

# REGISTRAR OF COMPANIES

## **The Household Cavalry Foundation**

### **Annual Report and Financial statements**

31 March 2018

Charity Registration Number  
1151869

Company Registration Number:  
08236363 (England and Wales)

FRIDAY



\*L7L91U1K\*

L11

21/12/2018

#100

COMPANIES HOUSE

## Contents

### Reports

Reference and administrative details	1
Trustees' report	3
Independent auditor's report	15

### Financial statements

Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Principal accounting policies	21
Notes to the financial statements	26

## Reference and administrative details

<b>Trustees</b>	Major General E A Smyth-Osbourne (Chair) Mr J Coles Mr J Eyre Colonel J D A Gaselee Mr E Goodchild
<b>Director &amp; Company Secretary</b>	Lieutenant Colonel (Retd) Giles Stibbe
<b>Secretary to the Trustees</b>	Lieutenant Colonel (Retd) H S J Scott
<b>Principal office</b>	Horse Guards Whitehall London SW1A 2AX
<b>Charity registration number</b>	1151869
<b>Company registration number</b>	08236363 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Accountants</b>	Moore Stephens LLP Prospect House 58 Queens Road Reading RG1 4RP
<b>Bankers</b>	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR
<b>Investment managers</b>	Schroders Capital Management Limited 12 Moorgate London EC2R 6DA

## Reference and administrative details

<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 4BS
-------------------	--

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 25 and comply with the charity's Articles of Association and applicable law. The requirements of 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later have been followed in the preparation of this report and financial statements.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Governing Documents**

The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013) and by a Charity Commission Order dated 2 May 2013.

### **Objects**

The Household Cavalry Foundation exists to provide charitable and pastoral support to all the members of the Household Cavalry family; whether they are serving Soldiers, Casualties, Veterans or their dependents.

The charity supports the protection and development of the rich heritage that surrounds the history of the Regiment and the welfare of retired horses.

The objects for which the charity is established are:

- ◆ the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;
- ◆ to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;
- ◆ the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependents, including without limitation by providing financial support to families or other dependents of those who have lost their lives on active service;
- ◆ to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Objects (continued)

- ♦ to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and
- ♦ such other exclusively charitable purposes relating to the Household Cavalry as the trustees in the absolute discretion think fit.

The charity's internal operational stakeholders include the following:

- ♦ Headquarters Household Cavalry;
- ♦ Household Division;
- ♦ Unit Welfare Officers;
- ♦ Household Cavalry Museum Trust Limited; and
- ♦ Both the Regimental Associations.

### Trustees

The following trustees were in office at the date the financial statements were approved, and served throughout the year, except where shown.

Trustees	Appointed/resigned
Major General E A Smyth-Osbourne (Chairman)	
Mr J Coles	
Mr G C Davies	Resigned 30 September 2017
Mr J Eyre	Appointed 30 September 2017
Colonel J Gaselee	
Mr E Goodchild	Appointed 30 September 2017
Lieutenant Colonel R Griffin	Resigned 31 January 2018
Major (Retd) R C D Lendrum	Resigned 30 September 2017

No trustee received any remuneration for services as a trustee. No expenses were reimbursed to the trustees during the year.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustee recruitment and appointment**

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting prior to being appointed, so that they may be assessed by the trustees for suitability of qualifications and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees.

### **Trustees induction and training**

New trustees receive a comprehensive pack of information including a copy of the charity's governing document. Board members attend training, where possible, to refresh knowledge of board governance matters and charity law.

### **Trustees' responsibilities statement**

The trustees (who are also directors of The Household Cavalry Foundation for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's Articles of Association. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Trustees' responsibilities statement** (continued)

In so far as the trustees are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

### **Key management personnel**

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis are considered to be the trustees of the charity and the Director, as all strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees or their role as a member of key management. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices.

### **Organisational structure and management reporting**

The trustees are ultimately responsible for the charity and meet twice a year, in spring and autumn.

Day to day functions are delegated to the Director. The appointment of the Director is undertaken by the trustees. The Chairman is responsible for agreeing objectives for the Director and monitoring these on a regular basis. The Director reports to the trustees on a regular basis, both formally and informally.

The Director provides the operational delivery of transparent and accurate administration, implementation of procedures and controls, along with regular reporting. This enables the trustees to take reasonable and informed steps to detect or prevent any irregularities including misappropriation of funds or fraud.

Permanent staff were reduced this year and the staff team now comprises the Director, along with a weekly book-keeper. The trustees decided to adjust their fundraising focus from events organised by HCF to events arranged by others in support of HCF, and to reinvigorating donors whose deeds of covenant are due to run out soon. As such, the number of staff required became lower.



## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Risk management**

The charity, like any organisation, is exposed to a number of risks. Some of these are particular to the charity and its work; many are generic. It is the responsibility of the trustees to anticipate these risks and to ensure that procedures are in place to mitigate them.

The charity has implemented efficient systems, including operational and financial controls, to mitigate risk and enable the trustees, on a regular basis, to review any major risks with regard to operational areas, finances and reserve levels.

The key risks facing the charity have been identified and are set out below:

- ◆ The current economic climate makes fundraising more challenging and the charity cannot rely always on the generosity of related entities such as the Household Cavalry Museum Trust for regular donations.
- ◆ Reduced public donations as a result of the Household Cavalry Regiment returning from operational tours, recovery and reintegration of most of the casualties or change of public perception of the Army. The trustees keep up to date with press relating to the Household Cavalry. There is also a focus on building enduring relationships with regular donors, which are less affected by the above issues.
- ◆ Poor investment performance affecting the revenue stream created through dividends. The trustees meet regularly with the charity's investment managers to discuss the performance of the investment portfolio and the investment strategy.

In addition to these specific risks, like other charities, HCF is affected by the very difficult economic environment. Our situation is exacerbated by the size of the charity and by the lack of resources to access as many funding opportunities as we would wish.

Any irregularities are highlighted, reviewed and addressed at the trustees' meetings.

### **ACTIVITIES AND PUBLIC BENEFIT**

The charity provides public benefit by the provision of grants and donations which assist service personnel both past and present, and their dependants, who are in need, hardship or distress.

In addition, the charity enables service personnel to perform more effectively their roles within the Armed Forces of the Crown. It does this by providing and supporting mess facilities, sporting and adventure training activities.

This assistance enables service personnel post operational tour to face and process the challenges and dangers associated with military service by developing and maintaining teamwork, skills, fitness, confidence, character, attitude and, ultimately, morale.

**ACTIVITIES AND PUBLIC BENEFIT** (continued)

As a result, the charity promotes the efficiency of the Armed Forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it, including the defence of the United Kingdom and its interests.

The funds to support the above activities are generated in part from investments but also from the holding of fundraising and other events and through encouraging donations to the charity.

In formulating the aims of the charity and in planning its activities, the trustees have regard to the Charity Commission's general guidance on public benefit and always ensure that the work undertaken by the charity is in line with its charitable objects and aims.

**ACHIEVEMENTS FOR THE YEAR**

**Operational Casualties and Veterans' welfare**

Payments to our priority recipients were exceeded by approximately £1,000 per month. Payments were made for the first time from our Children's Fund to the first of five children who lost their fathers on operations during the 21<sup>st</sup> century.

**Serving Soldiers**

Agreed expenditure on both Regiments was made during the year and our share of the Day's Pay Scheme funds the annual Household Cavalry Journal.

**Heritage**

Payments include a one-off £7,000 payment towards the 10<sup>th</sup> Anniversary of the opening of the Household Cavalry Museum.

**Horses**

A donation was made to The Horse Trust as it is home to several of the Regiments' retired black, grey and drum horses.

## **ACHIEVEMENTS FOR THE YEAR** (continued)

### **The HCF has rationalised its operations with the following initiatives:**

- ◆ Governance - There are now five trustees: four serving or ex Household Cavalrymen and one civilian - Mr Jon Coles of Brunswick Group LLP – who is also a Trustee of the Household Cavalry Museum. The Chairman is the senior serving Household Cavalryman.
- ◆ Finance
  - The Day's Pay Scheme is shared with both Regimental Associations, and is now administered by Home HQ Household Cavalry;
  - Gift Aid is applied to all donations to the charity where applicable;
  - All subsidiary "stakeholder" funds receive a quarterly dividend proportionate to their relative size in The HCF's overall investment portfolio;
  - Only The Life Guards Regimental Association now remains outside the overall HCF investment portfolio, but it is obviously included in all relevant welfare case considerations;
  - Two former officers have very generously endowed Quick Reaction Welfare Funds; and
  - Most retail activities are now coordinated by our Household Cavalry Museum's shop.

### **Highlights of the year**

During this financial year:

- ◆ Payments were made for the first time from our Children's Fund to the first of five children, on their 18th birthday, whose fathers were killed in action during operational tours in Iraq and Afghanistan since 2003;
- ◆ An operational casualty has qualified as a fixed wing and helicopter pilot with support from the charity;
- ◆ With support from the charity, the wife of another operational casualty passed the first annual assignment of her Open University teacher training course;
- ◆ Support has been provided to the family of one of our soldiers killed in action and one of our black horses has been named in his honour: "Magpie";

**ACHIEVEMENTS FOR THE YEAR** (continued)

**Highlights of the year** (continued)

- ◆ The charity is supporting an old comrade to retrain from a scaffolder to a gas-fitter because his post-Traumatic Stress Disorder (PTSD) was triggered by the noise of scaffolding poles being dropped;
- ◆ Support was given to a Paralympian who won the gold medal in the 2018 World Bobsleigh Championships; the 2022 Winter Paralympic Games in Beijing is his next target;
- ◆ Wounded Care for Heroes reports that an old comrade charity fundraiser, who now suffers the after-effects of cancer, has much improved;
- ◆ We are also delighted to report that a widow, following a reassuring precedent, has married one of her late husband's comrades-in-arms;
- ◆ A Veteran's teenage daughter did a 15,500 feet parachute jump to raise funds for the HCF;
- ◆ Both our Regiments - war-fighting at Windsor and ceremonial in London - again received annual funding to enhance their soldiers' and dependants' quality of life and to help recruitment and retention;
- ◆ The HCF has part-funded a new recruiting film "The Trusted Guardians";
- ◆ The wife of a serving soldier gained a 1st Class Honours' degree in Law. The HCF helped her to buy books on a reading list she will continue to use professionally;
- ◆ Congratulations also to an A-level student who won top grades for an A-level project about our uniforms;
- ◆ Our soldiers are enjoying new sporting challenges: four Troopers won all their Polo matches;
- ◆ Representatives from All Ranks participated in a charity steeplechase and a rugby tour of the USA;
- ◆ The HCF helped our families' children's rugby initiative in Windsor Garrison. Their season culminated when our Veterans, at the other end of the age spectrum, played their annual match on St George's Day. Some might claim it takes them a year to recover!;
- ◆ Cyclists rode in South Africa's Joberg2C and the Tour de France's Haute Route races;

## ACHIEVEMENTS FOR THE YEAR (continued)

### Highlights of the year (continued)

- ◆ Many from All Ranks loyally continue to run Marathons, Ultra-Marathons and Half-Marathons to raise funds for The HCF and to help specific Wounded, Injured and Sick (WIS) comrades in London and Windsor;
- ◆ The HCF supported the Regiment's Band as usual on their annual adventure training. Many saw them and their "Britain's Got Talent" champion Corporal Richard Jones at the Advent "Scarlet & Gold" Concert;
- ◆ Soon after he rode as a musician on The Queen's Birthday Parade, Corporal Jones twice opened our local London (Motcomb) Street Party, helping to raise funds for The HCF and The Lullaby Trust;
- ◆ The HCF also helped to fund special hearing aids for a child of one of our musicians;
- ◆ During 2017 the Regimental Band also very kindly played two truly successful Gala Concerts on behalf of the HCF as the triumphant launch of a new initiative: "Through Music We Care".
  - In The Guards' Chapel with the Orion Youth Orchestra and Rick Wakeman on 10 May; and
  - In Ely Cathedral with the Morrision Orpheus (Welsh Male Voice) Choir on 8 December.

## FINANCIAL REVIEW

### Results for the year

#### *Direction*

During the year, the charity focussed on securing more donors as this is deemed less risky than organising events that, while popular, do not have guaranteed levels of income.

New and existing donors have proved to be generous. Both Household Cavalry Regiments (in London and at Windsor) and the Household Cavalry Museum have very kindly hosted selected current and future donors at their planned events. The bonus of this process is that entertaining donors and potential donors at extant events means there is no extra burden on our two Regiments to organise special events at additional cost.

This financial year's results prove that the charity's new donor-focused strategy is working. Targets for the year were based on previous financial years, adjusted to reduce dependence on large scale events.

## **FINANCIAL REVIEW** (continued)

### **Results for the year** (continued)

#### ***Income***

Targets for donor income and revenue from events held on behalf of the charity were exceeded. So was the target for investment income from the HCF's portfolio with Schroders Capital Management Limited.

Events' income exceeded projections, although there was no Motcomb Street Party held in 2017 (a regular and successful fundraiser).

There was also no income from the Household Cavalry Museum during the year.

#### ***Expenditure***

This was the first financial year since assimilation of The Household Cavalry Serving Officers' Trust and final integration of The Household Cavalry Central Charitable Fund. This assimilation of funds has succeeded in reducing governance and administrative costs across the Household Cavalry charitable funds.

#### ***Results and financial position***

Total income for the year amounted to £359,877 (2017 - £402,029). Expenditure totalled £366,841 (2017 - £389,909). Net realised and unrealised investment gains for the year totalled £11,671 (2017 - £488,544).

Therefore, the net movement in funds for the year amounted to £4,707 (2017 - £500,664).

The total funds at 31 March 2018 amounted to £3,807,646 (2017 - £3,802,939) of which £1,870,403 were restricted (2017 - £1,853,648) and £1,937,243 were unrestricted or general funds (2017 - £1,949,291).

#### ***Investment policy***

The charity's investments are managed by professional investment managers. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers.

The strategy takes into account the charity's income requirements for the year, the risk profile and the investment managers' view of the market prospects in the medium term. The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. For the year ended 31 March 2018, a target return of RPI plus 3.5% was set.

The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

## **FINANCIAL REVIEW** (continued)

### **Investment policy** (continued)

Included within investments are monies advanced to the charity by the Household Cavalry and its associated funds. Income and gains (or losses) accruing from these monies are added (or deducted) from these funds and the balances due are reflected within the creditor figures in the attached financial statements.

### **Reserves policy**

It is the trustees' intention to build up sufficient reserves within the charity, through fundraising initiatives and returns on investments, in order to meet liabilities as they fall due and to enable the continued development of the charity's objectives to support the Household Cavalry.

The charity generates income largely through fundraising and investments and, therefore, it is subject to fluctuation from year to year. As a result, the trustees believe the charity should hold reserves of between 12 months and 36 months of operating expenditure to provide protection against such fluctuations and enable it to continue operating in all circumstances and following all eventualities, including any significant unexpected fall in income.

The reserves policy is, and will continue to be, reviewed annually by the trustees. The total value of free reserves at 31 March 2018 of £1,887,243 is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult but that the need for the charity's support remains as high as ever. Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

### **Fundraising policy**

The charity is committed to following the Code of Fundraising Practice and the fundraising promise as administered by the Fundraising Regulator. HCF raises funds in three main ways:

- ◆ From its investment portfolio, as administered by professional investment managers;
- ◆ Donations from individuals, usually through direct contact with trustees or the Director; and
- ◆ Holding occasional fundraising events. These are clearly advertised as such.

The charity does not make direct approaches to the general public for fundraising purposes. Contact with individual donors is usually at their instigation but occasionally we do approach those already engaged with the charity.

**FINANCIAL REVIEW** (continued)

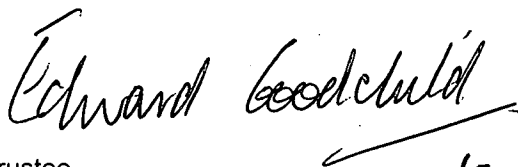
**Fundraising policy** (continued)

The charity occasionally engages third party fund raisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf. From time-to-time, individuals may independently undertake to raise funds on our behalf, for example sponsored sports activities. Such activities are undertaken independently of the HCF. The charity has not received any complaints about its fundraising activity

**FUTURE PLANS**

The trustees do not anticipate any significant change to the charity in the forthcoming year.

Signed on behalf of the trustees

A handwritten signature in black ink that reads "Edward Goodchild". The signature is written in a cursive style with a long horizontal stroke at the end.

Trustee

(EDWARD GOODCHILD)

Approved on:

19.12.18



**Independent auditor's report to the members of The Household Cavalry Foundation**

**Opinion**

We have audited the financial statements of The Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2018 and of its income and expenditure 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 charitable company in accordance with the ethical requirements that are 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 relating to going concern**

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' 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 trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 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**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.

Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

21 December 2018

# Statement of financial activities Year to 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations and legacies	1	256,982	5,678	262,660	280,333
Investments and interest receivable	2	50,248	46,969	97,217	121,696
<b>Total income</b>		<b>307,230</b>	<b>52,647</b>	<b>359,877</b>	<b>402,029</b>
<b>Expenditure on:</b>					
Raising funds	3	72,665	12,869	85,534	80,640
Charitable activities					
Assisting service personnel and dependents	4	248,650	32,657	281,307	309,269
<b>Total expenditure</b>		<b>321,315</b>	<b>45,526</b>	<b>366,841</b>	<b>389,909</b>
<b>Net (expenditure) income before investment gains</b>		<b>(14,085)</b>	<b>7,121</b>	<b>(6,964)</b>	<b>12,120</b>
Net gains on investments		6,037	5,634	11,671	488,544
<b>Net (expenditure) income for the year</b>		<b>(8,048)</b>	<b>12,755</b>	<b>4,707</b>	<b>500,664</b>
Transfers between funds	13	(4,000)	4,000	—	—
<b>Net movement in funds</b>		<b>(12,048)</b>	<b>16,755</b>	<b>4,707</b>	<b>500,664</b>
<b>Fund balances at 1 April 2017</b>		<b>1,949,291</b>	<b>1,853,648</b>	<b>3,802,939</b>	<b>3,302,275</b>
<b>Fund balances at 31 March 2018</b>		<b>1,937,243</b>	<b>1,870,403</b>	<b>3,807,646</b>	<b>3,802,939</b>

The charity has no recognised gains or losses other than those shown above. All the above results were derived from continuing operations.

# Balance sheet 31 March 2018

		2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Investments	9		6,217,455		5,974,247
<b>Current assets</b>					
Debtors	10	72,295		65,444	
Cash at bank and in hand		141,595		329,165	
		<u>213,890</u>		<u>394,609</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(2,608,699)</u>		<u>(2,565,917)</u>	
<b>Net current liabilities</b>			<u>(2,394,809)</u>		<u>(2,171,308)</u>
<b>Total assets less current liabilities</b>			<u>3,822,646</u>		<u>3,802,939</u>
Creditors: amounts falling due in more than one year	12		<u>(15,000)</u>		<u>—</u>
<b>Total net assets</b>			<u>3,807,646</u>		<u>3,802,939</u>
<b>Represented by:</b>					
<b>The funds of the charity:</b>					
Restricted funds	13		1,870,403		1,853,648
Unrestricted funds					
- General funds			1,907,243		1,929,281
- Designated funds	14		<u>30,000</u>		<u>20,000</u>
			<u>3,807,646</u>		<u>3,802,939</u>

Approved by the trustees  
and signed on their behalf by:

*Edward Goodchild*

Trustee

(EDWARD GOODCHILD)

Approved on: 19.12.18

The Household Cavalry Foundation:

Charity Registration Number 1013978, Company Registration Number 08236363 (England and Wales)

## Statement of cash flows Year to 31 March 2018

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(61,320)	(26,981)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		97,217	121,696
Proceeds from the disposal of investments		265,736	352,290
Purchase of investments		(585,267)	(514,779)
Net cash used in investing activities		(222,314)	(40,793)
<b>Change in cash and cash equivalents in the year</b>		<b>(283,634)</b>	<b>(67,774)</b>
Cash and cash equivalents at 1 April 2017	B	563,043	630,817
Cash and cash equivalents at 31 March 2018	B	279,409	563,043

### Notes to the statement of cash flows for the year to 31 March 2018.

#### A Reconciliation of net movement in funds to net cash used in operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	4,707	500,664
<b>Adjustments for:</b>		
Gains on investments	(19,741)	(732,304)
Investment income and interest receivable	(97,217)	(121,696)
Decrease in debtors	(6,851)	(13,717)
Increase in creditors	57,782	340,072
Net cash used in operating activities	(61,320)	(26,981)

#### B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	141,595	329,165
Cash held by investment managers (note 9)	137,814	233,878
<b>Total cash and cash equivalents</b>	<b>279,409</b>	<b>563,043</b>

## **Principal accounting policies 31 March 2018**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2018 with comparative information provided in respect to the year to 31 March 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ assessing the probability of the receipt of legacy income; and
- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern (continued)**

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2019, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises transfers from other registered charities, donations and legacies, income from other trading activities and investment income and interest receivable.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.



**Income recognition (continued)**

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 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income from other trading activities comprises income from the sale of merchandise and income from fundraising events. Income from the sale of merchandise is measured at the fair value of the consideration received or receivable, excluding discounts. Income from fundraising events is measured at fair value and accounted for on an accruals basis.

Investment income comprising dividends and similar income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and comprises:

- ◆ Expenditure on raising funds, including all expenditure associated with raising funds for the charity by way of donations or fundraising events together with investment management fees.

**Expenditure recognition (continued)**

- ◆ Expenditure on charitable activities including all direct and indirect costs in relation to assisting service personnel and their dependants. Such expenditure includes the provision of donations and grants to service personnel and/or their dependents. These grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial procedures, provision of office services and equipment and general administration.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are included as a specific category within support costs.

Both support and governance costs are allocated to the cost of assisting service personnel and their dependents.

**Heritage assets**

Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 10 to these financial statements.

**Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Investments (continued)**

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Included within investments are monies advanced to the charity by the Household Cavalry and its associated funds and repayable on demand. Income and gains (or losses) accruing from these monies are added (or deducted) from these funds and the balances due are reflected within the creditors figures in note 12 to these financial statements.

All other realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Fund accounting**

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

General funds represent monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

# 1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Donations	140,839	5,678	146,517	109,232
Income from events	78,501	—	78,501	80,366
The Day's Pay Scheme	37,642	—	37,642	76,617
Income from HCMTL	—	—	—	25,000
<b>2018 Total funds</b>	<b>256,982</b>	<b>5,678</b>	<b>262,660</b>	<b>280,333</b>
2017 Total funds	264,266	16,067	280,333	

The income from events represents donations received at events that were organised by third parties and held on behalf of the Household Cavalry Foundation.

The Day's Pay Scheme is a voluntary payroll giving scheme where participating members of the Household Cavalry Regiments contribute one day's pay per month to the charity.

Income from HCMTL is income from the Household Cavalry Museum Trust Limited, a connected charity

# 2 Income from: Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Investment income	50,218	46,969	97,187	121,157
Interest receivable	30	—	30	539
<b>2018 Total funds</b>	<b>50,248</b>	<b>46,969</b>	<b>97,217</b>	<b>121,696</b>
2017 Total funds	55,774	65,922	121,696	

# 3 Expenditure on: Raising funds

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Staff costs	18,493	—	18,493	26,044
Events	6,929	—	6,929	2,126
Fundraising costs	31,797	—	31,797	24,679
Website development	1,684	—	1,684	2,358
Investment management fees	13,762	12,869	26,631	25,433
<b>2018 Total funds</b>	<b>72,665</b>	<b>12,869</b>	<b>85,534</b>	<b>80,640</b>
2017 Total funds	68,772	11,868	80,640	

#### 4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Grants and donations	131,859	26,060	157,919	179,338
Staff costs	36,985	—	36,985	38,952
Honoraria	28,709	—	28,709	16,100
Accountancy	19,148	—	19,148	18,898
Publishing costs – Household Cavalry Journal	12,416	—	12,416	11,998
Website development	1,684	—	1,684	2,358
Professional fees	4,102	—	4,102	20,792
Office and administration costs	2,209	—	2,209	1,234
Insurance	2,050	6,567	8,617	7,803
Governance costs: auditor's remuneration	5,310	30	5,340	8,520
Other costs	4,178	—	4,178	3,276
<b>2018 Total funds</b>	<b>248,650</b>	<b>32,657</b>	<b>281,307</b>	<b>309,269</b>
<b>2017 Total funds</b>	<b>244,484</b>	<b>64,785</b>	<b>309,269</b>	

#### 5 Staff costs

	Total funds 2018 £	Total funds 2017 £
Wages and salaries	49,361	59,846
Social security costs	4,831	5,150
Employer's pension contribution	1,286	—
	<b>55,478</b>	<b>64,996</b>

The average number of employees during the year was:

	2018 No.	2017 No.
	2	2

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2017 - none).

#### 6 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the Director. The total cost to the charity of employing key management was £51,768 (2017 - £47,947)

No Trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2017 - none).

## 7 Taxation

Household Cavalry Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

## 8 Heritage assets

The charity has title to a number of unique artefacts including silverware and paintings which form part of the heritage of the Household Cavalry and the nation generally and which the charity intends to preserve for the enjoyment of future generations.

One of the principal objectives of the charity is *"to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections"*. As such, the assets meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. It is not possible to place any meaningful valuation on the collection for the purposes of these financial statements and details of specific items are not given for security reasons.

## 9 Investments

	Total funds 2018 £	Total funds 2017 £
<b>Listed investments</b>		
Market value as at 1 April 2017	5,740,369	4,891,307
Additions at cost	585,267	514,779
Disposals at opening market value (proceeds £265,736; gains £18,904)	(246,832)	(351,041)
Net unrealised investment gains (losses)	837	685,324
Market value as at 31 March 2018	6,079,641	5,740,369
<b>Cash held for reinvestment</b>	137,814	233,878
	<b>6,217,455</b>	<b>5,974,247</b>
<b>Historical cost of listed investments as at 31 March 2018</b>	<b>4,807,617</b>	<b>4,419,610</b>

At 31 March 2018 listed investments comprised the following:

	Total funds 2018 £	Total funds 2017 £
UK equities	1,907,706	2,094,904
Overseas equities	1,794,681	1,535,729
Fixed interest	450,543	420,440
Unitised funds	601,612	618,684
Alternatives	1,325,099	1,070,612
<b>Total</b>	<b>6,079,641</b>	<b>5,740,369</b>

All listed investments were dealt in on a recognised stock exchange.

## 9 Investments (continued)

At 31 March 2018 listed investments included investments with a market value of £2,484,750 representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are net unrealised gains of £837 and realised gains of £18,905 which arose during the year ended 31 March 2018. As some of these gains represent part of the amount due to the Household Cavalry regiments and associated funds they are not reflected in full through the statement of financial activities.

The following individual investment holdings as at 31 March 2018 were deemed material in the context of the market value of the portfolio as at that date:

Holding	Market Value £	Percentage %
Aberdeen Foundation Growth Fund	345,971	5.5%
Trojan Income Fund	335,698	5.4%
Schroder QEP Global Active Value Fund	326,896	5.2%
CF Ruffer Total Return Fund	312,998	5.0%
Majedie UK Equity Fund	353,248	5.6%
Vanguard S&P 500 UCITS ETF	357,987	5.7%
Savills Investment Management - Charities Property Fund	786,080	12.5%

## 10 Debtors

	Total funds 2018 £	Total funds 2017 £
Other debtors	18	5,000
Prepayments and accrued income	72,277	60,444
	<b>72,295</b>	<b>65,444</b>

## 11 Creditors: amounts falling due within one year

	Total funds 2018 £	Total funds 2017 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)	2,562,070	2,488,265
Grants Payable	5,000	—
Expense creditors	2,400	2,159
Accruals	39,229	75,493
	<b>2,608,699</b>	<b>2,565,917</b>

**11 Creditors: amounts falling due within one year (continued)**

Included above are monies advanced to the charity by the Household Cavalry Regiments and associated funds. Income and gains (or losses) accruing from these monies are added (or deducted) from these funds and the balances due are reflected in the creditors figures above. At 31 March 2018 the amounts owed were as follows:

	2018 £
The Blues and Royals Association	1,181,270
Oliver Montague Fund	1,112,851
Household Cavalry Regiment (Windsor)	138,916
Household Cavalry Mounted Regiment (Knightsbridge)	129,033
	<u>2,562,070</u>

**12 Creditors: amounts falling due in more than one year**

	Total funds 2018 £	Total funds 2017 £
Grants payable	15,000	—

**13 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purpose.

	Operational Casualties Fund £	Children's Fund £	Serving Officers Trust Fund £	Total £
At 1 April 2017	1,437,760	94,628	321,260	1,853,648
Other income	40,046	2,840	9,761	52,647
Expenditure	(19,918)	(10,367)	(15,241)	(45,526)
Net investment gains	4,676	161	797	5,634
Transfer from unrestricted funds	—	4,000	—	4,000
At 31 March 2018	<u>1,462,564</u>	<u>91,262</u>	<u>316,577</u>	<u>1,870,403</u>

*Operational Casualties Fund*

The Operational Casualties Fund is used to alleviate hardship of injured Household Cavalry service personnel and their families.

*Children's Fund*

The Children's Fund is used to provide money to orphans of deceased Household Cavalry personnel who died during conflict. Donations are made each year by each of the Regimental Associations and an amount equal to those donations is transferred from unrestricted to restricted funds by the charity.



### 13 Restricted funds (continued)

#### *Serving Officers Trust Fund*

The Serving Officers Trust Fund is used to promote the efficiency of the Household Cavalry by fostering and preserving traditions and increasing the efficiency of its serving officers by making provision for participation in a wide range of sports, purchasing learned periodicals, paying educational fees, assisting with purchase of items of uniform and paying for refurbishment, acquisition and insurance of regimental property.

### 14 Designated funds

The trustees have set aside or designated certain monies for specific purposes as follows.

	1 April 2017 £	New designations £	Utilised £	31 March 2018 £
Standards Parade Fund	20,000	10,000	—	30,000

The Standards Parade Fund comprises monies set aside to help towards the cost of the next Standards Parade where the Monarch, as Colonel in Chief of the Household Cavalry, will present new Standards. The Parade is anticipated to take place in 2024.

### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Fund balances at 31 March 2018 are represented by:</b>			
Investments	4,479,308	1,789,442	6,268,750
Net current (liabilities) assets	(2,542,065)	80,961	(2,461,104)
Total net assets	1,937,243	1,870,403	3,807,646
<b>Unrealised gains included above</b>			
On investment assets	887,765	384,259	1,272,024
<b>Reconciliation of movement in unrealised gains on investment assets</b>			
Unrealised gains brought forward	921,778	398,981	1,320,759
Movement in respect of disposals in year	(50,051)	(21,664)	(71,715)
	871,727	377,317	1,249,044
Net losses on revaluations in year	585	252	837
Adjustments to book cost for foreign exchange	15,453	6,690	22,143
<b>Unrealised gains at 31 March 2018</b>	887,765	384,259	1,272,024

**16 Related parties**

One trustee is also a serving member of the Household Cavalry and so may have benefitted indirectly from grants made during the year. None of the trustees received grants directly as an individual beneficiary.