

**Company Registration No. 7033553**

**Charity Registration No. 1132048**

**The Royal Foundation of The Duke and Duchess of Cambridge**

(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)

**Report and Consolidated Financial Statements for the year ended 31 December 2019**

**The Royal Foundation of The Duke and Duchess of Cambridge**  
**(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)**

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**The Royal Foundation of The Duke and Duchess of Cambridge**  
(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)

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**Principals and Members**

TRH The Duke and Duchess of Cambridge

**Trustees**

Sir Keith Mills, GBE, DL – Chairman  
Tessa Green, CBE  
Edward Harley, OBE, DL (resigned 18 September 2019)  
Jamie Lowther-Pinkerton, LVO, MBE, DL  
Charles Mindenhall  
Guy Monson (appointed 18 September 2019, resigned 10 December 2019)  
Simon Patterson  
Lady Pinsent  
Claire Wills

**Ex Officio Trustees**

Simon Case, CVO (appointed 8 August 2019)  
Hannah Cockburn-Logie, OBE, MVO (appointed 8 June 2020)

**Senior Management Team**

Lorraine Heggsey	Chief Executive Officer (until 30 September 2019)
Jason Knauf	Chief Executive Officer (from 1 October 2019)
Rob Abercrombie	Director of Transformation
Aida Cable	Director of Programmes, The Duchess of Cambridge (from 1 November 2019)
Natalie Campbell	Director of Insight & Innovation (until 31 August 2019)
Sarah Conlon	Head of HR
Elaine Dodds	Director of Development
Pim Gregory	Director of Programmes, The Duke of Cambridge (from 20 January 2020)
James Holt	Head of Communications (until 30 September 2019)
Edwina Iddles	Chief Communications Officer (from 20 January 2020)
Natalie Leon	Director of Finance and Operations (until 31 December 2019)
Amy Pickerill	Director - Earthshot Prize London 2021 (from 1 April 2020)

**Registered Office**

Kensington Palace  
Palace Green  
London W8 4PU

**Bankers**

Barclays  
1 Churchill Place  
London E14 5HP

**Solicitors**

Bates Wells LLP  
10 Queen Street Place  
London EC4R 1BE

**Investment Advisors**

Cazenove Capital (trading name of Schroder & Co. Limited)  
1 London Wall Place  
London EC2Y 5AU

**Auditor**

BDO LLP  
55 Baker Street  
London W1U 7EU

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**Letter from the Chair of the Board**

Every year when the time comes to reflect on the achievements of The Royal Foundation over the previous twelve months, I am struck by just how much the organisation has done to make a tangible, positive impact on issues that matter both to The Duke and Duchess, and to society as a whole. I am proud to say that 2019/20 has been no different.

Following a period of review and restructure in the first few months of the financial year and The Duke and Duchess of Sussex stepping down as Patrons, we took the decision to focus our work on four key areas: conservation, early years, mental health, and the emergency responders' community. I am confident that this more targeted approach to our activity will help to ensure that our programmes have even more of an impact than ever before. Ten years on from the launch of the Foundation, we look ahead with ever increasing aspirations for the positive impact that we can have with The Duke and Duchess of Cambridge, both here in the UK and across the world.

To kick off the new decade, we launched one of our most ambitious projects to date – The Earthshot Prize. This global programme has been developed at the Foundation, hand in hand with world renowned leaders, organisations and conservationists to address some of the most significant environmental issues our planet faces today. This year, The Duke of Cambridge, alongside our global partners, will launch the Earthshot challenges which aim to inspire a decade of action to repair the planet.

Elsewhere, The Duchess' ongoing commitment to giving every child the best possible start in life saw her launch the landmark '*5 Big Questions on the Under Fives*' survey, which was conducted alongside a nationally representative study, providing an academically rigorous set of detail that sits alongside the survey. This research will be key to developing a range of initiatives in this important area. We look forward to progressing our broader work in the coming months.

The past year has also seen The Royal Foundation continue its longstanding commitment to elevating the mental health sector's efforts to tackle the stigma that surrounds the issue. In his role as President of The FA, The Duke saw an opportunity to harness the power and influence of football to change the conversation on mental health, which resulted in the launch of *Heads Up* – a season long campaign delivered by The Royal Foundation and The FA. We also supported Mental Health Innovations with the public launch of *Shout*, the UK's first crisis text line. In its first year, Shout has recruited and trained 2,000 volunteers who have had over 300,000 text conversations with people in crisis.

This year a number of programmes set up by The Royal Foundation became strong, sustainable and impactful programmes in their own right. The Endeavour Fund, Coach Core and Travalyst have been successfully established outside of the Foundation, and we look forward to watching them continue to grow and thrive, changing lives and touching communities.

As we reflect on the successes of 2019/20 and look ahead to 2020/21, it is impossible not to acknowledge the challenging circumstances we now find ourselves in. At the time of writing, the UK and many other countries around the globe are emerging from a state of lockdown as the world faces up to the new reality of COVID-19. The Royal Foundation is committed to playing its part in the national response to this crisis – whether that be through supporting those on the frontline of responding to the outbreak in the UK, or stepping up our activity in the mental health space to ensure that support is there for those who need it.

I want to end by saying thank you to all those who make our work possible. Firstly, to Their Royal Highnesses, whose passion and determination to make a difference to society continues to be the driving force behind everything The Royal Foundation does.

Next, to our Trustees and the generous individuals who volunteer their time and money to support the Foundation. In particular, I'd like to thank Edward Harley who stepped down as a Trustee in September after ten years on the Board. I'd also like to thank Lorraine Heggessey, who stood down as Chief Executive in September. She led The Royal Foundation for two and a half years, and both I and the Board are enormously grateful for everything she has done to drive forward the Foundation's work. We have been delighted to welcome Jason Knauf as our new Chief Executive.

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Finally, I want to thank everyone who works at the Foundation. Without their boundless commitment to each and every one of our projects, we would simply not be able to achieve all that we have over the last twelve months.

I look forward to working with this fantastic team as we move forward, building on the pioneering work that The Royal Foundation does to bring people together and make a real difference in the UK and around the world.

A handwritten signature in dark ink, appearing to read 'Keith Mills', with a stylized flourish at the end.

**Sir Keith Mills, GBE, DL**  
**Chairman**

**17 June 2020**

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**Trustees' Report – incorporating the Directors' report for Companies Act purposes**

The Trustees of The Royal Foundation of The Duke and Duchess of Cambridge ("The Royal Foundation") present their annual report for the year ended 31 December 2019 under the Companies Act 2006, together with the audited accounts for the year, and confirm that the latter complies with the requirements of the Act, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the 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 (FRS102) (Charities SORP (FRS102)).

**Objectives and activities**

The Royal Foundation is the primary philanthropic and charitable vehicle for The Duke and Duchess of Cambridge. The Royal Foundation seeks to use its unique influence to address some of today's greatest challenges and make a sustained impact on the issues that matter to our Principals and to society.

Following a period of review and restructure in 2019, the work of the Royal Foundation is now focussed on the following themes: conservation, early years, mental health, the emergency responders community and in the short term, on a response to COVID-19. Increasingly, The Royal Foundation is using its unique position to convene on a global scale, to help bring together people, their ideas and resources to develop and implement solutions.

*Conservation*

After much in depth research and planning undertaken throughout 2019, The Royal Foundation announced The Earthshot Prize at the start of 2020, initiating a decade of action to repair the Earth.

Work has also continued to scale our United for Wildlife Taskforces which engage with the transport and finance sectors to tackle the illegal wildlife trade. As at 31 December 2019, 173 organisations have joined the Taskforces, signing declarations which set out their commitments to combat illegal wildlife trade.

*Early Years*

The Duchess of Cambridge is passionate about the importance of the earliest years of a child's life, and this continues to be a focus area for The Royal Foundation. Following recommendations made by our expert steering group, the charity has worked closely with the Duchess to plan the next steps for our work in this area. This included the development of the landmark *5 Big Questions* national survey that took place in early 2020. The results of the survey, as well as additional research conducted by Ipsos MORI, will be used to inform the future development of our Early Years work.

*Mental Health*

Following the success of the Heads Together campaign launched by The Royal Foundation in 2016, mental health continues to be a central theme for the organisation.

The innovative digital mental health support service *Shout* was publicly launched in May 2019 after a year-long pilot phase, with £3m of seed funding provided by The Royal Foundation. This was the largest grant ever awarded by The Royal Foundation, which has enabled the same technology platform and service model as has been successfully established in the USA to be rolled out for the first time in the UK. The service, which is powered by a team of Crisis Volunteers who take people from crisis to calm every single day, handled 300,000 text conversations in its first year. Demand for *Shout's* services has risen by 20% since the start of the COVID-19 lockdown and we are committed to doing all we can to support the nation's mental health needs arising from the COVID-19 outbreak.

In May 2019, The Duke of Cambridge announced the launch of *Heads Up*, a new partnership focusing on football, between Heads Together and the FA. Through a series of engagements, including a launch at The FA Community Shield in August 2019, the Heads Up campaign has harnessed the influence and popularity of football to drive the conversation on mental health, particularly amongst the male community.

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Meanwhile, the Mentally Healthy Schools and Mental Health at Work portals, created with our charity partners, have continued to be developed into useful resources for teachers and businesses respectively.

*Emergency Responders*

Inspired by The Duke of Cambridge's own experience serving with the East Anglian Air Ambulance service, The Royal Foundation is developing a strategy to support the emergency responders community. Working with King's College London and a wide network of charities and experts from across the sector, the Foundation has undertaken research to identify where it is able to make the greatest impact. This work will begin to be rolled out in 2020 and is of increased significance in the context of COVID-19 and its impact on the UK's frontline services.

*COVID-19 response*

Although our original plans for 2020 have been affected by COVID-19, we have been able to rapidly readjust our focus in response to the developing situation. Our staff have all successfully transitioned to working from home and while we hope the disruption will be short-lived, we are committed to doing all we can to support those on the frontline of responding to COVID-19 in the UK.

For example we have accelerated work on our emergency responders programme to allow the Foundation to play an essential role with key partners to address gaps in support for the emergency responder community.

Our existing activities, experience and contacts within the mental health and emergency responder communities place us in good stead to carry out a key role of convening and adding value through our partnerships. Our COVID-19 response has been grouped around two key strands:

- Working with MIND, SHOUT, Samaritans and Hospice UK, The Royal Foundation is supporting the *Our Frontline* initiative, to provide mental health support to frontline staff and key workers. This campaign will use Mind's *Mental Health at Work* portal and *Shout's* 24/7 crisis text service, both funded by The Royal Foundation.
- We have set up a COVID-19 response fund, successfully raising funds from donors in order to make targeted grants to organisations supporting the frontline community and those addressing the likely mental health impact amongst the general population where there is a pressing need.

*Transitioning programmes*

The Royal Foundation follows a model of incubating and scaling solutions so that they can provide sustained impact beyond the charity's initial involvement. As part of this process, several longstanding programmes have transitioned out of, or are in the process of transitioning from, the Foundation. These include a number of projects in our *Supporting Those Who Serve* programme, including the Endeavour Fund, Step Into Health and The CASEVAC Club, and conservation projects such as our Rhino Impact Investment Project, which successfully paved the way towards the creation of an innovative financial instrument for the conservation of rhinos, and WILDLABS.NET, a conservation technology network which was transferred to Flora & Fauna International in May 2020.

Two of The Royal Foundation's longest running programmes which exited in 2020 deserve special mention. Coach Core was established around the time of the London 2012 Olympics and transferred to a newly formed independent charity in March 2020, providing apprenticeships and coaching qualifications to young people not in education, employment or training. In 2019, Coach Core launched 7 new projects across the UK, including 4 with funding from Sport England. To date, 502 young people have graduated from, or are currently enrolled in, Coach Core programmes across the UK.

On 1 June 2020 the Endeavour Fund was transferred to the Invictus Games Foundation after 8 years at The Royal Foundation, during which nearly £3.2m has been granted to over 100 endeavours. In 2019, the Endeavour Fund awarded 12 grants amounting to £223k.

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*Structural review*

Following a review into the structure of The Royal Foundation, the Duke and Duchess of Sussex decided to leave the charity in order to set up their own philanthropic organisation. The Royal Foundation agreed to provide financial and operational support during the period of transition, as well as providing a home for legacy projects set up by the Duke and Duchess of Sussex. These include the Duchess of Sussex's work on **Empowering Communities** and the Duke of Sussex's **Full Effect** programmes combatting youth violence in London and Nottingham, with management of these grants remaining with The Royal Foundation. The Duke of Sussex's **Travalyst** programme, which was set up to support more sustainable tourism, was transferred to the Sussex Royal Foundation in December 2019.

The Royal Foundation remains the primary philanthropic vehicle for the Duke and Duchess of Cambridge and will increasingly seek to use the unique influence of its Principals to convene the global philanthropic community to address society's greatest challenges, as well as continuing to incubate innovative solutions that address its four ongoing areas of focus.

**Financial review**

**Income**

The total income for the year to 31 December 2019 was £6.7m, a decrease of 15% on 2018 (£7.8m). Of the total income, 99% (£6.6m) related to donations, grants, royalty and legacy income, of which 71% was restricted. Restricted fund income increased by 9% to £4.8m, as donors and funders continued to support our programmes. Unrestricted income fell by £1.5m to £1.9m, reflecting the pause in unrestricted fundraising activities whilst the structure of The Royal Foundation was reviewed during the spring and summer.

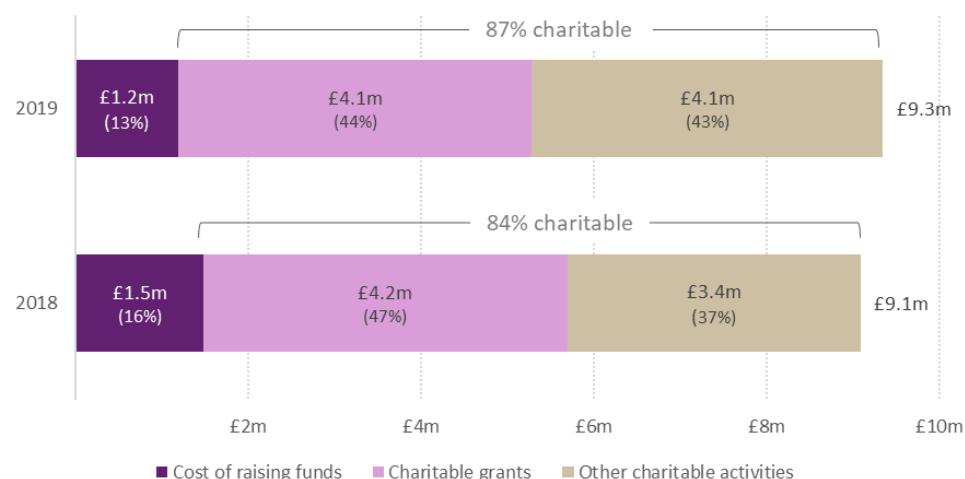
**Expenditure**

Total expenditure in 2019 remained steady at £9.3m (2018: £9.1m), of which £8.2m was spent on charitable activities. This reflects significant expenditure on grants that was committed in 2018 and incurred in 2019, in particular on our conservation programmes. Spend was also incurred as the Foundation continued to develop new focus areas, including The Duke of Cambridge's Earthshot Prize and The Duchess of Cambridge's work on the Early Years.

*Charitable Activities*

Of the £9.3m spent in 2019, £8.2m was spent on charitable activities, representing 87% of total expenditure. This includes amounts spent on providing seed capital and grant funding and all activities designed to convene and raise awareness. For 2018, this was £7.6m, representing 84% of total expenditure.

A breakdown of the expenditure is shown below:





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The Foundation's charitable spend was 7% higher than the previous year (2018: £7.6m), reflecting increased grant activity and increased staff costs arising from the recruitment of programme specialists.

The Royal Foundation's charitable expenditure was incurred across its core focus areas: Conservation, Mental Health, 'Supporting Those Who Serve', Early Years, Young People and Empowering Communities, with an additional grant made to Sussex Royal, the charitable vehicle set up by the Duke and Duchess of Sussex in August 2019. The ratio of grants to direct charitable costs varied considerably between each programme, reflecting the varied nature of the work that the Royal Foundation undertakes and the different stage each programme is at in its lifecycle.

**Conservation** was the largest area of programmatic work (£2.6m), including £1.1m of grants made to sites in Africa as part of our innovative rhino investment programme, as well as research and development of The Earthshot Prize and ongoing funding of the *United for Wildlife* Taskforces' information sharing system.

Expenditure on **Mental Health** programmes was £2.0m (2018: £3.3m). This was largely grant funding to Heads Together partners to further develop and scale tools for schools and workplaces and to launch Shout, the 24/7 text messaging service provided by Mental Health Innovations.

Support for The Royal Foundation's **Supporting Those Who Serve** programmes remained steady in 2019 at £1.3m (2018: £1.3m). Grant funding of £436k, primarily via the Endeavour Fund and Step Into Employment projects, helped to support military veterans as they transition out of the Armed Forces and back into civilian life. Initial scoping was also undertaken to develop a programme of work to support the **emergency responder** community.

**Early Years** continued to develop, informed by recommendations made by the Early Years steering committee. In response, the Royal Foundation commissioned a landmark survey, which was launched in January 2020, to start a national conversation about the early years.

The Royal Foundation continued to deliver its Coach Core programme to provide education and training opportunities to **Young People** from disadvantaged backgrounds, with support from Sport England.

Following the decision of The Duke and Duchess of Sussex to leave the Royal Foundation to set up their own charitable organisation, an unrestricted grant of £145,000 was awarded to Sussex Royal to facilitate the set-up of the new charity. Grants of £151,856 were also awarded to the Sussex Royal Foundation for the continued development of the Duke of Sussex's **Sustainable Tourism** programme, *Travalyst*.

The Royal Foundation continued to manage a number of legacy programmes for The Duke and Duchess of Sussex, including the programmes targeting **youth violence** in Nottingham and London and the **Empowering Communities** programme, which continued to support families who had been affected by the Grenfell disaster, through grant funding to a community kitchen in West London.

*Fundraising*

The cost of raising funds decreased by 20% in 2019 to £1.2m (2018: £1.5m). This reflects that many planned fundraising activities and events were put on hold during the review period.

*Staff and support costs*

In 2019, staff costs comprised 30% (£2.8m) of total expenditure. This is an increase of 20% on 2018 (£2.3m), reflecting the creation of new roles in late 2018 to support new programme areas of work which are reflected in the increase in average headcount for the year to 45 (2018:42).

Following the restructure of The Royal Foundation and the decision to focus on fewer thematic areas, a number of roles were made redundant in the second half of 2019, resulting in one-off termination costs of £148k.

Support costs increased marginally from £1.5m to £1.6m. The Royal Foundation continues to manage support costs closely, ensuring value for money and compliance with all regulatory and legal

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requirements. Support costs are allocated across The Royal Foundation's charitable and fundraising activities to reflect usage by activity and associated headcount. Details are provided in Note 7.

**Funds of The Royal Foundation**

The funds of the charity fall into two categories: restricted funds (£3.3m) are donations received for defined projects; and unrestricted funds (£2.1m) to be spent in accordance with the charitable objectives at the discretion of the Trustees. Unrestricted reserves include the Diana, Princess of Wales Memorial Fund (£250k) which was transferred from an endowment fund to the unrestricted fund on 31 March 2019.

**Reserves Policy**

The Trustees recognise the need to hold sufficient free reserves to ensure the protection of core activities in the event of unforeseen circumstances including (1) any unplanned reduction to income particularly relating to funding of multi-year programmes; (2) unforeseen need for funds, for example seed funding and increased operational costs for an urgent programme; and (3) a need to fund short-term deficits to cover grants before income is received.

The level of reserves is calculated monthly and is reviewed by the Trustees at each of their quarterly Trustee meetings. Using a risk-based approach, the Trustees target a level of free reserves of 12 months of operational expenditure. This approach recognises that most of the charity's income comes from voluntary donations which are uncertain, but also affords The Royal Foundation the ability to respond rapidly to newly identified priorities when these arise. Our proactive response to the COVID-19 crisis provides an example of this in action.

The total funds of the charity currently stand at £5.5m (2018: £7.9m). The free reserves of the charity are £1.9m (2018: £3.5m). The unrestricted reserves represent 9 months of unrestricted expenditure, down from 11 months in 2018, reflecting the reduced fundraising activity in year and the fact that some pledges which were originally expected to be received in late 2019 were subsequently received in 2020. Adjustments to determine the free reserves of the charity are set out below:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Total Funds of The Royal Foundation	5,469	7,897
Less:		
Restricted Funds	-3,335	-3,935
Endowment Fund	-	-250
Tangible Fixed Assets	-24	-56
Approved grants not funded by Restricted Funds	-213	-120
Free Reserves	<u>1,897</u>	<u>3,536</u>

Since year end a number of unrestricted donations have been received, increasing free reserves to a level comfortably in excess of the 12-month target. This provides assurance that there are sufficient free reserves available to enable The Royal Foundation not just to continue to operate as a going concern but also to respond proactively to the COVID-19 crisis, for example, through the launch of the *Our Frontline* initiative.

Further details on the funds position since year end are provided under the going concern section below.

**Investment Policy and Performance**

The Trustees invests funds not immediately required for operational purposes in an investment portfolio managed by Cazenove Capital Management. The Finance Committee review the charity's investment policy annually. The decision at the end of 2018 to move from directly held equities and bonds into pooled

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funds was completed by the end of January 2019. There have been no further changes to the policy in 2019.

Investment performance is reviewed quarterly by the Finance Committee. During 2019 the value of the portfolio increased from £2.29m to £2.52m, a gain of 10%. The value and composition of investments are summarised in Note 13 to the financial statements.

The portfolio is conservatively invested and diversified across multiple asset classes, and has therefore suffered less than the wider financial markets from the COVID-19 related volatility seen since the end of the year. As of 31 May 2020 the portfolio was down by £54,619 (2.2%) in the year to date.

**Grant-making policy**

Decisions on grants are made by the Trustees. Trustees only approve grants or fund projects which demonstrate public benefit within the criteria of the Charity Commission's guidance. The Royal Foundation actively looks for opportunities where added leverage can be demonstrated from its involvement.

**Going concern**

The financial review above considers the financial performance and position of The Royal Foundation. The Trustees have undertaken a robust assessment of the charity's projected future income, expenditure and cash flow and analysed its reserves and liquid assets and are satisfied with the charity's ability to withstand a material fall in income. Additional forecasts of expenditure, income and cash flows were undertaken in March 2020 in response to the onset of the COVID-19 crisis. This included stress-testing of assumptions under a range of extreme downside scenarios in relation to fundraising and investment performance, which are the most significant determining factors in assessing the going concern assumptions. Further reviews have been undertaken in May and again in June 2020 prior to approving these accounts, providing the Trustees with assurance that the charity can continue operating for at least the next twelve months.

The Foundation is primarily reliant on donations from a group of individual donors to fund its core costs, with minimal reliance on commercial sponsorship. Income from public fundraising and legacies is received on an ad hoc basis and whilst gratefully received, is not critical to the running of the charity or to fund its charitable activities. Investment income is retained within the portfolio and is not required to fund the core costs of the organisation. Income in 2020 to date has been considerably ahead of the corresponding period in 2019.

The Foundation has not furloughed any of its staff nor has it been considered necessary to take advantage of any of the government support schemes for which it is eligible.

As such, the Trustees believe that The Royal Foundation and its subsidiary, TRF Trading Limited, have adequate resources to continue their activities for the foreseeable future. Consequently, the going concern basis continues to be appropriate for the preparation of the financial statements.

**Risk management**

In line with governance best practice, the Trustees are committed to maintaining a strong risk management framework that supports The Royal Foundation to manage risks appropriately.

A strategic and operational risk register is reviewed regularly by the organisation's Senior Management Team, Finance Committee, Governance and Nominations Committee and Trustees. The register considers the impact, likelihood, and level of mitigation of risks, with the management of each risk assigned to a senior member of staff. Quarterly reports are made to the Trustee Board and Finance and Governance and Nominations Committees, of continuing and emerging high-concern risks and those where action is required.

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The principal risks are those which, without effective mitigation, would have a serious impact on the work of The Royal Foundation. These are summarised below:

- Insufficient reserves. The organisation ended the year with less than the targeted level of 12 months of reserves. This reflects delays in payment of certain pledges which were expected to be received in late 2019 but have subsequently been received in 2020. As of the date of signing of these accounts, the charity's reserves level is comfortably above the targeted level of 12 months of reserves. This has allowed us to commit funds to our COVID-19 response, further details of which are set out above.
- Project failure or limited impact. The innovative and complex nature of several of the charity's programmes implies an increased risk of limited impact. This risk is mitigated through taking a rigorous approach to decision-making, recruiting sector expertise, and seeking external knowledge where needed, and maintaining strong financial control.
- Complexity and multiple competing demands. Following the restructuring and transition period, The Royal Foundation's programme portfolio has been simplified into fewer focus areas. Work is ongoing to ensure that these programmes are planned and developed in a robust manner, with Senior Management Team involvement, Trustee oversight and the introduction of Project Boards to aid decision making. Changes to the structure of the Senior Management Team have further improved alignment on programme development to the work of our Principals.
- Adverse publicity, following receipt of funds from an inappropriate source. The Royal Foundation mitigates this risk by conducting due diligence on the source of funds in line with The Royal Foundation's robust gift acceptance policy. This policy is reviewed annually, and more frequently when it requires further strengthening.

Additionally, the Trustees have considered the risk that COVID-19 poses to The Royal Foundation. Despite the increased levels of uncertainty caused by the outbreak, the strength of the charity's finances and the limited reliance on income streams beyond its group of key funders allows The Royal Foundation to be on the front foot in response to the evolving situation. All employees are working remotely with minimal impact on the charity's ability to carry out its activities with beneficiaries and partners. The Senior Management Team have been in regular communication with its key donors and have reprioritised certain work streams to ensure that The Royal Foundation's work at this time is able to achieve the greatest impact for those affected by the pandemic who are not otherwise supported by the groundswell of public support. The Trustees are working closely with the Senior Management Team and with The Royal Household to monitor the changing situation on a regular basis.

The Trustees are satisfied that the major risks identified have been reviewed and systems or procedures have been established to manage those risks.

**Structure, governance and management**

**Constitution**

The Royal Foundation is registered as a charity with the Charity Commission under charity number 1132048 and is a company registered in England & Wales number 7033553.

The Royal Foundation was formed on 29 September 2009 as a charitable company limited by guarantee. It is governed by its revised Articles of Association which were passed by a special resolution dated 28 April 2011 and further amended by special resolutions dated 1 November 2011, 29 February 2012, 11 July 2012, 12 January 2017, 8 June 2018 and 25 September 2019.

TRF Trading Limited (formerly PWPH Trading Limited) was formed on 26 January 2011 as a wholly-owned subsidiary to carry out trading activities on behalf of The Royal Foundation (see Note 3).

On 1 April 2013, The Royal Foundation assumed legal control of The Diana, Princess of Wales Memorial Fund (the Diana Fund), registered charity 1064238, to safeguard both the Fund's name and any future income donated to the Fund once its operations had ceased. The Royal Foundation became the sole member of the Diana Fund's Trustee Company (company number 05516463) upon its closure at the end

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of March 2013. A Declaration of Trust was signed by The Diana, Princess of Wales Memorial Fund Trust Company as sole corporate trustee of the Diana Fund, applying the current and future assets (excluding a £10 reserved sum) to The Royal Foundation. The Declaration of Trust came into effect on 31 December 2013. Any future income is received by The Royal Foundation as unrestricted funds.

On 18 December 2019, an agreement was signed with the Sussex Royal Foundation by which The Royal Foundation intended to grant half of the net future proceeds received by the Diana Fund to Sussex Royal. In March 2020 The Duke and Duchess of Sussex announced that they would no longer be operating Sussex Royal as their primary philanthropic vehicle in the UK and accordingly their share of the net income will instead be donated to another charity of The Duke of Sussex's choosing.

The American Friends of The Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry, established in 2011 is a 501(c)(3) public charity, and whilst it is a separately controlled entity its interests are aligned with those of The Royal Foundation. The American Friends support The Royal Foundation's programmes and initiatives, primarily focussing on projects that deliver impact on an international scale.

**Members, Trustees, Delegated Committees and Advisory Boards**

*Members*

Following the organisation's restructure in August 2019, The Duke and Duchess of Cambridge became members of The Royal Foundation in addition to their roles as patrons.

At the same time, the formal name of the charity changed to The Royal Foundation of The Duke and Duchess of Cambridge.

*Trustees*

Strong governance and management are critical to the success and reputation of The Royal Foundation. The Directors of The Royal Foundation are its Trustees for the purposes of Charity law, and throughout this report are collectively referred to as the Trustees. The Trustees take overall responsibility for the charity and its work. They are responsible for ensuring The Royal Foundation is effectively and properly run and meets its goals as a charity.

Each Trustee undertakes a balance of responsibilities divided between strategic direction, governance, oversight and fundraising and the Trustees meet formally a minimum of four times a year under the Chairmanship of Sir Keith Mills GBE, DL.

In August 2019, as part of the charity's review and restructure, the Private Secretaries of The Duke and Duchess of Cambridge became entitled to be appointed as *ex officio* trustees of The Royal Foundation.

**Trustee Recruitment**

The Articles of Association of The Royal Foundation provide for the appointment of Directors, who also act as Trustees. After discussing and agreeing the specific skills and experience required to enhance the Trustee board, the Trustees draw up a list of potential candidates, which is approved by the members of The Royal Foundation. New Trustees are recruited through known sources such as The Royal Foundation's sub-committees or other areas of the charity sector. The Chairman and Trustees interview all candidates, completing skills matrices after each interview. The matrix skill set covers Trustee charity experience, fundraising capability, experience in the sectors of relevance to The Royal Foundation, diversity and overall suitability for the role. After the selection process, the successful candidate is approved by the Trustees and the Patrons.

**Trustee Induction**

Upon appointment, each Trustee receives a copy of the Charity Commission for England and Wales publication "The essential trustee: what you need to know, what you need to do" and other relevant Charity Commission literature. In 2017, the Trustees reviewed the latest edition of the Charity Governance Code

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to ensure the charity complies with best practice. New Trustees are asked to sign up to a Code of Conduct.

Trustees meet with senior members of The Royal Foundation's management team and are introduced to staff as part of their induction process. They are also provided with comprehensive background documentation which covers incorporation, operations and finance, policies and more general information relevant to The Royal Foundation's history and associations. Whereas Trustees are recruited with their specific skills and experience in mind, further project-based training is undertaken where necessary. This includes project visits to familiarise themselves with the full nature of The Royal Foundation's work as well as meeting with project partners, donors and other stakeholders.

**Finance Committee**

The Trustees have appointed a Finance sub-committee to help with the execution of its responsibilities, the members of which are appointed by the Trustees. The Finance Committee oversees in detail the financial plans and performance of the charity, reviews the risk management processes and monitors the performance of the investment portfolio.

The Finance Committee meets quarterly and currently comprises two Trustees, Simon Patterson (Chairman) and Lady Pinsent, and three external advisory members: Ben Moorhead, DL, Solicitor; Claire Brown FCA; Catherine Biscoe FCA. The Committee was previously chaired by Edward Harley until his resignation in September 2019. The Committee meetings are attended by members of the Senior Management Team, including the Chief Executive.

**Governance and Nominations Committee**

At the end of 2018, the Trustees approved the terms of reference for a newly formed Governance and Nominations Committee whose role is to lead the process for appointments and election to the Board of Trustees and independent members to its committees, and to review and make recommendations to the Board of Trustees relating to the overall governance arrangements of the organisation. The Governance and Nominations Committee is chaired by Trustee Claire Wills and comprises two further trustees, Simon Case and Tessa Green, and meets at least twice a year.

**Advisory Boards**

The Royal Foundation is fortunate to benefit from a network of experienced volunteers, who support and help steer The Royal Foundation's work through external advisory groups. These included programme specific advisory groups for Coach Core and The Endeavour Fund prior to the transition of both of those programmes out of The Royal Foundation in 2020.

**Senior Management**

The Trustees have delegated authority to the Chief Executive and the Senior Management Team for the day-to-day management of the organisation. The Senior Management Team is led by the Chief Executive and has the delegated responsibility for the design and delivery of programmes and income generation, along with the administrative functions of finance, HR, health and safety, project evaluation, management information systems, marketing and communications.

**Employment and Remuneration**

The Royal Foundation recognises and values its people as its most important asset in achieving its aspirations. The Royal Foundation operates and maintains a legal, fair, equitable and affordable Pay and Reward Framework for its diverse and talented workforce. The framework helps to attract, recruit, develop and retain employees with appropriate knowledge and relevant skills required to sustain delivery. The framework is continually reviewed through job evaluation, internal and external sector benchmarking to ensure that pay scales remain competitive and remains in line with the Foundation's current financial position. The organisation also offers a wide-ranging learning and development programme to all staff.

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The Royal Foundation is committed to offering its workforce a mentally healthy workplace and has run a large number of health and wellbeing initiatives to ensure that all members of the team have the right resources and support in place to ensure good mental health.

The Royal Foundation remains committed to equality and diversity and to ensuring a positive, safe and respectful environment which promotes the wellbeing and dignity of its employees, applicants, partners, suppliers and those whose interests it represents. It aims to promote equality of opportunity and diversity and to tackle any forms of discrimination, harassment or bullying within its working environment, whether on grounds of age, disability, gender, gender reassignment, marriage or civil partnership, pregnancy or maternity, race or ethnic origin, religion or belief, sex or sexual orientation, and discrimination by association.

These principles underpin its professional behaviour and are embedded in its policies, procedures, day-to-day practices and external relationships. All policies and practices reflect current relevant legislation and will continue to comply with future legislation changes.

**Safeguarding**

The Royal Foundation does not engage in any activity with children or vulnerable adults such as is regulated by safeguarding legislation, but it does take seriously its obligations to operate in such a way as to ensure so far as is possible that its work causes no harm to anyone with whom it engages.

Given these values and considering widely recognised risks, The Royal Foundation has developed its safeguarding policy to promote protection for all those people it encounters, both staff and volunteers within the charity as well as the partner organisations with which it works.

Should it come into contact with vulnerable groups The Royal Foundation takes responsibility to ensure it is doing all it can to protect such groups from all forms of harm that might occur as a result of that contact, including abuse, neglect and exploitation and to ensure appropriate action is taken if such harm occurs.

**Data Protection**

The organisation reviewed and revised where necessary its processes, policies and approaches in relation to data protection to ensure compliance with the General Data Protection Regulation (GDPR) changes which came into effect in May 2018. All staff were provided with appropriate training to ensure there is a good level of understanding throughout the whole organisation, and GDPR training forms part of the induction of all new staff.

**Governance Code**

A governance code, endorsed by the Charity Commission and other industry bodies, was launched in 2017. Together with the Trustees, management have ensured that The Royal Foundation is substantially compliant with the code.

The code asks charities to “apply or explain”. The following are areas where it has not applied the code’s provisions and below provide details of the steps it intends to take:

- Board effectiveness:
  - It is recommended that the Board of Trustees has a vice-chair or similar. This position has been agreed by the Trustees and an appointment is being made in 2020.
  - It is recommended that Trustees review their performance with an external review every three years. It is the intention of the Board that an external review will be carried out during the coming year.
  - One Trustee has served for ten years, with reappointment for a further year to provide continuity whilst new Trustees are appointed.

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- Diversity
  - Formal targets for diversity of the board have not previously been set but will be considered, monitored, and reported on. Diversity is always considered in Trustee recruitment.

**Fundraising**

The Royal Foundation applies the support it receives only for its charitable purposes. In all cases it welcomes donations and other funding from individuals, companies and other charities engaging supporters around particular programmes or the charitable work of The Royal Foundation as a whole, in line with its gift acceptance policy. The Royal Foundation is committed to the highest standards in all of its fundraising activity and is open and honest in the information it provides to its supporters about its work and how their donations are used.

The Royal Foundation's fundraising is carried out by its employees and Trustees through direct contact with supporters and potential supporters. Additionally, some of the Foundation's existing donors make introductions to others also interested in supporting the Foundation's work.

The Royal Foundation takes care not to cause nuisance or disruption when communicating with its supporters and the fundraising team reports to the Board of Trustees and the Chief Executive on the delivery of its fundraising activity. The Royal Foundation will never sell or share data about its donors and has put in place controls to ensure the security of all data held. Whilst The Royal Foundation does not use any professional fundraisers it works with corporate partners (commercial participators) and has put in place policies to ensure their effective management. The Royal Foundation has not received any complaints about its fundraising activity to date but will keep a record of any future complaints received and how it has responded.

**Related Parties**

Further details about Related Parties can be found in Note 11 to the consolidated financial statements.

**Public Benefit**

The Royal Foundation is a public benefit entity under FRS 102. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and setting grant-making policies.

The Trustees consider particularly how planned activities will contribute to the aims and objectives they have set.

**Auditor**

BDO LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**Trustees' responsibilities in relation to the financial statements**

The Trustees (who are also the Directors for Companies law purposes) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;



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- 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 in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the integrity of the financial statements contained therein.

**Disclosure of Information to Auditor**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and takes advantage of the small companies' exemption from the requirement to prepare a strategic report.

Approved by the Board of Trustees on 17 June 2020 and signed on its behalf by



Sir Keith Mills, GBE DL - Chairman  
Kensington Palace  
Palace Green  
London, W8 4PU

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**INDEPENDENT AUDITOR'S REPORT TO MEMBERS AND TRUSTEES OF THE ROYAL  
FOUNDATION OF THE DUKE AND DUCHESS OF CAMBRIDGE**

**Opinion**

We have audited the financial statements of The Royal Foundation of the Duke and Duchess of Cambridge ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2019 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 Group's and of the Parent Charitable Company's affairs as at 31 December 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's 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 Companies Act 2006.

**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 financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions related 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 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 Group or the Parent Charitable Company'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 other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Letter from the Chair of the Board and the Trustees' Report. The Trustees are responsible for the other information.

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Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or 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 auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

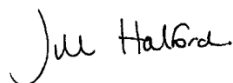
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jill Halford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
Date 18 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Royal Foundation of The Duke and Duchess of Cambridge (formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)

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**Consolidated statement of financial activities**  
**(including the income and expenditure account)**  
**For the year ended 31 December 2019**

		2019					2018			
	Notes	Unrestricted Funds	Restricted Funds (continuing operations)	Restricted Funds (discontinued operations)	Endowment Fund	Total 2019	Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2018
		£	£	£	£	£	£	£	£	£
<b>Income:</b>										
Donations and Legacies	2	1,894,284	4,469,162	250,416	-	6,613,862	3,359,069	4,250,337	-	7,609,406
Trading activities	3	5,683	11,887	15,231	-	32,801	458	115,696	-	116,154
Investment income	4	7,800	29,468	-	-	37,268	72,428	26,100	-	98,528
Other income	4	-	-	-	-	-	1,089	-	-	1,089
<b>Total income</b>		<b>1,907,767</b>	<b>4,510,517</b>	<b>265,647</b>	<b>-</b>	<b>6,683,931</b>	<b>3,433,044</b>	<b>4,392,133</b>	<b>-</b>	<b>7,825,177</b>
<b>Expenditure:</b>										
Raising funds	5	(1,175,115)	(10,198)	-	-	(1,185,313)	(1,471,139)	(293)	-	(1,471,432)
Charitable activities	5,6									
- Grants		(145,000)	(3,806,489)	(144,901)	-	(4,096,390)	-	(4,224,284)	-	(4,224,284)
- Other charitable activities		(1,388,893)	(2,557,364)	(113,791)	-	(4,060,048)	(1,256,264)	(2,130,779)	-	(3,387,043)
		(1,533,893)	(6,363,853)	(258,692)	-	(8,156,438)	(1,256,264)	(6,355,063)	-	(7,611,327)
<b>Total expenditure</b>		<b>(2,709,008)</b>	<b>(6,374,051)</b>	<b>(258,692)</b>	<b>-</b>	<b>(9,341,751)</b>	<b>(2,727,403)</b>	<b>(6,355,356)</b>	<b>-</b>	<b>(9,082,759)</b>
Net (expenditure)/income before investment gains		(801,241)	(1,863,534)	6,955	-	(2,657,820)	705,641	(1,963,223)	-	(1,257,582)
Net gains/(losses) on investment	13	229,404	-	-	-	229,404	(95,173)	-	-	(95,173)
<b>Net income/(expenditure)</b>		<b>(571,837)</b>	<b>(1,863,534)</b>	<b>6,955</b>	<b>-</b>	<b>(2,428,416)</b>	<b>610,468</b>	<b>(1,963,223)</b>	<b>-</b>	<b>(1,352,755)</b>
Transfers between funds	18,19,20	(1,006,633)	1,256,633	-	(250,000)	-	(640,516)	640,516	-	-
<b>Net movement in funds</b>		<b>(1,578,470)</b>	<b>(606,901)</b>	<b>6,955</b>	<b>(250,000)</b>	<b>(2,428,416)</b>	<b>(30,048)</b>	<b>(1,322,707)</b>	<b>-</b>	<b>(1,352,755)</b>
<b>Reconciliation of funds:</b>										
Fund balances brought forward at 1 January 2019		3,712,117	3,935,324	-	250,000	7,897,441	3,742,165	5,258,031	250,000	9,250,196
<b>Funds balances carried forward at 31 December 2019</b>	18,19,20	<b>2,133,647</b>	<b>3,328,423</b>	<b>6,955</b>	<b>-</b>	<b>5,469,025</b>	<b>3,712,117</b>	<b>3,935,324</b>	<b>250,000</b>	<b>7,897,441</b>

Discontinued operations relates to The Duke of Sussex's *Travalyst* sustainable tourism programme, which was transferred to the Sussex Royal Foundation on 18 December 2019.

There were no other recognised gains or losses.

The notes on pages 23 to 35 also form part of these financial statements.

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Charity statement of financial activities  
(including the income and expenditure account)  
For the year ended 31 December 2019

	Notes	2019					2018			
		Unrestricted Funds	Restricted Funds	Restricted Funds	Endowment Fund	Total 2019	Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2018
		£	(continuing operations) £	(discontinued operations)	£	£	£	£	£	£
<b>Income:</b>										
Donations and Legacies	2	1,894,982	4,481,049	265,647	-	6,641,678	3,359,069	4,358,774	-	7,717,843
Investment income	4	7,800	29,468	-	-	37,268	72,428	26,100	-	98,528
Other income	4	656	-	-	-	656	3,412	-	-	3,412
<b>Total income</b>		<b>1,903,438</b>	<b>4,510,517</b>	<b>265,647</b>	<b>-</b>	<b>6,679,602</b>	<b>3,434,909</b>	<b>4,384,874</b>	<b>-</b>	<b>7,819,783</b>
<b>Expenditure:</b>										
Raising funds	5	(1,170,786)	(10,198)	-	-	(1,180,984)	(1,465,745)	(293)	-	(1,466,038)
Charitable activities	5,6									
- Grants		(145,000)	(3,806,489)	(144,901)	-	(4,096,390)	-	(4,224,284)	-	(4,224,284)
- Other charitable activities		(1,388,893)	(2,557,364)	(113,791)	-	(4,060,048)	(1,256,264)	(2,130,779)	-	(3,387,043)
		(1,533,893)	(6,363,853)	(258,692)	-	(8,156,438)	(1,256,264)	(6,355,063)	-	(7,611,327)
<b>Total expenditure</b>		<b>(2,704,679)</b>	<b>(6,374,051)</b>	<b>(258,692)</b>	<b>-</b>	<b>(9,337,422)</b>	<b>(2,722,009)</b>	<b>(6,355,356)</b>	<b>-</b>	<b>(9,077,365)</b>
Net (expenditure)/income before investment gains		(801,241)	(1,863,534)	6,955	-	(2,657,820)	712,900	(1,970,482)	-	(1,257,582)
Net gains/(losses) on investment	13	229,404	-	-	-	229,404	(95,173)	-	-	(95,173)
<b>Net (expenditure)/income</b>		<b>(571,837)</b>	<b>(1,863,534)</b>	<b>6,955</b>	<b>-</b>	<b>(2,428,416)</b>	<b>617,727</b>	<b>(1,970,482)</b>	<b>-</b>	<b>(1,352,755)</b>
Transfers between funds	18,19,20	(1,006,633)	1,256,633	-	(250,000)	-	(640,516)	640,516	-	-
<b>Net movement in funds</b>		<b>(1,578,470)</b>	<b>(606,901)</b>	<b>6,955</b>	<b>(250,000)</b>	<b>(2,428,416)</b>	<b>(22,789)</b>	<b>(1,329,966)</b>	<b>-</b>	<b>(1,352,755)</b>
<b>Reconciliation of funds:</b>										
Fund balances brought forward at 1 January 2019		3,701,819	3,945,621	-	250,000	7,897,440	3,724,608	5,275,587	250,000	9,250,195
<b>Funds balances carried forward at 31 December 2019</b>	18,19,20	<b>2,123,349</b>	<b>3,338,720</b>	<b>6,955</b>	<b>-</b>	<b>5,469,024</b>	<b>3,701,819</b>	<b>3,945,621</b>	<b>250,000</b>	<b>7,897,440</b>

Discontinued operations relates to The Duke of Sussex's *Travalyst* sustainable tourism programme, which was transferred to the Sussex Royal Foundation on 18 December 2019.

There were no other recognised gains or losses.

The notes on pages 23 to 35 also form part of these financial statements.

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(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)

**Company Registration No. 7033553**

**Consolidated and Charity balance sheet**  
**As at 31 December 2019**

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Fixed assets</b>					
Tangible fixed assets	12	23,789	55,930	23,789	55,930
Investments	13	2,516,804	2,292,062	2,516,805	2,292,063
		<b>2,540,593</b>	<b>2,347,992</b>	<b>2,540,594</b>	<b>2,347,993</b>
<b>Current assets</b>					
Debtors	14	477,129	1,160,929	504,948	1,161,415
Investments	15	2,000,000	2,000,000	2,000,000	2,000,000
Cash at bank and in hand	25	1,256,560	2,944,206	1,223,761	2,923,046
		<b>3,733,689</b>	<b>6,105,135</b>	<b>3,728,709</b>	<b>6,084,461</b>
<b>Creditors: amounts falling due within one year</b>	16	(805,257)	(555,686)	(800,279)	(535,014)
<b>Net current assets</b>		<b>2,928,432</b>	<b>5,549,449</b>	<b>2,928,430</b>	<b>5,549,447</b>
<b>Net assets</b>		<b>5,469,025</b>	<b>7,897,441</b>	<b>5,469,024</b>	<b>7,897,440</b>
<b>The funds of the group/charity</b>					
Unrestricted funds	18	2,133,647	3,712,117	2,123,349	3,701,819
Restricted funds	19	3,335,378	3,935,324	3,345,675	3,945,621
Endowment fund	20	-	250,000	-	250,000
<b>Total funds</b>		<b>5,469,025</b>	<b>7,897,441</b>	<b>5,469,024</b>	<b>7,897,440</b>

The notes on pages 23 to 35 also form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of The Royal Foundation of The Duke and Duchess of Cambridge (registered number 7033553) were approved by the Board of Trustees on 17 June 2020 and signed on its behalf by:



Sir Keith Mills – Trustee  
Kensington Palace  
Palace Green  
London  
W8 4PU

**The Royal Foundation of The Duke and Duchess of Cambridge**  
**(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)**

**Company Registration No. 7033553**

**Consolidated and Charity Cash Flow Statement**  
**For the year ended 31 December 2019**

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Cash used in operating activities:</b>					
Net cash used in operating activities	23	<b>(1,716,536)</b>	<b>(2,641,216)</b>	<b>(1,728,176)</b>	<b>(2,605,489)</b>
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments	4	37,268	98,528	37,268	98,528
Purchase of fixed asset investments	13	-	(1,349,834)	-	(1,349,834)
Proceeds from sale of fixed asset investments	13	683,363	1,568,161	683,363	1,568,161
Purchase of current asset investments	15	-	(2,000,000)	-	(2,000,000)
Purchase of tangible fixed assets	12	(13,180)	(48,613)	(13,180)	(48,613)
Proceeds from sale of tangible fixed assets	12	140	-	140	-
<b>Net cash provided by/(used in) investing activities</b>		<b>707,591</b>	<b>(1,731,758)</b>	<b>707,591</b>	<b>(1,731,758)</b>
<b>Change in cash and cash equivalents in the year</b>	24, 25	<b>(1,008,945)</b>	<b>(4,372,974)</b>	<b>(1,020,585)</b>	<b>(4,337,247)</b>
Cash and cash equivalents at the beginning of the year		3,423,958	7,796,932	3,402,798	7,740,045
<b>Total cash and cash equivalents at the end of the year</b>	24, 25	<b>2,415,013</b>	<b>3,423,958</b>	<b>2,382,213</b>	<b>3,402,798</b>

The notes on pages 23 to 35 also form part of these financial statements.



**Notes to the consolidated financial statements**

**Year ended 31 December 2019**

**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**a) Basis of accounts preparation**

The consolidated financial statements of The Royal Foundation have been prepared under the historical cost convention (with the exception of investments carried at valuation as noted in the accounting policy below) in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the 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 (FRS102) (second edition - effective 1 January 2019) - (Charities SORP (FRS102)) and the Companies Act 2006.

**b) Consolidation**

The financial statements of the wholly owned subsidiary, TRF Trading Limited (formerly PWPH Trading Limited), have been consolidated with those of the charity on a line by line basis.

With effect from 1 April 2013, The Royal Foundation assumed legal control of The Diana, Princess of Wales Memorial Fund to safeguard both the Fund's name and any future income donated to the Fund once its operations had ceased. The Royal Foundation will not continue the Fund's grant-making or charitable activities.

A Declaration of Trust was signed by The Diana, Princess of Wales Memorial Fund Trust Company as sole corporate trustee of The Diana, Princess of Wales Memorial Fund applying the current and future assets (excluding a £10 reserved sum) to The Royal Foundation. The Declaration of Trust came into effect from midnight on 31 December 2013. The financial statements of The Diana, Princess of Wales Memorial Fund Trust Company have not been consolidated on grounds of immateriality.

On 18 December 2019 a deed was signed with Sussex Royal The Foundation of The Duke and Duchess of Sussex ('Sussex Royal') from which date The Royal Foundation intends to grant 50% of the net income received by The Diana, Princess of Wales Memorial Fund to Sussex Royal. In March 2020, The Duke and Duchess of Sussex announced that they would no longer be operating Sussex Royal as their primary philanthropic vehicle in the UK and accordingly their share of the net income will instead be donated to another charity of The Duke of Sussex's choosing.

**c) Going Concern**

The Trustees have identified no material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern. The level of reserves and available liquid resources has been reviewed monthly by the trustees since the onset of the COVID-19 crisis, with close scrutiny of the fundraising pipeline which forms the key income stream for the charity. The Foundation is primarily reliant on donations from a group of individual donors to fund its core costs, with minimal reliance on commercial sponsorship. Income in 2020 has thus far been considerably ahead of the corresponding period in 2019. Stress testing of extreme downside scenarios has been conducted which indicates that The Royal Foundation and its subsidiary are financially secure for the foreseeable future.

The Royal Foundation has not taken advantage of any government support schemes for which it is eligible (including furloughing of staff) as The Trustees have decided that it has sufficient resources of its own to be able to continue operating for the foreseeable future. Although The Trustees continue to be mindful of the need to manage the charity's resources responsibly, including through control of its cost base and sound financial planning, they have not sought to retrench in response to COVID-19 but have instead accelerated certain activities to ensure that The Royal Foundation is taking proactive steps to play its part where it can.

On review of the financial plans through to the end of June 2021, The Trustees have concluded that COVID-19 will not materially affect the ability of the charity to continue as a going concern for the foreseeable future. We remain resilient through having a robust balance sheet, a conservative investment policy, avoiding undue risk, and through sound financial planning and management.

Accordingly, these accounts have been prepared on the going concern basis. Further information is given in the Trustees' report.

**d) Judgements and estimates made by management**

The preparation of the financial statements requires management to make significant judgements and estimates. These judgements and estimates are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. The items in the financial statements where these judgements and estimates have been made include:

- Basis of allocation of support costs
- Income recognition, in particular estimating fair value of a gift in kind
- Estimating the liability from multi-year grant commitments
- Rates of depreciation used in determining the carrying value of tangible fixed assets

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**1 Accounting policies (continued)**

**d) Judgements and estimates made by management (continued)**

With respect to the next reporting period, January to December 2020, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees Annual Report for further information). The carrying value of the investment portfolio at the end of December 2019 was £2,516,804 (2018: £2,292,062).

**e) Fund accounting**

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

Restricted funds are funds subject to specific restrictions imposed by the donor. All restrictions are in line with the charitable objectives of the charity.

An expendable endowment fund is held by the charity under conditions prescribed by the donor with the associated interest income disclosed as unrestricted funds.

All transfers between funds are recorded gross and shown on the Statement of Financial Activities or in the notes.

**f) Income**

Donations and gifts consist of the total donations from individuals, trusts and corporate entities. Income is recognised in the Statement of Financial Activities when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Grants consist of income receivable by The Royal Foundation from individuals, trusts and corporate entities. Income is recognised when there is entitlement to the grant, receipt is probable and its amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Investment income consists of bank interest, and dividends and interest from the portfolio managed by Cazenove Capital Management. Investment income is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the money paid or payable by the bank or investment manager.

Gifts in kind are from donated services which are recognised at fair value when performed. Fair value is the amount the charity would have been willing to pay to obtain those services on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from trading activities and other income are recorded on a receivable basis.

**g) Expenditure**

Expenditure is accounted for on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure is classified under the following activity headings:

- Raising funds, which comprise the costs incurred in supporting income generation activities, such as fundraising, and their associated support costs.
- Expenditure on charitable activities includes grants payable and costs incurred directly by The Royal Foundation in furtherance of its charitable objectives, along with associated support costs. Grants made are recognised when they have been approved and a legal or constructive obligation is in place. For multi-year grants, The Foundation retains the control over future years funding which is renewed annually and as such the Foundation only recognises grants on an annual commitment basis.

Direct costs comprise amounts spent in all activities designed to convene and raise awareness, and to provide the seed capital and grant funding.

Support costs have been allocated across the categories of charitable expenditure and raising funds. Support costs include premises, general management, IT, HR, office supplies and finance.

Support costs for charitable activities comprise costs attributable to operational and grant-making functions. Staff costs are allocated between raising funds and charitable activities on a time spent basis. Office related costs including rent, IT, depreciation and stationery are allocated between raising funds and charitable activities on a headcount or FTE basis.

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**1 Accounting policies (continued)**

**g) Expenditure (continued)**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees together with an apportionment of overhead and support costs.

**h) Taxation**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

The subsidiary company, TRF Trading Limited (formerly known as PWPH Trading Limited), made qualifying donations of all taxable profit to The Royal Foundation of the Duke and Duchess of Cambridge. No corporation tax liability on the subsidiary arises in the accounts.

**i) Foreign currencies**

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the year-end exchange rates. All differences are taken to the Statement of Financial Activities.

**j) Pension costs**

The charity operates a defined contribution scheme. The amount charged to the Statement of Financial Activities in respect of pension costs is the contribution payable in the year. Any difference arising between contributions payable in the year and contributions actually paid are shown as either an accrual or prepayment in the balance sheet.

**k) Investments**

The fixed asset investment consists of the share in the subsidiary TRF Trading Limited (formerly PWPH Trading Limited) which is stated at cost and a portfolio of listed investments. Listed investments are a form of basic financial instrument initially recognised at their transaction value and subsequently measured at fair value at the balance sheet date using the closing quoted market price. Any gain/loss on revaluation and disposal are recorded in the Statement of Financial Activities.

Current asset investments consists of cash equivalents held on maturities of greater than three months but less than one year.

**l) Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and stated at historical cost less depreciation and applicable impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset to its estimated residual value evenly over its expected useful life, as follows:

- Computer equipment – 24 to 36 months on a straight line basis.
- Fixtures and Fittings – 36 months or over remaining life of the lease, on a straight line basis.
- Leasehold improvements – Over remaining life of the lease, on a straight line basis.

**m) Operating Leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

**n) Financial Instruments**

The charity has financial instruments of a kind that qualify as basic financial instruments which are recognised at transaction value initially and subsequently at their settlement value. Financial assets comprise cash at bank and in hand, current asset investments (which are cash equivalents held on maturities of greater than three months but less than one year), other debtors and prepayments and accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

**o) Debtors**

Debtors are recognised at the settlement amount due at the end of the period.

**p) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

**The Royal Foundation of The Duke and Duchess of Cambridge**  
**(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)**

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**2 Income from donations and legacies**

Group	2019			2018		
	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Donations	1,872,104	2,704,831	<b>4,576,935</b>	3,019,616	3,608,842	<b>6,628,458</b>
Grants	-	1,723,858	<b>1,723,858</b>	300,000	540,175	<b>840,175</b>
Legacies	180	-	<b>180</b>	1,878	-	<b>1,878</b>
Donated services	22,000	290,889	<b>312,889</b>	37,575	101,320	<b>138,895</b>
<b>Total</b>	<b>1,894,284</b>	<b>4,719,578</b>	<b>6,613,862</b>	<b>3,359,069</b>	<b>4,250,337</b>	<b>7,609,406</b>

In 2019, The Royal Foundation received £21,346 (2018: £21,583) from The Diana, Princess of Wales Memorial Fund.

Donated services of £312,889 (2018: £138,895) relate to gifts of services, including seconded staff and professional fees, in support of the charity's programmes relating to Mental Health, Supporting Those Who Serve, Conservation and Young People.

Income from donations and legacies for the charity alone, includes £27,118 restricted (2018: £108,437 restricted), which has been gift aided to The Royal Foundation from its subsidiary, TRF Trading Limited (formerly known as PWPH Trading Limited) and is eliminated on consolidation.

**3 Income from trading activities**

The charity has a wholly owned trading subsidiary, TRF Trading Limited (registered number 7506603, formerly known as PWPH Trading Limited), which was incorporated in Great Britain and registered in England and Wales on 26 January 2011.

TRF Trading Limited raises funds on behalf of the charity and passes up its taxable profits to The Royal Foundation of The Duke and Duchess of Cambridge. A summary of its results extracted from its full audited accounts is shown below:

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Turnover	32,801	116,154
<b>Gross profit</b>	<b>32,801</b>	<b>116,154</b>
Administrative expenses	(4,960)	(7,687)
<b>Operating profit</b>	<b>27,841</b>	<b>108,467</b>
Finance charges	(25)	(30)
<b>Profit on ordinary activities before taxation</b>	<b>27,816</b>	<b>108,437</b>
Tax on profit on ordinary activities	-	-
<b>Profit on ordinary activities after taxation</b>	<b>27,816</b>	<b>108,437</b>
Charitable donation to parent	(27,816)	(108,437)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>
<b>Assets, liabilities and shareholders' funds</b>		
Assets	33,453	131,433
Liabilities	(33,452)	(131,432)
Funds surplus including 1 ordinary share of £1	<b>1</b>	<b>1</b>

**4 Investment income and other income – Group**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Investment Income:</b>	<b>7,800</b>	<b>29,468</b>	<b>37,268</b>	72,428	26,100	98,528
<b>Other Income:</b>						
Foreign exchange gains	-	-	-	1,089	-	1,089
<b>Total other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,089</b>	<b>-</b>	<b>1,089</b>

Other income for the charity alone derives from income received from TRF Trading Limited, consisting of £656 (2018 £2,323) relating to a resource sharing agreement recharge.

**The Royal Foundation of The Duke and Duchess of Cambridge**  
**(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)**

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**5 Summary analysis of total expenditure - Charity**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Unrestricted funds £	Restricted funds £	Total 2018 £
Raising funds	1,170,786	10,198	<b>1,180,984</b>	1,465,745	293	<b>1,466,038</b>
Charitable activities						
- Direct costs - grant funding of activities	145,000	3,951,390	<b>4,096,390</b>	-	4,224,284	<b>4,224,284</b>
- Direct costs - convening, collaboration and R&D	379,327	2,671,155	<b>3,050,482</b>	294,033	2,130,779	<b>2,424,812</b>
- Support costs	1,009,566	-	<b>1,009,566</b>	962,231	-	<b>962,231</b>
Total charitable activities	<u>1,533,893</u>	<u>6,622,545</u>	<u><b>8,156,438</b></u>	<u>1,256,264</u>	<u>6,355,063</u>	<u><b>7,611,327</b></u>
	<b>2,704,679</b>	<b>6,632,743</b>	<b>9,337,422</b>	<b>2,722,009</b>	<b>6,355,356</b>	<b>9,077,365</b>

Included within Raising Funds are Investment management costs of £7,757 (2018: £21,005). Expenditure on Raising Funds for the charity alone excludes £4,329 (2018: £5,394) of non-intercompany expenses incurred by TRF Trading Limited.

**6 Analysis of expenditure on charitable activities**

Activity	Grant funding of activities £	Direct costs £	Support costs £	Governance costs £	Total 2019 £	Total 2018 £
Supporting Those Who Serve (formerly 'Military')	435,926	669,966	180,002	29,244	<b>1,315,138</b>	1,268,613
Mental Health	1,207,493	555,984	190,230	30,905	<b>1,984,612</b>	3,326,757
Young People	573,696	457,090	184,707	30,008	<b>1,245,501</b>	1,090,194
Conservation	1,554,573	814,511	184,094	29,909	<b>2,583,087</b>	1,424,709
Early Years	-	469,147	67,501	10,967	<b>547,615</b>	107,516
Empowering Communities	179,702	83,784	61,937	10,062	<b>335,485</b>	393,538
Unrestricted grant to Sussex Royal	145,000	-	-	-	<b>145,000</b>	-
	<u><b>4,096,390</b></u>	<u><b>3,050,482</b></u>	<u><b>868,471</b></u>	<u><b>141,095</b></u>	<u><b>8,156,438</b></u>	<u>7,611,327</u>

**7 Analysis of support costs and governance costs**

	Raising funds £	Supporting Those Who Serve £	Mental Health £	Young People £	Conservation £	Early Years £	Empowering Communities £	Total 2019 £
Premises	116,191	52,368	55,344	53,737	53,559	19,638	18,019	<b>368,856</b>
General Management	131,096	40,274	42,562	41,326	41,189	15,103	13,858	<b>325,408</b>
Finance	108,890	24,831	26,242	25,480	25,395	9,312	8,544	<b>228,694</b>
IT	62,601	34,365	36,318	35,263	35,146	12,887	11,825	<b>228,405</b>
HR	56,890	24,888	26,302	25,539	25,454	9,333	8,564	<b>176,970</b>
Office supplies	7,195	3,276	3,462	3,362	3,351	1,228	1,127	<b>23,001</b>
Governance	64,225	29,244	30,905	30,008	29,909	10,967	10,062	<b>205,320</b>
	<u><b>547,088</b></u>	<u><b>209,246</b></u>	<u><b>221,135</b></u>	<u><b>214,715</b></u>	<u><b>214,003</b></u>	<u><b>78,468</b></u>	<u><b>71,999</b></u>	<u><b>1,556,654</b></u>

Raising Funds in the group totals £1,185,313 (2018: £1,471,432) which consists of £638,225 (2018: £914,328) of direct fundraising costs and £547,088 (2018: £557,104) of support and governance costs.

Costs relating to Premises, General Management, IT, HT, Office supplies and governance are allocated on the basis of headcount and certain salaries. Finance costs are allocated on the basis of salaries only.

**8 Analysis of grants**

	2019 £	2018 £
<b>Supporting Those Who Serve</b>		
<i>Emergency Responders</i>		
King's College London	46,473	46,473
<i>The Endeavour Fund</i>		
65 Degrees North	15,000	15,000
Armed Forces Para-Snowsport Team	-	15,000
Climb 2 Recovery	-	64,445
Combat Stress	-	13,156
Conservation in Action	5,000	-
Depththerapy	15,000	17,000
Flying For Freedom	6,600	17,000
Greater Sport	35,000	-
Grizzly Bear Ranch	10,800	-
Help For Heroes (Invictus Games)	25,000	50,000
Help For Heroes (Op Surf)	-	15,000
Hidden Valley Bushcraft	12,438	-
Invictus Games Foundation	50,000	-
Leadership Challenges International	-	30,000
Mission Motorsport	-	25,000
Purple Warriors	-	19,000
Team Endeavour Racing	2,000	33,000
Team Endeavour Running Club (refund)	(8,061)	-
The Sir Oswald Stoll Foundation	-	29,720
Turn To Starboard	28,000	50,000
Village of Forgiveness	26,376	-
	<u>223,153</u>	<u>393,321</u>

**The Royal Foundation of The Duke and Duchess of Cambridge**  
**(formerly The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex)**

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**8 Analysis of grants (continued)**

	2019 £	2018 £
<i>Veterans Employment</i>		
Buildforce	20,000	-
David Shepherd Wildlife Foundation	-	8,000
Ethos VO Ltd	-	5,000
HighGround	35,000	10,000
Mission Motorsport	30,000	10,000
NHS Employers	-	50,000
Nomad Construction Training	10,000	5,000
Soldiers' Arts Academy	5,000	5,000
The Cadet Apprenticeships Company	-	10,000
TechVets	40,000	-
Walking With The Wounded	-	40,000
	<u>140,000</u>	<u>143,000</u>
CASEVAC		
The CASEVAC Club	10,000	-
<i>Contact (military mental health)</i>		
Help for Heroes	16,300	25,000
Combat Stress	-	5,000
	<u>16,300</u>	<u>30,000</u>
<i>Total 'Supporting Those Who Serve'</i>	<u>435,926</u>	<u>612,794</u>
<b>Mental Health</b>		
<i>Mental Health at Work</i>		
Mind	199,911	233,900
<i>Mentally Healthy Schools</i>		
Anna Freud Centre	325,820	155,077
Young Minds	6,120	52,134
Place2Be	75,642	63,120
	<u>407,582</u>	<u>270,331</u>
<i>Shout (Digital mental health)</i>		
Mental Health Innovations	600,000	1,700,000
<i>Cyberbullying</i>		
National Children's Bureau	-	35,550
<i>Total Mental Health</i>	<u>1,207,493</u>	<u>2,239,781</u>
<b>Young People</b>		
<i>Full Effect (Nottingham Youth Violence Prevention Initiative)</i>		
EPIC Partners	92,500	95,100
Community Recording Studio	67,500	-
	<u>160,000</u>	<u>95,100</u>
<i>Coach Core</i>		
Active Partners Trust - Nottingham FC	-	13,691
Active Derbyshire (Sport England funded)	50,000	-
Devon County Council (on behalf of Active Devon)	75,000	91,000
Birmingham Sport and Physical Activity Trust	37,500	50,500
Bisham Abbey (Berkshire/Sport England funded)	30,000	-
Essex County Council (on behalf of Active Essex)	-	37,500
Fulham Football Club Foundation	-	37,500
Inspiring Healthy Lifestyles (Manchester)	36,750	-
Manchester City in the Community Foundation	(17,054)	67,500
Middlesbrough FC Foundation	58,500	52,500
Notts County Football in the Community (refund)	-	(6,191)
Tyne and Wear Sport (Sport England funded)	50,000	-
West of England Sport Trust (WeSport)	63,000	53,900
	<u>383,696</u>	<u>397,900</u>
<i>Serious Youth Violence</i>		
MAC UK	30,000	-
<i>Prevention of Addiction</i>		
Place2Be	-	20,000
<i>Total Young People</i>	<u>573,696</u>	<u>513,000</u>
<b>Conservation</b>		
<i>Onsite protection</i>		
Eastern Cape Parks and Tourism Agency	71,740	37,494
Elephants Without Borders	62,988	-
Fauna & Flora International	50,000	-
Lewa Wildlife Conservancy	46,893	-
Lowveld Rhino Trust	-	50,000
OI Pejeta Conservancy	71,419	-
Rhino Conservation Botswana	93,649	-
Save The Rhino International	107,500	99,720
Southern African Wildlife College	-	70,000
Wilderness Foundation Africa	190,022	76,666
Wildlife Conservation Society	80,000	42,000
Zoological Society of London	485,461	120,278
	<u>1,259,672</u>	<u>496,158</u>

**The Royal Foundation of The Duke and Duchess of Cambridge**  
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**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**8 Analysis of grants (continued)**

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
<i>Travalyst (Sustainable tourism)</i>		
Sussex Royal The Foundation of The Duke and Duchess of Sussex	144,901	-
<i>United for Wildlife Taskforces</i>		
Basel Institute on Governance	140,000	-
University of Groningen	-	70,000
	<u>140,000</u>	<u>70,000</u>
<i>WILDLABS.net</i>		
Fauna & Flora International	10,000	10,000
	<u>1,554,573</u>	<u>576,158</u>
<b>Empowering Communities</b>		
Al Manaar, The Muslim Cultural Heritage Trust	179,702	204,031
UnLimited	-	28,520
	<u>179,702</u>	<u>232,551</u>
<b>Early Years</b>		
Anna Freud Centre	-	50,000
<b>Other (unrestricted)</b>		
Sussex Royal The Foundation of The Duke and Duchess of Sussex	145,000	-
	<u>4,096,390</u>	<u>4,224,284</u>
<b>TOTAL charitable grants</b>		

**9 Total expenditure**

The following have been charged within total expenditure:

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Auditor remuneration:		
Fees payable for the audit of The Royal Foundation and subsidiary annual accounts	25,358	25,539
Fees payable for tax advisory and compliance services for The Royal Foundation and its subsidiary	9,076	2,086
Depreciation of tangible fixed assets	43,969	54,507
Operating lease payments	198,511	204,843
Exchange (losses)/gains	(20,434)	1,089
Defined contribution pension costs	190,281	145,603

**10 Analysis of staff costs and the cost of key management personnel**

	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
<b>Total staff costs comprised:</b>		
Gross wages and salaries	2,205,415	1,958,206
Redundancy costs (excluding associated social security and pension costs)	122,436	-
Social security costs	258,768	213,506
Pension costs: defined contribution	190,281	145,603
Other benefits (including medical insurance)	42,531	19,878
	<u><b>2,819,431</b></u>	<u><b>2,337,193</b></u>

Total termination costs during the year were £148,404 (2018: £nil) which related to 8 individuals. This includes ex gratia payments of £14,270 (2018: £nil) which were made as part of settlement agreements with 3 former employees at the time of leaving, and which were fully paid in the year. These payments were approved by the trustees in line with the Foundation's redundancy policy.

All employees are employed by the charity. The average number of employees in the year was 45 (2018: 42). The average number of staff in the year was 41 full time (2018: 36) and 5 part time (2018: 6), with the part time staff representing an average of 3 FTEs (2018: 4)

For 2019, the key management personnel of the charity comprised the Trustees, the Chief Executive, the Directors of Finance & Operations, Partnerships and Programmes, Insight & Innovation and Fundraising and the Head of HR. The total employee benefits of the key management personnel were £652,392 (2018: £597,963), including pension costs of £39,581 (2018: £34,804).

The number of employees who earned over £60,000, including taxable benefits and termination payments but excluding pension costs, was:

	<b>2019</b>	2018
£60,000 - £70,000	5	1
£70,001 - £80,000	2	5
£80,001 - £90,000	3	-
£120,001 - £130,000	1	-
£160,001 - £170,000	-	1

The charity operates a defined contribution scheme for its employees which require contributions to be made to separately administrated funds. The pension costs for the year totalled £190,281 (2018: £145,603). There were no outstanding balances as at 31 December 2018 or 31 December 2019.

**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**



Notes to the consolidated financial statements (continued)  
Year ended 31 December 2019

12 Tangible fixed assets – Group and Charity

	Equipment	Fixtures & Fittings	Leasehold Improvements	Total
	£	£	£	£
<b>Cost:</b>				
Balance brought forward 1 January 2019	101,808	35,502	100,466	237,776
Additions	11,633	1,547	-	13,180
Disposals	(8,767)	(2,415)	-	(11,182)
Balance carried forward 31 December 2019	<b>104,674</b>	<b>34,634</b>	<b>100,466</b>	<b>239,774</b>
<b>Depreciation:</b>				
Balance brought forward 1 January 2019	75,672	20,940	85,234	181,846
Charge for the period	22,021	7,361	14,587	43,969
On disposals	(8,767)	(1,063)	-	(9,830)
Balance carried forward 31 December 2019	<b>88,926</b>	<b>27,238</b>	<b>99,821</b>	<b>215,985</b>
<b>Net book value:</b>				
Brought forward 1 January 2019	26,136	14,562	15,232	55,930
Carried forward 31 December 2019	<b>15,748</b>	<b>7,396</b>	<b>645</b>	<b>23,789</b>

13 Fixed Asset Investments

The Royal Foundation has funds invested with Cazenove Capital Management in order to generate a return for the charity and ensure its long term financial viability. The funds are recorded at open market value as at 31 December 2019.

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<b>Fund investments:</b>				
Market value (including cash) at 1 January	2,292,062	2,344,996	2,292,062	2,344,996
Additions at cost	-	1,349,834	-	1,349,834
Proceeds on disposal	(683,363)	(1,568,161)	(683,363)	(1,568,161)
Net gains/(losses) on revaluation	229,404	(95,173)	229,404	(95,173)
Movement in cash	678,701	260,566	678,701	260,566
<b>Market Value at 31 December</b>	<b>2,516,804</b>	<b>2,292,062</b>	<b>2,516,804</b>	<b>2,292,062</b>
<b>Investment in Subsidiary</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>2,516,804</b>	<b>2,292,062</b>	<b>2,516,805</b>	<b>2,292,063</b>

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
<b>Fund investments:</b>				
Equities	-	147,842	-	147,842
Bonds	-	78,748	-	78,748
Multi Asset funds	1,358,351	1,564,526	1,358,351	1,564,526
Alternatives	-	21,194	-	21,194
Cash	1,158,453	479,752	1,158,453	479,752
	<b>2,516,804</b>	<b>2,292,062</b>	<b>2,516,804</b>	<b>2,292,062</b>

The charity also holds 1 ordinary share of £1 in TRF Trading Limited, a company registered in England and Wales no. 7506603. The company carries out trading activities to raise funds for the charity (see note 3).

14 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	-	72,000	-	-
Amounts owed by subsidiary	-	-	28,472	110,761
Prepayments and accrued income	469,935	1,081,702	469,282	1,043,427
Other debtors	7,194	7,227	7,194	7,227
	<b>477,129</b>	<b>1,160,929</b>	<b>504,948</b>	<b>1,161,415</b>

15 Current asset investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Cash equivalents on deposit	2,000,000	2,000,000	2,000,000	2,000,000
	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

Current asset investments are held in a 95-day notice account with Nationwide Building Society.

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**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**16 Creditors: amounts falling due within one year**

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	332,801	147,791	332,801	147,791
Charitable grants	26,330	71,948	26,330	71,948
Taxation and social security	58,632	98,904	58,423	83,419
Accruals and deferred income	369,366	223,940	364,597	218,753
Other creditors	18,128	13,103	18,128	13,103
	<b>805,257</b>	<b>555,686</b>	<b>800,279</b>	<b>535,014</b>

**17 Contingent liabilities**

The Royal Foundation's grant giving strategy includes awarding grants to projects over multiple years, funded from outside sources and key donors. As at 31 December 2019 the Foundation had approved but not yet awarded grants to third parties amounting to £524,824 (2018: £1,899,257) and there were instalments of grants awarded but falling due in the future amounting to £879,204 (2018: £1,490,680). In line with the Foundation's accounting policy the commitments to future years are not recognised as a liability.

As disclosed in note 1(b) and note 11, an agreement was signed with Sussex Royal on 18 December 2019, by which The Royal Foundation intends to donate 50% of the net income received by The Diana, Princess of Wales Memorial Fund from that date onwards, to Sussex Royal. In March 2020 The Duke and Duchess of Sussex announced that they would no longer be operating Sussex Royal as their primary philanthropic vehicle in the UK and accordingly their share of the net income will instead be donated to another charity of The Duke of Sussex's choosing.

**18 Analysis of movements in unrestricted funds**

Group	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	Gains & Losses £	Balance at 31 December 2019 £
<b>Unrestricted funds - group:</b>						
General funds	3,712,117	1,907,767	(2,709,008)	(1,006,633)	229,404	2,133,647
<b>Charity</b>						
	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	Gains & Losses £	Balance at 31 December 2019 £
<b>Unrestricted funds - charity:</b>						
General funds	3,701,819	1,903,438	(2,704,679)	(1,006,633)	229,404	2,123,349

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the Trustees.

Group	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers between funds £	Gains & Losses £	Balance at 31 December 2018 £
<b>Unrestricted funds - group:</b>						
General funds	3,742,165	3,433,044	(2,727,403)	(640,516)	(95,173)	3,712,117
<b>Charity</b>						
	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers between funds £	Gains & Losses £	Balance at 31 December 2018 £
<b>Unrestricted funds - charity:</b>						
General funds	3,724,608	3,434,909	(2,722,009)	(640,516)	(95,173)	3,701,819

**19 Analysis of movements in restricted funds**

Group	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	Gains & Losses £	Balance at 31 December 2019 £
<b>Restricted funds:</b>						
Coach Core	185,874	499,045	(681,395)	51,779	-	55,303
Conservation	242,895	1,278,604	(2,296,649)	936,131	-	160,981
Early Years	329,386	1,297,966	(441,459)	-	-	1,185,893
Empowering Communities	317,772	120,325	(236,477)	-	-	201,620
Mental Health	1,702,922	1,092,168	(1,680,476)	-	-	1,114,614
The Endeavour Fund	439,455	354,178	(464,542)	-	-	329,091
Supporting Those Who Serve (formerly 'Military')	717,020	133,878	(563,022)	-	-	287,876
Young People	-	-	(268,723)	268,723	-	-
	<b>3,935,324</b>	<b>4,776,164</b>	<b>(6,632,743)</b>	<b>1,256,633</b>	<b>-</b>	<b>3,335,378</b>

The table above summarises the main restricted funds.

The funds received in relation to Coach Core programmes were used to train the next generation of inspirational sports coaches for young people throughout the UK. During the year, there was a transfer of £51,779 (2018: £230,365) from unrestricted funds to meet the costs of the Coach Core programme.

The Conservation funds help to convene sector leaders and strengthen collaborative working in the field of conservation. Included in the Conservation fund is a fund for the *United for Wildlife* Taskforces, a fund for The Earthshot Prize and a fund for the *Travalyst* sustainable tourism programme. In addition £27,120 (2018: £nil) was received during the year from the European Union for a project titled "Disrupting illicit supply chains of wildlife in Asia by leveraging civil society partnerships to increase the effectiveness of Government action". During the year, a transfer from unrestricted funds of £936,131 (2018: £325,267) was made to cover a shortfall in conservation programmes.

The Early Years restricted fund relates to The Duchess of Cambridge's Early Years programme of work.

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**Notes to the consolidated financial statements (continued)**  
**Year ended 31 December 2019**

**19 Analysis of movements in restricted funds (continued)**

The Empowering Communities fund relates to The Duchess of Sussex's Empowering Communities Through Food programme.

The funds received in relation to Mental Health relate to The Royal Foundation's work focusing on mental health and well-being.

The funds received in relation to the Endeavour Fund were from donors to support injured, wounded and sick Servicemen and women with their recovery through the provision of sporting and adventure challenges. Included within this fund is a grant of £250,000 (2018: £nil) from the Armed Forces Covenant Fund Trust of which £125,000 (2018: £nil) is accrued at year end.

'Supporting Those Who Serve' funds (formerly called 'Military') cover projects to support personnel currently serving in the Armed Forces and first responders, or those who have previously served, and their families. This includes funds received in relation to military mental health, veterans' employment and first responders.

The Young People fund relates to funds received in support of a programme to prevent youth violence in St Ann's, Nottingham. During the year, a transfer of £268,723 (2018: £84,883) from unrestricted funds was made to cover a shortfall on Young People programmes.

<b>Group</b>	<b>Balance at 1 January 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Gains &amp; Losses £</b>	<b>Balance at 31 December 2018 £</b>
<b>Restricted funds:</b>						
Coach Core	153,050	514,058	(711,599)	230,365	-	185,874
Conservation	623,515	375,005	(1,112,143)	356,518	-	242,895
Digital Technology	-	31,250	-	(31,250)	-	-
Early Years	-	296,282	(66,896)	100,000	-	329,386
Empowering Communities	-	557,638	(239,866)	-	-	317,772
Mental Health	3,456,173	1,287,844	(2,941,095)	(100,000)	-	1,702,922
The Duke and Duchess of Sussex Engagement Gift Fund	-	145,168	(108,357)	(36,811)	-	-
The Endeavour Fund	851,707	135,783	(548,035)	-	-	439,455
Supporting Those Who Serve (formerly 'Military')	153,586	1,024,105	(460,671)	-	-	717,020
Young People	20,000	25,000	(166,694)	121,694	-	-
	<b>5,258,031</b>	<b>4,392,133</b>	<b>(6,355,356)</b>	<b>640,516</b>	<b>-</b>	<b>3,935,324</b>

The Duke and Duchess of Sussex Engagement Gift Fund related to funds received in 2018 which were restricted to activities relating to the interests of the Duke and Duchess of Sussex.

The funds received in 2018 in relation to Digital Technology were from donors to support the digital work of The Royal Foundation. During 2018, a transfer of £31,250 was made to fund digital Conservation activities.

**20 Expendable Endowment Fund**

	<b>Group</b>		<b>Charity</b>	
	<b>2019 £</b>	<b>2018 £</b>	<b>2019 £</b>	<b>2018 £</b>
Balance brought forward at 1 January	250,000	250,000	250,000	250,000
Transferred to unrestricted funds	(250,000)	-	(250,000)	-
Balance carried forward at 31 December	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

The endowment of £250,000 was received in 2012 from The Diana, Princess of Wales Memorial Fund as a contingency sum to provide against any unforeseen liabilities. In line with the closure agreement that saw the Royal Foundation assume control of the Diana Princess of Wales Memorial Fund, the endowment was transferred to unrestricted funds on 31 March 2019.

**21 Analysis of group net assets between funds**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Balance at 31 December 2019 £</b>
Fixed assets	23,789	-	-	<b>23,789</b>
Fixed asset investments	2,016,804	500,000	-	<b>2,516,804</b>
Current asset investments	-	2,000,000	-	<b>2,000,000</b>
Cash	108,049	1,148,511	-	<b>1,256,560</b>
Other net current assets	(14,995)	(313,133)	-	<b>(328,128)</b>
	<b>2,133,647</b>	<b>3,335,378</b>	<b>-</b>	<b>5,469,025</b>

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Balance at 31 December 2018 £</b>
Fixed assets	55,930	-	-	<b>55,930</b>
Fixed asset investments	2,292,062	-	-	<b>2,292,062</b>
Current asset investments	-	2,000,000	-	<b>2,000,000</b>
Cash	1,152,544	1,541,662	250,000	<b>2,944,206</b>
Other net current liabilities	211,581	393,662	-	<b>605,243</b>
	<b>3,712,117</b>	<b>3,935,324</b>	<b>250,000</b>	<b>7,897,441</b>

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**22 Operating leases - Group and Charity**

The minimum lease payments due over the lease terms are:

	Property 2019 £	Other 2019 £	Total 2019 £	Property 2018 £	Other 2018 £	Total 2018 £
Within one year	116,919	8,659	125,578	205,887	5,595	211,482
Between two and 5 years	-	25,256	25,256	766,848	27,976	794,824
Greater than 5 years	-	-	-	122,376	-	122,376
	<b>116,919</b>	<b>33,915</b>	<b>150,834</b>	<b>1,095,111</b>	<b>33,571</b>	<b>1,128,682</b>

In January 2018 The Royal foundation signed a lease for additional office space adjacent to the existing office space. This lease expired in June 2019.

In February 2019 a variation to the lease for the main office space was signed which provides for an annual break option in August of each year. The minimum lease payments disclosed for property reflect the rent charge to the first available break date.

In July 2017, The Royal Foundation leased an office in the Phoenix Brewery for 7 months to provide a hub for a number of charities supporting the community affected by the Grenfell fire. The lease was renewed, and expired on 14 April 2018. A peppercorn rent was payable.

**23 Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Net movement in funds	(2,428,416)	(1,352,755)	(2,428,416)	(1,352,755)
Adjustments for:				
Depreciation charge	43,969	54,507	43,969	54,507
(Losses)/gains on investments	(229,404)	95,173	(229,404)	95,173
Losses on disposal of fixed assets	1,212	-	1,212	-
Dividends and interest included in investing activities	(37,268)	(98,528)	(37,268)	(98,528)
Decrease/(increase) in debtors	683,800	(560,534)	656,466	(512,922)
Increase/(decrease) in creditors	249,571	(779,079)	265,265	(790,964)
<b>Net cash used in operating activities</b>	<b>(1,716,536)</b>	<b>(2,641,216)</b>	<b>(1,728,176)</b>	<b>(2,605,489)</b>

**24 Reconciliation of net cash flow to movement in net funds**

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
(Decrease) in cash	(1,008,945)	(4,372,974)	(1,020,585)	(4,337,247)
Net funds at 1 January	<u>3,423,958</u>	<u>7,796,932</u>	<u>3,402,798</u>	<u>7,740,045</u>
Net funds at 31 December	<u>2,415,013</u>	<u>3,423,958</u>	<u>2,382,213</u>	<u>3,402,798</u>

**25 Analysis of changes in net funds**

	Group				Charity			
	1 January 2019 £	Cash flows £	Foreign exchange movements £	31 December 2019 £	1 January 2019 £	Cash flows £	Foreign exchange movements £	31 December 2019 £
Cash at bank and in hand	2,944,206	(1,667,212)	(20,434)	1,256,560	2,923,046	(1,678,851)	(20,434)	1,223,761
Cash held in investment portfolio	479,752	678,701	-	1,158,453	479,752	678,700	-	1,158,452
	<u>3,423,958</u>	<u>(988,511)</u>	<u>(20,434)</u>	<u>2,415,013</u>	<u>3,402,798</u>	<u>(1,000,151)</u>	<u>(20,434)</u>	<u>2,382,213</u>
	1 January 2018 £	Cash flows £	Foreign exchange movements £	31 December 2018 £	1 January 2018 £	Cash flows £	Foreign exchange movements £	31 December 2018 £
Cash at bank and in hand	7,577,746	(4,634,629)	1,089	2,944,206	7,520,859	(4,598,902)	1,089	2,923,046
Cash held in investment portfolio	219,186	260,566	-	479,752	219,186	260,566	-	479,752
	<u>7,796,932</u>	<u>(4,374,063)</u>	<u>1,089</u>	<u>3,423,958</u>	<u>7,740,045</u>	<u>(4,338,336)</u>	<u>1,089</u>	<u>3,402,798</u>

**26 Funds received as agent**

During the year, The Royal Foundation received £490,000 of funds as agent on behalf of seven charities nominated by The Duke and Duchess of Cambridge as beneficiaries of the inaugural King's Cup regatta, a fundraising event managed and promoted by Origin Sports Group Ltd and in which The Duke and Duchess of Cambridge participated. The funds were disbursed in full during the year with no balances outstanding as at 31 December 2019.

**Notes to the consolidated financial statements (continued)**  
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**27 Post balance sheet events**

On 1 April 2020, the Coach Core programme, including 3 Royal Foundation staff, was transferred to 'Coach Core Foundation', a newly formed charitable incorporated organisation (company number CE019892, charity registered number 1186782).

As disclosed in note 11 "related parties", a payment of £44,901 was made in January 2020 to the Sussex Royal Foundation in part settlement of the remaining funds held by The Royal Foundation in connection with The Duke of Sussex's *Travalyst* sustainable tourism programme. A final transfer of £6,955 was paid on 17 April 2020.

On 1 June 2020, The Endeavour Fund was transferred to Invictus Games Foundation (IGF). In settlement of the transfer, a grant of £560,984 was paid on that date to IGF consisting of £242,828 of remaining funds restricted to The Endeavour Fund and £318,156 as a contribution from the Royal Foundation's unrestricted reserves.

As disclosed in note 1 b) and in note 11, a deed was signed with Sussex Royal The Foundation of The Duke and Duchess of Sussex ('Sussex Royal') on 18 December 2019 from which date The Royal Foundation intends to grant 50% of the net income received by The Diana, Princess of Wales Memorial Fund to Sussex Royal. In March 2020 The Duke and Duchess of Sussex announced that they would no longer be operating Sussex Royal as their primary philanthropic vehicle in the UK and accordingly their share of the net income will instead be donated to another charity of The Duke of Sussex's choosing.

Since 31 December 2019 and to the date of signing these financial statements the outbreak of the COVID-19 pandemic has had an economic effect across all sectors and The Royal Foundation has considered the effect on the charity as a going concern, its resilience through this period and the effect on its assets and funds. The trustees have reviewed the revised financial plans and are satisfied that the charity has sufficient resources to continue in operation for the foreseeable future.

Income in 2020 to date has been considerably ahead of the corresponding period in 2019 while investment losses experienced in the five months to 31 May 2020 were £54,619 (2.2%). No special measures have been taken to reduce the cost base of the charity as The Trustees consider it is not necessary to do so at this time. Some activities originally planned to take place later in 2020 have been accelerated in response to COVID-19 and The Royal Foundation is committed to playing an active part in doing what it does best: convening and engaging with our existing and new partnerships to try and alleviate the impact of the pandemic on the emergency responder community and in the area of mental health.

On review of the financial plans through to the end of June 2021 The Trustees have concluded that COVID-19 will not materially affect the ability of the charity to continue as a going concern for the foreseeable future. We remain resilient through having a robust balance sheet, a conservative investment policy, avoiding undue risk, and through sound financial planning and management.

**28 Controlling Party**

The controlling party of The Royal Foundation is HRH The Duke of Cambridge.