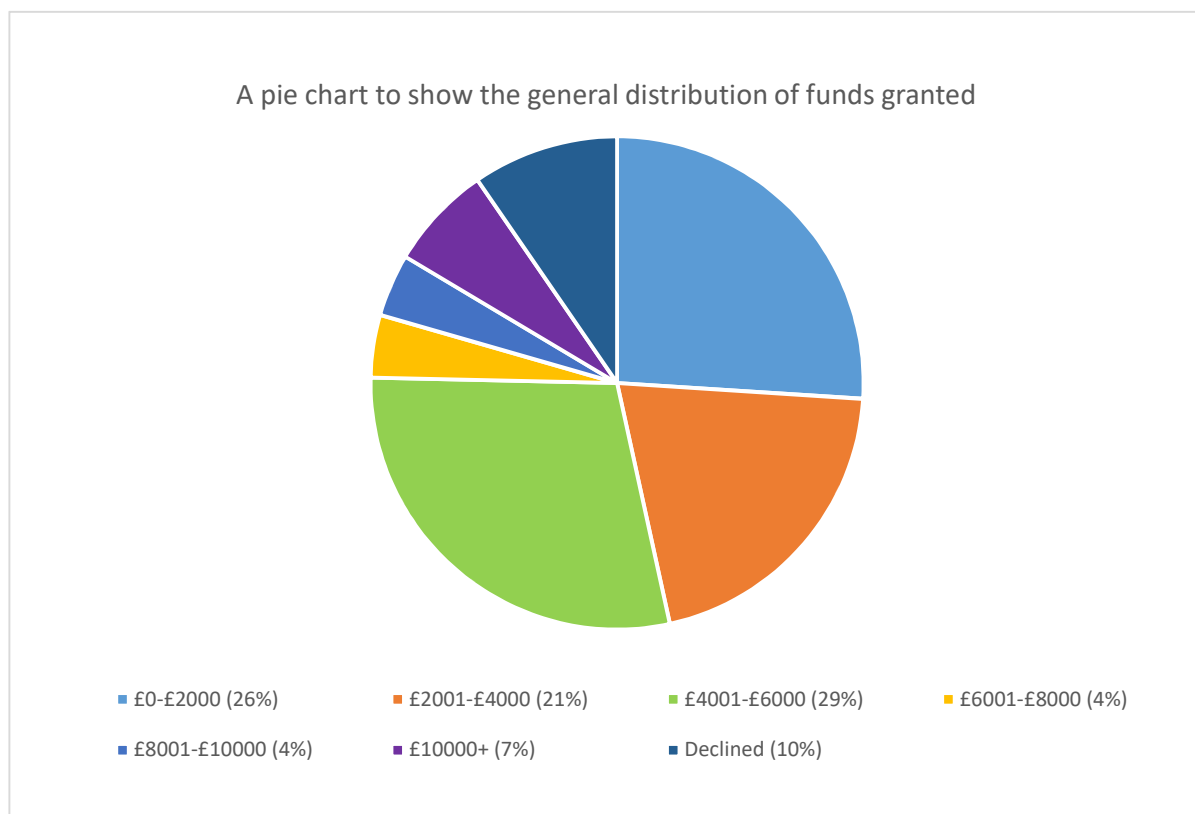
Grant / Loan / Declined	Officer / Former Officer / Dependant	Reason for Application	Exact Amount
Grant	Former Officer	Former officer joined the Met in 1990 and left in 2006 after suffering stress and PTSD from an incident as a firearms officer. Officer then worked in abroad as a musician supporting bands, returning to the UK in 2018. Now former officer is homeless in need of funding for accommodation and food. RB were happy to support a grant.	£5,580.00
Grant	Dependent	Applicant is the son of deceased MPS officer. Needed help paying for dental work. RB felt that although this did not fit into their normal criteria, they were willing to make a contribution because of the welfare reasons behind this request.	£1000.00
Grant	Officer	Officer has been diagnosed with a terminal illness, their partner also suffers from MS. Request is for a stair lift to be installed to aid both of their comfort. Trustees agreed to assist.	£5,500.00
Loan	Former Officer	Officer has muscular Dystrophy. Has recently moved to a bungalow which after completing contracts, has realised there were problems within the bungalow which was bought to the solicitor's attention who are not willing to help. RB discussed the difficulty in having such an illness and how central heating and suitable bathing/shower facilities are essential. They agreed to help towards both items by way of a loan.	£9,376.00
Grant	Former Officer	Former officer had to stop working due to cancer of the throat and needs financial help while not working during treatment. RB agreed to help mortgage and council tax payments for 8 months.	£5,329.76
Declined	Officer	Officer was awarded a grant last month to clear c/tax and water arrears. Local authority waived c/tax arrears and the Fund was reimbursed the sum. Officer asked if that sum (as was granted to officer) could be used towards another debt. RB declined because officer needs to address debts as advised by previous RB meeting.	-
Grant	Officer	Officer has MS, mobility has decreased to the point officer is almost totally wheelchair bound and suffers many falls. Social services refused help stating officer can maneuver at house using a walking frame. RB agreed to assist as they felt chair would give officer a better quality of life.	£3,995.00
Loan	Former Officer	Former officer fell into hardship having to pay for car repairs with also a reduction in police pension due to a change in tax code. RB felt it was unfortunate the former officer should suffer a reduction in pension and whilst they agreed to help, they did not feel awarding a grant was an option due to the excess between his income and expenditure.	£1,408.09
Loan	Officer	Officer awoke with paralysis in both arms. Unable to drive a manual therefore needs an automatic car for now until limbs return to normal. RB were very sympathetic and agreed to help this officer who is keen to return to work. Illness was sudden, but fortunately will make a good recovery although this will take time.	£3,496.13
Grant	Former Officer	A pensioner of 83 years old had an accident at home and had to be admitted as an in-patient for a few days. Being very immobile left pensioner having to buy a stair-lift quickly which used up all the savings. RB agreed to reimburse cost. Both husband and wife are elderly and quite weak so RB were happy to help make life easier for them.	£2,351.00

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Figure 3 - The range and distribution of amounts awarded as grants and loans in 2019.



Financial review

The state of the charity's affairs at 31 December 2019, with comparative information for the previous year, can be seen in the accompanying financial statements.

The surplus of income over expenditure amounted to £60,019 (2018: Deficit £370,199).

Reserves Policy

The Trustees review the reserves policy each year to ensure the charity remains a going concern and that it is able to meet its ongoing charitable commitments, principally to the Police Rehabilitation Centre.

The net assets at 31 December 2019 were £4,063,744 (2018: £4,003,725) of which £69,275 (2018: £313,478) is in the current account for instant access and £125,598 (2017: £124,887) is held in the CCLA Investments COIF account and could be accessed to top up the current account within two days of a request being received at the CCLA offices. Debtors were £675,217 (2018: £818,755) of which £296,110 (2018: £301,340) were loans. Fixed asset investments, which are included at market value, were £3,561,902 (2018: £3,206,075).

Of these net assets, £692,287 (2018: £611,520) are held as permanent endowment funds.

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

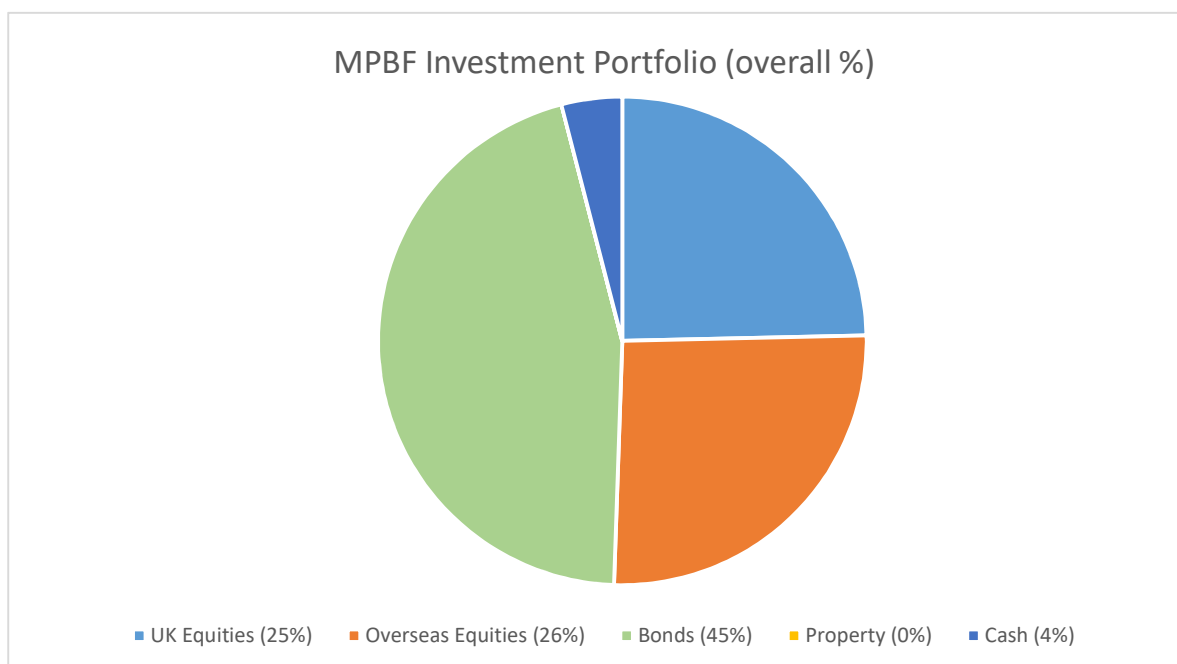
Investment Policy

To ensure the investments were diverse, units were originally purchased in the following investment Funds:

- Newton Global Growth & Income Fund for Charities - is a balanced fund designed to achieve long term capital growth and a reasonable income. The target minimum yield is 3% p.a
- Black Rock Charinco Income Fund- aims to provide a high level of income from a professionally managed portfolio of fixed interest securities. It invests predominantly in UK Government (gilt-edged) and corporate fixed interest securities.

By investing in these two Funds the charity was able to secure a balanced portfolio between equities and bonds. This provides security against short term trends in the markets and allows for long term capital gain.

Figure 4 - The diversity of the investment portfolio



The overall value of the investments increased by £358,186 in 2019 to £3,564,261. The investment is made up of both permanent endowment and unrestricted units. No units were purchased or sold in the year.

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Figure 5 - Total value of the investments on 31 December 2019.

Investment		Number of Units	2019 £	2018
Newton Global Growth & Income Fund for Charities	Permanent Endowment	396,063	578,648	500,624
	Unrestricted	1,272,436	1,859,029	1,608,359
	TOTAL	1,668,499	2,437,677	2,108,963
Black Rock Charinco Income Fund	Permanent Endowment	59,622	113,639	110,897
	Unrestricted	530,213	1,010,586	986,195
	TOTAL	589,835	1,124,225	1,097,092
OVERALL	Permanent Endowment		692,287	611,521
	Unrestricted		2,869,615	2,594,554
	TOTAL		3,561,902	3,206,075

Risk management

The trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks faced by the charity lie in the performance of investments and operational risks from ineffective grant making and the capacity of the charity to make effective grants. The trustees consider variability of investment returns and the continued donations from police officers to be the charity's major financial risk.

The investment risk is mitigated by having a diversified investment portfolio which is managed by expert investment managers. The risk of reduced donations from police officers is mitigated against by requiring all officers applying for financial assistance to be contributors to the charity.

Members of the MPS police staff represented "donated services" on the accounts and administered the charity on behalf of the Trustees. Two signatories, being two Trustees or the Treasurer and a Trustee or an authorised signatory and a Trustee, signed the bank account cheques. The charity has no property or employees.

Structure, governance and management

Governing Document

The charity was formed as a result of a review from the Charity Commission in 2006 and is an amalgamation of the following 4 former Metropolitan Police charities:

- Metropolitan Police Combined Benevolent Fund (268936)
- Metropolitan Police Relief Fund (233464)
- Metropolitan Police Widows' and Widowers' Fund (1073183)
- Metropolitan Police Convalescent Home Fund (1043767)

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Widows' and Widowers' Fund had accumulated reserves that had been difficult to spend due to restrictions on expenditure in the governing document. The Charity Commission provided a scheme, dated 16 April 2009, identifying the property of the former Funds named previously to be administered as part of the MPBF and a declaration of Trust was made on 25 July 2008 and was entered on the Charity Commission list of mergers.

Dissolving the aforesaid charities gave the Trustees of the MPBF an opportunity to expand the objects of the new charity and unite the funds' assets to allow greater expenditure on a broader range of activities in accordance with the governing document.

Appointment of Trustees

Under the terms of the charity's governing document the Trustees were ten in number and held one of the following positions:

- A Deputy Assistant Commissioner nominated by the Commissioner
- The Chairman of the Metropolitan and City Police Orphans Fund
- A Chief Superintendent or Superintendent nominated by the Superintendents' Association
- An officer of the Police Federation nominated by the Metropolitan Branch Board
- An officer of the Police Federation nominated by the Metropolitan Branch Board
- An officer of the Police Federation nominated by the Metropolitan Branch Board
- The General Secretary of the Joint Executive Committee of the Police Federation
- A police officer appointed by the Joint Executive Committee of the Police Federation
- The Manager of the Metropolitan Police Welfare Funds Unit (replaced by the Senior Chaplain)
- A representative from the London Branch of The National Association of Retired Police Officers

Public Benefit Statement

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The Trustees confirm that they have complied with their duty to have regard to the guidance on public benefit published by the charity commission in exercising their powers and duties.

The charitable purpose of the MPBF was for "the promotion of the efficiency of the armed forces of the Crown, or the efficiency of the police, fire and rescue services or ambulance services" as described by the Charity Commission.

Under the principles of public benefit the aims of the charity were for a section of the public, the relief of serving, ex and retired Metropolitan police officers and their dependants in need, via grants and/or loans; thereby promoting the efficiency of the police service was to the benefit of the general public as a whole. The MPS operates an equal opportunities policy.

Trustees do not envision any of their awards being to the detriment of other members of the public but will bear this in mind when making awards.

Future Aims and Objectives

The Trustees are committed to continuing the relief of serving, ex and retired officers and their dependants where possible under the guidance of the governing document of the Metropolitan Police Benevolent Fund.

METROPOLITAN POLICE BENEVOLENT FUND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees report was approved by the Board of Trustees.

.....
Chief Superintendent S.N. Ovens
Trustee
Dated:

METROPOLITAN POLICE BENEVOLENT FUND

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees are responsible for preparing the Trustees Report and the accounts 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 requires the trustees to prepare accounts 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 year.

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts 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.

METROPOLITAN POLICE BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF METROPOLITAN POLICE BENEVOLENT FUND

Opinion

We have audited the accounts of Metropolitan Police Benevolent Fund (the 'Charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

METROPOLITAN POLICE BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF METROPOLITAN POLICE BENEVOLENT FUND

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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.

for and on behalf of Bright Grahame Murray

Chartered Accountants

Statutory Auditor

3rd Floor

SW7 4AG

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Bright Grahame Murray is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

METROPOLITAN POLICE BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Voluntary income	2	2,365,156	-	2,365,156	2,446,221
Charitable activities	3	50,880	-	50,880	47,746
Investments	4	93,650	20,414	114,064	111,157
Total income and endowments		2,509,686	20,414	2,530,100	2,605,124
<u>Expenditure on:</u>					
Raising funds	5	23,450	-	23,450	18,076
Charitable activities	6	2,802,458	-	2,802,458	2,813,396
Total resources expended		2,825,908	-	2,825,908	2,831,472
Net gains/(losses) on investments	9	275,060	80,767	355,827	(143,851)
Net (outgoing)/incoming resources before transfers		(41,162)	101,181	60,019	(370,199)
Gross transfers between funds		20,414	(20,414)	-	-
Net movement in funds		(20,748)	80,767	60,019	(370,199)
Fund balances at 1 January 2019		3,392,205	611,520	4,003,725	4,373,924
Fund balances at 31 December 2019		3,371,457	692,287	4,063,744	4,003,725

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

METROPOLITAN POLICE BENEVOLENT FUND

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	10		3,561,902		3,206,075
Current assets					
Debtors	12	675,217		818,755	
Cash at bank and in hand		194,872		438,365	
		<u>870,089</u>		<u>1,257,120</u>	
Creditors: amounts falling due within one year	13	<u>(368,247)</u>		<u>(459,470)</u>	
Net current assets			501,842		797,650
Total assets less current liabilities			<u>4,063,744</u>		<u>4,003,725</u>
Capital funds					
Permanent endowment funds			692,287		611,520
Income funds					
Unrestricted funds			<u>3,371,457</u>		<u>3,392,205</u>
			<u>4,063,744</u>		<u>4,003,725</u>

The accounts were approved by the Trustees on

.....
Chief Superintendent S.N. Ovens
Trustee

.....
Mr J. Morgan
Treasurer

METROPOLITAN POLICE BENEVOLENT FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	15		(357,557)		(157,461)
Investing activities					
Interest and dividends received		114,064		111,157	
		<u>114,064</u>		<u>111,157</u>	
Net cash generated from investing activities			114,064		111,157
			<u>114,064</u>		<u>111,157</u>
Net decrease in cash and cash equivalents			(243,493)		(46,304)
			<u>(243,493)</u>		<u>(46,304)</u>
Cash and cash equivalents at beginning of year			438,365		484,669
			<u>438,365</u>		<u>484,669</u>
Cash and cash equivalents at end of year			<u>194,872</u>		<u>438,365</u>

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's [governing document], the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the level of grants committed at the commencement of the year to meet the charity's objectives. The most significant area of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of the investment markets (see the trustees' report for further information).

Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The charity has a single permanent endowment. The trustees may invest the capital in perpetuity and may at their discretion allocate any returns on the investments for the purposes of the furtherance of the charitable activities of the fund.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Voluntary donations received from members of the Metropolitan Police Service have been received gross under the Give As You Earn Scheme. Income tax recoverable in relation to other donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The administration and operation of the fund is carried out by members of the MPS Finance Services' Charities and Special Payments Section. An appropriate element of the salary cost of those individuals, together with their accommodation and overhead costs, is reflected within the Statement of Financial Activities.

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

1.5 Resources expended

Liabilities are recognised as resources expended as soon as there was a legal or constructive obligation committing the Charity to the expenditure. All expenditure was accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Grants were made to the Metropolitan & City Police Orphans Fund, the Police Rehabilitation Centre and to officers and former officers (and their dependants) of the MPS in accordance with the charity's objectives. Grants are included in the Statement of Financial Activities on an accruals basis.

Governance costs

Governance costs include the costs of governance arrangements that relate to the general running of the charity. These activities provide the governance infrastructure that allows the charity to operate and to generate the information required for public accountability. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Voluntary income

	2019	2018
	£	£
Donations and gifts	2,365,156	2,446,221
Donations and gifts		
Contributions from Police Officers	2,289,788	2,349,700
Donations	75,628	96,521
Other	(260)	-
	2,365,156	2,446,221

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Charitable activities

	2019	2018
	£	£
Donated services	50,880	47,746

4 Investments

	Unrestricted funds	Permanent endowment	Total 2019	Total 2018
	£	£	£	£
Income from listed investments	92,679	20,414	113,093	106,115
Interest receivable	971	-	971	801
	93,650	20,414	114,064	111,157
For the year ended 31 December 2018	91,439	19,718		111,157

5 Raising funds

	2019	2018
	£	£
<u>Costs of generating funds</u>		
CAF contribution charges	22,897	17,374
Entries in directories	553	702
	23,450	18,076

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Charitable activities

	2019	2018
	£	£
Metropolitan & City Police Orphans Fund	350,000	340,000
Officers and former officers (and their dependants) of the MPS	204,400	141,541
Police Rehabilitation Centre	2,188,917	2,278,094
	<u>2,743,317</u>	<u>2,759,635</u>
Share of support costs (see note 7)	50,880	47,746
Share of governance costs (see note 7)	8,261	6,015
	<u>2,802,458</u>	<u>2,813,396</u>
Analysis by fund		
Unrestricted funds	<u>2,802,458</u>	
	<u>2,802,458</u>	
For the year ended 31 December 2018		
Unrestricted funds		<u>2,813,396</u>
		<u>2,813,396</u>

7 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs	35,348	-	35,348	35,348	Staff time
Accommodation costs (5,366	-	5,366	5,366	Staff time
Office overheads	7,032	-	7,032	7,032	Staff time
Audit fees	-	4,800	4,800	4,800	Governance
Legal and professional	-	2,000	2,000	-	Governance
Bank charges	-	344	344	199	Governance
Insurance	-	1,117	1,117	1,016	Governance
	<u>50,880</u>	<u>8,261</u>	<u>59,141</u>	<u>53,761</u>	
Analysed to					
Charitable activities	<u>50,880</u>	<u>8,261</u>	<u>59,141</u>	<u>53,761</u>	

The trustees have decided that all governance costs are met from unrestricted funds and so no allocation or charge is made to endowment funds for any governance related costs.

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

9 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2019	Total 2018
	£	£	£	£
Revaluation of investments	275,060	80,767	355,827	(143,851)
For the year ended 31 December 2018	(116,939)	(26,912)		(143,851)

10 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2019	3,206,075
Valuation changes	355,827
At 31 December 2019	3,561,902
Carrying amount	
At 31 December 2019	3,561,902
At 31 December 2018	3,206,075

11 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	375,909	514,245
Equity instruments measured at cost less impairment	3,561,902	3,206,075
Carrying amount of financial liabilities		
Measured at amortised cost	368,247	459,470

METROPOLITAN POLICE BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Welfare loans	296,110	301,340
Amounts due from Charities Aid Foundation	375,909	514,245
Accrued income	3,198	3,170
	<u>675,217</u>	<u>818,755</u>

Included within welfare loans is £229,543 (2018: £223,644) recoverable after more than one year.

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other creditors	363,447	454,670
Accruals and deferred income	4,800	4,800
	<u>368,247</u>	<u>459,470</u>

14 Analysis of net assets between funds

	Unrestricted	Permanent endowment	Total
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Investments	2,871,735	692,526	3,561,902
Current assets/(liabilities)	501,842	-	501,842
	<u>3,373,577</u>	<u>692,526</u>	<u>4,063,744</u>

15 Cash generated from operations

	2019	2018
	£	£
Surplus/(deficit) for the year	60,019	(370,199)
Adjustments for:		
Investment income recognised in statement of financial activities	(114,064)	(111,157)
Fair value gains and losses on investments	(355,827)	143,851
Movements in working capital:		
Decrease/(increase) in debtors	143,538	(273,814)
(Decrease)/increase in creditors	(91,223)	453,858
Cash absorbed by operations	<u>(357,557)</u>	<u>(157,461)</u>