

Charity Number 269183

THE DUKE OF CORNWALL'S

BENEVOLENT FUND

Trustees' report and accounts

30 June 2018

THE DUKE OF CORNWALL'S BENEVOLENT FUND

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY,
THE TRUSTEES AND ADVISORS**

CHARITY

REGISTRATION NUMBER: 269183

REGISTERED ADDRESS: 10 Buckingham Gate
London
SW1E 6LA

TRUSTEES: The Hon. James Leigh-Pemberton CVO

Alastair Martin

Colonel Edward Bolitho OBE

Mrs Catherine Mead

SECRETARY: Terry Cotter
10 Buckingham Gate
London
SW1E 6LA

BANKERS: Coutts & Co.
440 Strand
London
WC2R 0QS

INVESTMENT MANAGER: Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

AUDITORS: SRG LLP
28 Ely Place
London
EC1N 6AA

SOLICITORS: Farrer & Co.
66 Lincoln's Inn Fields
London
WC2A 3LH

**THE DUKE OF CORNWALL'S BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2018**

Structure, Objectives and Activities for the public benefit

The Duke of Cornwall's Benevolent Fund was established under a trust deed dated 21 February 1975 with the following specific objectives:

- (a) The relief of persons in need of assistance because of sickness, poverty or age
- (b) The provision of almshouses, homes of rest, hospitals and convalescent homes
- (c) The advancement of education
- (d) The advancement of the arts
- (e) The advancement of religion
- (f) The preservation for the benefit of the public of lands and buildings.

The Fund receives donations from time to time from His Royal Highness The Duke of Cornwall which are related to amounts receivable by the Duke as Bona Vacantia (the casual profits of estates of deceased intestates dying domiciled in Cornwall without kin), after allowing for costs and ex gratia payments made by the Duke in relation to claims on any estate. The donations are invested to produce an income from which donations and subscriptions are made in accordance with the objectives.

In 2005, the trustees determined that the Fund's investment portfolio, net Bona Vacantia receipts and amounts held in bank accounts designated for capital purposes should be transferred to a designated fund, with the intention of treating this fund as a quasi-endowment, whose capital value (together with any new donations) is to be maintained in real terms, while the income arising is available for distribution. Following this principle, gains and losses on revaluation of the investment portfolio (net of any investment management fees) are recorded within this designated fund, while investment income earned, grants made and other management and administration expenses are recorded in the general fund. Both the designated and general funds are unrestricted.

There have been no material changes in policy since the last trustees' report.

The trustees have complied with the duty in Section 17 of the Charities Act 2011 in respect of having due regard to guidance published by the Charity Commission, including public benefit guidance.

Trustees

The trustees meet regularly and are the Receiver General (The Hon. James Leigh-Pemberton CVO) and Secretary of the Duchy of Cornwall Estate (Alastair Martin), ex officio and two external trustees. The trust deed also has provision for the appointment of other persons as trustees when appropriate.

THE DUKE OF CORNWALL'S BENEVOLENT FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2018
(continued)

Achievements and Performance

The Duke of Cornwall's Benevolent Fund is principally a grant giving charity and most activity is related to support for charitable organisations.

All the above grants met the Duke of Cornwall's Benevolent Fund's objectives as illustrated earlier in this report.

Financial review

During the year, the Fund received investment income of £121,402 (2017 £111,605) and made 63 grants amounting to £152,780 (2017 67 grants totalling £113,050), leaving a deficit of £36,018 (2017 deficit £5,915) after administration expenses in the general fund. The Fund received donations of £95,000 (2017 £415,000) giving total incoming resources of £216,402 (2017 £526,605). The designated fund increased from £5,304,575 to £5,621,732 after allowing for a £36,000 transfer to the general fund, as a result of the incoming donations and investment movements. Total funds at 30 June 2018 amounted to £5,622,317 (2017 £5,305,178).

Grants Policy

The Fund makes grants in accordance with its charitable objectives as set out on page 2. Applications for grants are generally only accepted from registered charities, primarily based in Cornwall, and considered at regular trustee meetings. Offers are determined by trustees at these meetings.

Applications for grants should be made in writing to the secretary.

Risk Management Policy

The trustees of the Fund have put into place systems which will mitigate any risks that can be identified. The Fund's investments are monitored on a regular basis and are held by their investment manager. The Fund has no direct employees and is therefore not responsible for the direct costs of any staff. The Fund's non-investment income is handed over directly by the Duchy of Cornwall Estate and the trustees are aware of the adequacy of reserves and cash flow, in line with best practice.

Prior to any donation, all claimants are checked thoroughly and only written applications are considered. Most grants are made to organisations which are known to the trustees who will, in turn, make the appropriate investigations, if required.

The trustees endeavour to grant monies only to charitable institutions. The trustees also keep outgoings at a manageable level.

**THE DUKE OF CORNWALL'S BENEVOLENT FUND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2018
(continued)**

Investment Policy

There are no restrictions on the Fund's power to invest. The investment strategy is set by the trustees and takes account of recent demand for funds and the quality of funding applications. The trustees consider the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The investment portfolio increased in value from £4,837,147 at 30 June 2017 to £5,495,304 at 30 June 2018.

Reserves Policy

The Fund maintains unrestricted funds, which are the free reserves of the Fund. As explained on page 3, the designated reserve, which now totals over £5.6million, is being held as a long-term investment, in order to generate future incoming resources to support the Fund's charitable objectives.

It is the policy of the Fund to pay out, by means of grants, substantially all of the total incoming resources for the year on the general fund, after relevant expenses have been met, although the trustees are necessarily constrained by the availability of sufficient suitable grant applications. It is the trustees' intention to maintain a small balance to cover unforeseen expenditure.

Notwithstanding the general desire to protect the capital within the designated fund, the trustees may decide from time to time to pay over receipts of Bona Vacantia to the general fund to allow additional grants to be made.

Plans for Future Periods

In the coming year, the Fund will continue to provide charitable support in accordance with its objectives.

**THE DUKE OF CORNWALL'S BENEVOLENT FUND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2018
(continued)**

Trustees' Responsibilities Statement

The trustees' are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity's activities during the year and of its financial position at the end of the year.

In preparing those financial statements, the trustees are required to:

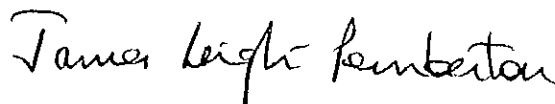
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities, in which case there should be supporting assumptions or qualifications as necessary.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the fund and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved at the trustees meeting on 21 November 2018

The Hon. James Leigh-Pemberton CVO



Alastair Martin



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DUKE OF CORNWALL'S BENEVOLENT FUND

Opinion

We have audited the financial statements of The Duke of Cornwall's Benevolent Fund for the year ended 30 June 2018 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2018 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's trustees 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 use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DUKE OF CORNWALL'S BENEVOLENT FUND (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DUKE OF
CORNWALL'S BENEVOLENT FUND (continued)**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



SRG LLP
Chartered Accountants
Statutory Auditor

26th November 2018

28 Ely Place
London EC1N 6AA

SRG LLP is eligible for appointment as auditor of the by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE DUKE OF CORNWALL'S BENEVOLENT FUND

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2018**

	General Fund £	Designated Fund £	Total 2018 £	Total 2017 £
Incoming resources				
Incoming resources from generated funds:				
Investment income (Note 2)	121,402	-	121,402	111,605
Donations (Note 3)	-	95,000	95,000	415,000
Total incoming resources	121,402	95,000	216,402	526,605
Resources expended				
Costs of generating funds:				
Direct charitable activities:				
Grants (Note 4)	152,780	-	152,780	113,050
Governance costs (Note 5)	4,640	-	4,640	4,470
Total resources expended	157,420	-	157,420	117,520
Net (outgoing)/incoming resources for the year before losses	(36,018)	95,000	58,982	409,085
Unrealised gain on investment assets (Note 6)	-	258,157	258,157	584,716
Net movement in funds	(36,018)	353,157	317,139	993,801
Fund balances brought forward	603	5,304,575	5,305,178	4,311,377
Transfer	36,000	(36,000)	-	-
Fund balances carried forward	585	5,621,732	5,622,317	5,305,178

The notes on pages 11 to 15 form part of these accounts.

All of the Fund's activities are derived from continuing operations. The Fund has no recognised gains or losses other than those shown above.

THE DUKE OF CORNWALL'S BENEVOLENT FUND

BALANCE SHEET AS AT 30 JUNE 2018

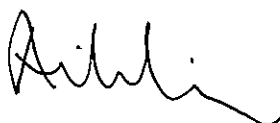
	<u>30 June 2018</u>		<u>30 June 2017</u>	
	£	£	£	£
Fixed Assets				
Investments (Note 6)		5,495,304		4,837,147
Current Assets				
Debtors (Note 7)		45,423		40,160
Cash at bank		<u>86,240</u>		<u>432,321</u>
		<u>131,663</u>		<u>472,481</u>
Liabilities due within one year				
Accruals		<u>(4,650)</u>		<u>(4,450)</u>
		<u>(4,650)</u>		<u>(4,450)</u>
Net current assets		127,013		468,031
Net assets		<u>5,622,317</u>		<u>5,305,178</u>
 Funds				
General		585		603
Designated		<u>5,621,732</u>		<u>5,304,575</u>
		<u>5,622,317</u>		<u>5,305,178</u>

Approved by the trustees on 21 November 2018

The Hon. James Leigh-Pemberton CVO



Alastair Martin



The notes on pages 11 to 15 form part of these accounts.

THE DUKE OF CORNWALL'S BENEVOLENT FUND

NOTES TO THE ACCOUNTS - 30 JUNE 2018

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Fund constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Fund's ability to continue as a going concern.

Intangible income

Support provided by third parties is brought into these accounts at its estimated value to the fund, unless it is not possible to ascertain the value. To the extent that it is possible to obtain a value, this is included both as income and expenditure.

Income

Income from investments is accounted for on an accruals basis and stated inclusive of recoverable taxation. Other income is accounted for on a receipts basis.

Investments

Investments are stated at the middle market price at the balance sheet date. Both unrealised and realised gains and losses, reflecting the changes in the market value of the investments, and profits or losses on sale, are included in the Statement of Financial Activities.

Cash flow

The Fund has taken advantage of the exemption as a small charity not to present a cash flow statement.

Funds

The trustees have determined that investment gains and losses both realised and unrealised, associated management charges, net Bona Vacantia receipts and bank balances held for capital purposes are recorded in the designated fund. All other income and expenditure is recorded in the general fund. Both the designated and general funds are unrestricted.

THE DUKE OF CORNWALL'S BENEVOLENT FUND

NOTES TO THE ACCOUNTS (Continued) - 30 JUNE 2018

1. Accounting policies (continued)

Grants and other expenditure

Grants payable are included in the Statement of Financial Activities in the period in which the conditions attached to the award are met or outside the control of the Fund. Grants which have been recognised but not paid are accounted for as creditors in the balance sheet. Other expenditure is accounted for on an accruals basis and recorded including irrecoverable VAT.

Support costs

The day to day administration of the Fund is carried out by staff of the Duchy of Cornwall Estate and provided free of charge. The trustees consider the value of services provided by the Duchy of Cornwall Estate for administrative support to be immaterial.

2. Investment income

	2018 £	2017 £
UK investment income	121,195	111,097
Bank interest	<u>207</u>	<u>508</u>
	<u>121,402</u>	<u>111,605</u>

3. Donations from His Royal Highness The Duke of Cornwall

Donations from His Royal Highness The Duke of Cornwall represent amounts received by His Royal Highness as Bona Vacantia (the casual profits of deceased intestates dying domiciled in Cornwall without next of kin), after allowing for costs and ex gratia payments by His Royal Highness in relation to claims on any estate.

THE DUKE OF CORNWALL'S BENEVOLENT FUND

NOTES TO THE ACCOUNTS (Continued) - 30 JUNE 2018

4. Grants

During the year, the following organisations or individuals became entitled to receive total donations of £1,000 or more:

	£
Cornwall Community Foundation (Mental Health Fund)	35,000
Cornish Historic Churches Trust	25,000
Cornwall Community Foundation (Cornwall Crisis Fund)	20,000
Truro Cathedral	20,000
Cornwall Community Foundation (Cornwall Carers Fund)	10,000
Dorset County Hospital	3,000
Hall for Cornwall	3,000
Lostwithiel Community Centre	2,000
Bosence Farm	2,000
St Tudy Playing Field Trust	2,000
Feeding Britain	2,000
Age UK Cornwall & Isles of Scilly	2,000
CHICKS	1,850
Reverend Perran Gay	1,000
Soil Association	1,000
Truro Foodbank	1,000
Drama Express	1,000
Macmillan Cancer Support	1,000
Addington Fund	1,000
Cornwall Red Squirrel Project	1,000

Other donations to individuals and organisations of less than £1,000 each total **£17,930**.
During the year, there were two grants to individuals (2017 two grants).

THE DUKE OF CORNWALL'S BENEVOLENT FUND
NOTES TO THE ACCOUNTS (Continued) - 30 JUNE 2018

5. Governance costs

	2018	2017
Audit fees - current year	<u>£4,640</u>	<u>£4,470</u>

There were no governance costs charged to the designated fund. The Fund has no employees (2017 nil) and the trustees do not receive any remuneration or expenses. No reimbursement of expenses was made to any trustee (2017 £nil). As noted in the accounting policies (Note 1) the trustees consider the value of services provided by the Duchy of Cornwall Estate for administrative support to be immaterial.

6. Fixed asset investments

Movement in fixed asset investments:

	2018	2017
	£	£
Market value 1 July	4,837,147	3,852,431
Add: additions to investments at cost	400,000	400,000
Add: net gain on revaluation	258,157	584,716
Market value as at 30 June	<u>5,495,304</u>	<u>4,837,147</u>

Investments at market value comprised:

	2018	2017
	£	£
Global balanced fund	5,495,304	4,837,147
Market value as at 30 June	<u>5,495,304</u>	<u>4,837,147</u>

The following individual investments are in excess of 5% of the total portfolio value:

Holding value	Name
£5,495,304	Newton SRI Fund for Charities

THE DUKE OF CORNWALL'S BENEVOLENT FUND

NOTES TO THE ACCOUNTS (Continued) - 30 JUNE 2018

7. Debtors

	2018	2017
	£	£
UK investment income	45,400	40,099
Bank interest	23	61
	45,423	40,160

8. Analysis of net assets by fund

	30 June 2018	
	General	Designated
	£	£
Investments	-	5,495,304
Current assets	5,235	126,428
Current liabilities	(4,650)	-
	585	5,621,732

9. Related party transactions

Two of the trustees of the Duke of Cornwall's Benevolent Fund are also members of the Prince's Council of the Duchy of Cornwall Estate, which administers the transfer of net Bona Vacantia receipts to the Fund as detailed in Note 3. There were no balances outstanding between the parties at the year end (2017 £nil).