Company Registration No. 7033553
Charity Registration No. 1132048

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

Report and Consolidated Financial Statements

31 December 2018
## Report and financial statements 2018

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The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
Company Registration No. 7033553

Patrons, officers and professional advisors

Patrons
TRH The Duke and Duchess of Cambridge
TRH The Duke and Duchess of Sussex

Trustees
Sir Keith Mills, GBE, DL – Chairman
Barroness Barran, MBE (appointed 27 June 2018, resigned 30 November 2018)
Tessa Green, CBE
Edward Harley, OBE, DL
Miguel Head, LVO (resigned 27 June 2018)
Jamie Lowther-Pinkerton, LVO, MBE, DL
Charles Mindenhall
Guy Monson (resigned 27 June 2018)
Simon Patterson
Lady PinSENT
Claire Wills (appointed 27 June 2018)

Key Management
Chief Executive Officer Lorraine Heggessey
Director of Programmes and Partnerships Rob Abercrombie (appointed 8 May 2018)
Director of Insight & Innovation Natalie Campbell (appointed 19 February 2018)
Director of Development Elaine Dodds
Director of Finance and Operations Natalie Leon
Head of HR Sarah Conlon (appointed 12 March 2018)
Head of Communications James Holt

Registered Office
Kensington Palace
Palace Green
London W8 4PU

Bankers
Barclays
1 Churchill Place
London E14 5HP

Solicitors
Bates Wells & Braithwaite London 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
Chairman's Statement

Once again, I am delighted to look back on The Royal Foundation's achievements in 2018 with great pride. There is something particularly unique about the impact we have been able to achieve in so many ways. Since Their Royal Highnesses established The Royal Foundation ten years ago it has been able to work, in collaboration with others, to make a real difference to so many people's lives, as well as changing attitudes and instigating several ground-breaking initiatives. These programmes and initiatives will leave a legacy for many years to come and our plans will see The Royal Foundation continue to tackle some of the pressing social and environmental issues, both in the UK and internationally.

The Royal Foundation has proved the scale and diversity of the impact it can have. Whether it has been the number of young people who have found a career through Coach Core, or the veterans who have discovered there is life beyond injury; whether it's the Grenfell community who have found new purpose through food and enterprise, or the teachers now better resourced to support the mental health of children in their class.

By its very nature, the work of The Royal Foundation adapts and changes each year as we respond to the needs and challenges facing society and where Their Royal Highnesses believe they can make a difference. To enable us to tackle these ever-changing challenges we have been enhancing our own internal resources. In particular, we have, during 2018 significantly strengthened our R&D and measurement capability so that we can both ensure our interventions are well targeted and effective from the outset and that we are able to accurately measure the impact.

During 2018 we have been reviewing a wide range of new initiatives from the environment to conservation, from mental fitness training for the military, to how best to support vulnerable families and their children in the earliest years of their life.

Our ability to deliver on this scale is only possible thanks to our growing network of supporters. We believe that working together with others, drawing on their experiences and bringing together the best minds to find solutions to difficult problems is key to making a real impact. We have some amazing donors who see the impact that an investment in The Royal Foundation can make, and the multiplier effect we are able to deliver. Around 84% of money raised goes directly on charitable activity, well above the normal charity targets, a small investment in The Royal Foundation projects has proven to leverage many times more than from external sources.

In light of recent changes in the lives of Their Royal Highnesses, including The Duke and Duchess of Sussex setting up their own Household, a review is currently underway to assess the implications these changes may have for The Royal Foundation. It is likely there will be changes to the current structure of The Royal Foundation.

I would like to thank our dedicated trustees and all the individuals who give their time and expertise voluntarily in order to support our work. It is not possible to succeed at this level without your guidance, wisdom, time and energy. In particular I would like to thank Guy Monson, one of our founding Trustees, who retired in 2018 from our board.

Above all, I would like to thank Their Royal Highnesses, who in 2018 have been the driving force behind everything The Royal Foundation has done. It is a genuine honour to work with people so committed to making a difference to society, and so passionate about using their position to make a difference.

Finally, a huge thank you to the team at The Royal Foundation. Their tireless work, chronicled through this review, shows the impressive difference they have made – in just one year – to people's lives throughout the United Kingdom and beyond. Thank you.
Chairman's Statement (continued)

Sir Keith Mills, GBE, DL
Chairman

6 June 2019
CEO Report

Producing a report of this nature brings home to me the scale of what this organisation has achieved, and the breadth we have been able to cover in just one year. This wide-ranging impact is only possible because of the passion and ambition to make a lasting difference that comes from our Principals, The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex.

At a Royal Foundation event early last year, a young woman came on stage who had suffered horrendous physical abuse as a child, had struggled in school, and had turned to self-harm. She spoke passionately about how her tutor at Coach Core had given her hope and purpose so that she is now building a career as a sports coach. I was in awe of her honesty and bravery in telling her story but also immensely proud of how the Coach Core team at The Royal Foundation had helped her realise her potential.

There’s much discussion about the causes of knife crime and in this area too, we have seen the impact Coach Core can have in helping to turn around a young person’s life. One of our apprentices is a young man who has been in and out of prison and for whom carrying a knife and being prepared to use it, was a fact of everyday life. Through harnessing his passion for sport and training him to become a coach, he now has ambitions for his future and has become a positive role model in his community. He says his proudest achievement is that he’s been able to make his Nan proud, that makes him feel like he’s “won the world championship”.

Whether through the power of sport, adventurous challenge, community cooking or recording music, The Royal Foundation has been able to help thousands of people steer a new course for themselves and those around them. We have developed and supported initiatives that are there for people at times of crisis with the aim of getting involved as upstream as possible so that our focus is on prevention rather than cure. We don’t have a one size fits all approach, but tailor our interventions to fit the problem we are tackling. That means we are constantly doing new things.

The Duchess of Cambridge launched our first portal Mentally Healthy Schools in January 2018 offering support to primary school teachers and head teachers. This provides the resources to help them help the young children in their classrooms with early mental health support as it is known that 1 in 8 children suffer from diagnosable mental health conditions. In another legacy from The Royal Foundation’s Heads Together campaign, we are proud to have incubated and established a new charity, Mental Health Innovations, which has recently launched Shout, a crisis text and messaging service providing support in a way not seen before in the UK.

This year we launched our first ever cookbook, Together, an idea that came from The Duchess of Sussex to support the women of the Hubb Community Kitchen in West London many of whom no longer had kitchens in which to cook for their families following the Grenfell fire.

The Duke of Sussex’s pioneering work with veterans continues through the Endeavour Fund. This year we provided support to the 5,000th person and our streaming of the Endeavour Fund awards event reached a record breaking 170,000 people.

Our impact in some areas reaches way beyond the UK border, particularly in conservation. This year The Duke of Cambridge launched a major new international taskforce to tackle the illegal wildlife trade through the financial sector. This ground-breaking work with the private sector builds on His Royal Highness’s successful Transport Taskforce, with the aim of bringing us closer to tracking the people who profit from poaching and selling our planet’s most endangered and beautiful animals.

The Royal Foundation’s unique position provides us with a powerful platform from which we can make an impact that is much greater than our size would imply. It is a privilege to work with our wonderful Principals who set the tone, ambition and focus for everything we do. Their unparalleled ability to convene people, their ideas and resources together has proven to be very successful and is leading significant change.
No two days - no two years - at The Royal Foundation are ever the same, it is one of the exciting and exhilarating aspects of who we are. As we look to the future, The Royal Foundation will continue to adapt in order to best support our Principals in their mission to change society for the better.

Thank you to the dedicated, passionate staff at The Royal Foundation who continue to exceed my expectations with what they deliver. And thank you to all our donors who make that work possible.

Lorraine Heggessey
CEO, The Royal Foundation
The Trustees of The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex (“The Royal Foundation”) present their annual report for the year ended 31 December 2018 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)).

Overview of our work

The Royal Foundation unites people to tackle some of today’s biggest challenges. We use our passion and unique influence to change mindsets to make a lasting difference on the issues that matter to us and to society.

From apprentices to veterans, community projects to national campaigns, from local action to global conservation, The Royal Foundation supports a broad and ambitious spectrum of activity. We bring people, ideas and resources together to understand issues, explore creative solutions and be a catalyst for long-term impact. We support these projects by using our Principals’ convening power to provide a neutral platform where charities and other organisations can work together. We have developed and implemented a system that clearly portrays the various stages our programmes go through as we explore the best way to tackle the issues.

1. We focus on issues that matter to our Principals and to society where The Royal Foundation can have significant impact
2. We put our Principals’ distinctive convening ability at the heart of The Royal Foundation’s activities by bringing people, their ideas and resources together
3. We convene purposefully to understand issues and explore solutions with a focus on creating long-term impact
4. We incubate initiatives, and work with delivery partners to implement and scale solutions with the ambition that they become sustainable
5. We actively measure our impact against clear goals and objectives

With all the above in mind, we developed the below model to clearly outline the journey each of our programmes and projects go through.
Key achievements

1. Young People

Full Effect

Many of our programmes have young people at their heart, designed to inspire, support and empower future generations.

The Full Effect programme diverts young people in Nottingham away from the draw of crime and gang violence and helps them to finish school and to find bigger and better opportunities through skills and employment. In the past five years the project has thrived and is now established as one of the city’s main sources of hope, opportunity and empowerment for local young people.

Full Effect has brought together two St Ann’s-based organisations; Epic Partners (Epic) and The Community Recording Studio (CRS). Epic focuses on early intervention for primary and secondary school children, working with schools to identify those at most risk and providing them with intensive support both in school, through pastoral support in different forms, and diversionary activities in the community. CRS works with young people from the community in order to build a generation of aspirational young leaders in St Ann’s, helping them to create alternatives to gang culture and violence.

In 2018 we continued to support Full Effect to work with children and young people at primary, secondary school and beyond. It provided a year-round programme of after school and community activities, engaging over 600 primary school children in 12 different sporting and creative activities in just one quarter. Two additional after school youth clubs now offer more diversionary activities to young people in the community. Young people also produced records, created podcasts, made short videos and a documentary and took part in sessions on fashion design. The DJ, Naughty Boy, visited CRS where several young people performed for him. He was impressed by the quality of CRS’s material and invited the young artists and performers to work on something at his studio.

We know that it will take time to see the full impact of Full Effect’s important and impressive work. The effect on school exclusions, school achievement, training and employment opportunities is increasingly evident. Parents and teachers note the positive change in children’s behaviour and the choices they are making.

JC, 17
"I started attending the studio in 2018 and was interested in having some recording time. I needed somewhere to go where I could express myself through music as I would often come in feeling really low and depressed. So I started to speak to one of the mentors and opened up about my feelings, which was something I would usually find very difficult to do. The CRS mentor helped guide me with my decision and gave me help with my confidence and self-esteem. I came out of my shell and started to volunteer helping my peers write lyrics and learned to engineer and produce music. I also became involved with the hiphopera (a musical performance that combines hip hop/rap and opera), and a collaboration project with two other studios from Nottingham. Due to my commitment, punctuality and personality, I have been given part-time employment at CRS, where I work with and encourage other young people to develop their life skills and music."
Coach Core

The future of sports coaching

Capturing the spirit of the 2012 Olympic Games, Their Royal Highnesses wanted to harness the power of sport and its ability to change lives and empower young people. Coach Core is a truly meaningful education and employment programme for those that need the opportunity the most.

Coach Core trains 16-24 year olds across the UK through its amazing scheme that connects apprentices with the biggest sports clubs and youth focussed organisations in the country, providing unrivalled tuition, paying them a wage, and setting them up for an exciting future. With 160 apprentices graduating from the programme in 2018 alone, these young coaches will go on to inspire their communities with the skills they have gained from Coach Core for generations to come.

Coach Core also focuses on convening partnerships nationally across the UK by bringing employers and linked partners together. This provides increased training, events and opportunities for apprentices, whilst also allowing employers to share costs and align their strategic objectives. As part of the work we do with young people, we challenge perceptions by demonstrating the unique impact that young people can have when given the right opportunities and support.

The Coach Core apprenticeship scheme currently operates in 10 locations across the UK, over a 15-18 month period, with more than 100 employer partners who provide a diverse range of opportunities. These employers include Manchester City in the Community, MCC Lord’s Cricket Club, Street League, South West Athletics and South Essex Gymnastics, all of whom work collaboratively with other local partners to provide an exciting, meaningful place of employment for our young people.

Jordan Cotterill, Coach Core graduate

“At 21, following the loss of my mother, I made the tough decision to drop out of university. I really struggled and felt as though my passion for what I was studying was gone. I felt like that spark had just burnt out. Being honest, once I left university, I felt as though I had let people down and that I wasn’t going to really achieve anything with my life, which took its toll on me. However, after starting my apprenticeship with Coach Core and Middlesbrough FC Foundation, I felt that I could reconnect with my past love; a love that I thought I’d lost forever. It helped me gain confidence, not only in myself, but in my future. It allowed me to gain traction in my life, and to push myself in many different areas. Recently, I was successful in gaining the full-time role of Stepping Up Coach at MFC Foundation. My new role involves working with primary school children during the difficult transition from primary to secondary education. I cannot credit The Royal Foundation and Coach Core programme enough. It provided me with the platform to set me up for a lifetime of career satisfaction and fulfilment, for which I will be forever thankful.”

Coach Core Awards

In September, more than 200 Coach Core apprentices and graduates travelled to Loughborough University to celebrate their achievements as they took part in our first ever Coach Core Awards. It was an inspirational day for all nominees and winners, whether an apprentice, tutor or graduate. It was also an incredibly rewarding day for every single person involved in Coach Core as they looked back at their work and the impact they have had as a team.

The day included masterclass sessions with sports stars; British tennis player Laura Robson, British gymnastics coach Scott Hann, former Rugby Union player and sports pundit Ugo Monye, English Rugby Union player Sarah Hunter and former English Cricket player Mark Ramprakash.

The panel line-up included English sprinter Harry Aikines-Aryeetey, British long distance runner Paula Radcliffe, English netball player Eboni Usoro-Brown, English international field hockey coach Danny Kerry, former British swimmer Mel Marshall and American former professional basketball player David Robinson.
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Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

The day concluded with the awards ceremony. The categories included Apprentice of the Year and Educator of the Year, which were presented by The Duke and Duchess of Sussex, respectively. Each and every nominee was deserving of the prize, but after tough deliberations, the winners were:

**Mentor of the Year**  Liam Watson
**Community Outreach Project of the Year**  Yorkhill Hospital
**Educator of the Year**  Gareth Norman
**Inclusion Programme of the Year**  Torquay United Inspirations
**Graduate of the Year**  Seb Vidal
**Apprentice of the Year**  Kayleigh Batt

“Sport does not discriminate. But lack of support and barriers to access do, which is why the role of Coach Core fostering this raw talent is absolutely vital.”  The Duke of Sussex

**Stats:**
- 400+ apprentices and graduates
- 92% programme completion rate
- 33k coaching sessions in 2018
- 693k coaching engagements in 2018

**Further information**
- wearecoachcore.com
- twitter.com/wearecoachcore
- instagram.com/wearecoachcoreUK
- facebook.com/wearecoachcoreUK

2. **Mental Health**

**Heads Together**

Mental health matters just as much as our physical health, yet too often it is ignored, misunderstood or neglected. We launched Heads Together in 2016 working with eight charities to deliver one of the largest public health and awareness campaigns in the UK for many years.

The campaign made a lasting impact on people’s lives, but this was just the start.

In 2018, we started to launch a new series of innovative mental health services, funded by The Royal Foundation, helping people access the help they need, at the right time, and in the right place. The year also saw hundreds of Team Heads Together runners continue the legacy of the 2017 Mental Health Marathon, taking on the 2018 London Marathon to raise awareness for mental health.

And in May, Heads Together was at the heart of an historic first – the Mental Health Minute. For the first time in history, more than 300 radio stations came together to play the same message at the same time. Recorded by some of Heads Together’s most recognisable voices, including The Duke of Cambridge and The Duke of Sussex, the Mental Health Minute let everyone know that whoever you are, however you are feeling and whatever you are going through, it is okay to say.

“All of us have moments when life is tough, and sometimes you just need someone to talk to. Because taking care of your mental health is important for everyone.”  Lady Gaga, the Mental Health Minute

**Neil Grayton – Team Heads Together runner**

“I have suffered with anxiety from a very young age and as I got older this also turned into depression and a low level of self-worth. The Mind Over Marathon documentary was a turning point. It made it
possible for me to have conversations with my family without them feeling like they had failed or let me down. It helped explain what I was going through, and how, I guess, my mind worked. Fast forward to October 2017, and I had a ballot place in the London Marathon and chose to run for Heads Together. Marathon day came and having the whole Heads Together family waiting at the end, cheering me in, made me feel on top of the world. Since sharing my story, mental health has been openly discussed at work and socially I am not ashamed of how I feel. I am almost proud of it, because it makes me who I am.”

Mind Over Marathon
In 2017, 10 inspirational individuals, all suffering from mental health issues, stole the hearts of the nation when the BBC broadcasted their journey to the London Marathon in a two-part documentary. This year, we reunited the team to talk about mental health, marathon training, and the impact of the Mind Over Marathon documentary. We filmed the reunion and streamed it to 110,000 people on Facebook.

Stats:
50% of men with severe mental health symptoms are now speaking with mental health professionals
20 million people tuned in to the Mental Health Minute

Shout
A £3 million investment from The Royal Foundation, funded between 2017-2019 and raised from the Heads Together campaign, has enabled the development and launch of Shout – one of the UK’s most innovative and pioneering digital mental health support services, making it easier for people in crisis to get help.

Shout is a text messaging service for people in crisis. It is free to use, confidential and available 24/7. The tides are turning, and people are starting to feel more comfortable talking about their mental health, but better tools are needed to help people start a conversation wherever they are, and whenever they need to talk.

Powered by hundreds of trained volunteers across the UK, the text line takes people from a moment of crisis to a calm and safe place where they feel listened to, supported and empowered to take steps to keep themselves safe.

Shout was researched and developed within The Royal Foundation, and in 2017, seed funding was provided to help establish Mental Health Innovations (MHI). It is the first charity dedicated to digital innovation to support mental health, and is committed to developing new ways to help people talk about mental health using data-driven analysis and the experience of mental health experts. Shout exists in the US as Crisis Text Line, but this is the first time this tried and tested technology has come to the UK. The pilot of the service launched in May 2018 with a partnership with Heads Together charity partner, The Mix. Shout now works with 12 partners, has recruited a cohort of 1,000 volunteers and had a public launch in May 2019.

“Above all else, thank you. At the beginning of the conversation I was contemplating suicide and now I've opened my curtains for the first time in days and thinking about what productive things I can do. Thank you for listening to me and thank you for offering support when I felt like no one else could. Please go about the rest of your day knowing you probably saved someone's life today. Thank you.” Anonymous

“Volunteering with Shout is a massive part of who I am. The buzz you get from supporting people in crisis is priceless, I'm helping others, but I'm always learning too.” Volunteer Crisis Counsellor, Shout

Stats:
£3M Investment by The Royal Foundation to establish Mental Health Innovations
Mentally Healthy Schools

Supporting the mental health of children is vital. Half of all mental health issues start before the age of 14, and one in eight children aged between 5-19 has at least one diagnosable mental disorder. Nurturing wellbeing early in life can make a significant and positive impact on a child’s future. As children spend so much of their time in school, the role of teachers and school staff in supporting the mental health of their students is critical, but teachers are already stretched and often don’t know where to start. In January 2018, The Duchess of Cambridge launched Mentally Healthy Schools – a new website designed to give primary school teachers and staff easy access to hundreds of the best, quality assured mental health resources. The site has been developed in partnership with three of our Heads Together charity partners, The Anna Freud National Centre for Children and Families, Place2Be and Young Minds. It is freely available to all primary schools in the UK, we are working on ensuring the site also reflects curriculums from Scotland, Wales and Northern Ireland.

Melissa Loosemore, Head Teacher of Roe Green Junior School on their use of Mentally Healthy Schools

“When we were approached to be a pilot school for the Mentally Healthy Schools portal, my reaction was ‘at last some resources that have been Quality Assured, and I won’t have to hunt around for hours looking for something appropriate’. We have incorporated resources from the site into our PSHCE curriculum and Circle Time plans as well as using the Anti Bullying, Internet Safety and Healthy Living ideas. We know that the uptake of the resources has been well received by many schools and the focus on being ‘Mentally Healthy’ has become a priority. At a time in education when children use the word ‘stressed’ as part of their everyday language, we need to be alert to the early signs of mental health needs.”

Dr Jess Deighton, Associate Professor, Evidence Based Practice, UCL & The Anna Freud Centre

“Schools do not feel expert in finding evidence-based ways to support their students most effectively in terms of mental health and wellbeing. Having something like the Mentally Healthy Schools portal allows them to search and find things that have already been shown to be effective that they can trust a little bit more when choosing how to support their pupils.”

Mental Health in Education Conference

In February 2019, The Royal Foundation hosted the Mental Health in Education conference, which was attended by The Duchess of Cambridge. The conference brought together delegates from across the mental health and education sectors to explore and discuss the benefits of collaborative working and what more can be done to tackle mental health issues in schools.

The conference, hosted by broadcaster and presenter Kate Silverton, had a full day of speakers, panel discussions and breakout sessions, including one on the benefits of integrating mental health modules into teacher training courses, and another on the role of school leaders in creating a culture of wellbeing in schools. 117 delegates from 90 different organisations attended and engaged in the discussions.

At the conference, The Duchess of Cambridge met with Head Teachers from a number of schools which had been piloting our ‘Mentally Healthy Schools’ programme. They spoke about the critical value of the site and the different ways they had been integrating its use into daily life. Her Royal Highness then joined a meeting with teachers and specialists from the sector, chaired by Catherine Roche, CEO of Heads Together charity partner, Place2Be. In the meeting, they further discussed the potential impact of consistent mental health teacher training, as well as the challenges facing its implementation.
“I see time and time again that there is so much to be gained from taking the mental health of our children as seriously as we do their physical health.” The Duchess of Cambridge at the launch of Mentally Healthy Schools

Stats:
- 50 primary schools participated in pilot scheme
- 170,000 unique visits to the site in its first year
- 90 organisations convened at the Mental Health in Education conference

Further information
www.mentallyhealthyschools.org.uk

Mental Health at Work

Much of our adult life is dominated by work, yet it is the place we are least likely to talk about our mental health. Heads Together research showed that less than 2% of us would feel comfortable talking about mental health in our workplace, and this is having a drastic impact on the UK workforce. The effect on the UK economy is extreme, costing employers between £33bn and £42bn every year, with as many as 300,000 people having to leave their jobs each year due to a mental health problem. Properly supporting managers with advice and training on how to talk about mental health and promote wellbeing in their team can make a huge difference.

Kirk Robinson

When Kirk’s daughter was diagnosed with an eating disorder, his world fell apart. At the time he was working in a senior position at construction company, Mace, and was fortunate to receive invaluable support from his line manager and understanding from his team during such a painful and difficult time. Kirk is now leading the way in empowering his colleagues to talk about mental health and ask for help if they need it. We have since worked with Building Mental Health to develop a Mental Health at Work toolkit for the construction sector, which includes resources from Kirk’s firm, Mace.


“My name’s Dawn, I am an ambulance paramedic and I work for the NHS for The East of England Ambulance Trust. I think most people associate our job with what they see on the tele, the blood and the gore and it generally isn’t those things that cause the problems. We are humans working with humans and we sometimes can over empathise with a situation, because it really hits a nerve with us. I’ve had a couple of occasions that now I can identify created an issue for me. I found myself becoming more unnerved, I would be expecting problems all the time and I became short tempered. I would have emotional outbursts. My body decided that it had enough and I couldn’t sleep. So I went to my doctor and she gave me a mental health diagnosis of PTSD. I thought I’m going to lose my job. But I did receive phenomenal support from my colleagues and my friends and family. It’s made me stronger, it’s made me a lot more aware of other people’s mental health.

You can’t look after other people if you’re not looking after yourself. I’ve had a look at the Mental Health at Work website and it’s got abundance of resources and tool kits. There is so much there and whoever uses it will learn from it. People call us at their worst times potentially and at their best times. So preservation and protection of your own mental health is vitally important.”

1 Stevenson, D. & Farmer, P., 2017, Thriving at Work: The Independent Review of Mental Health and Employers
Timeline:

March 2018:
The Duke of Cambridge attended the Workplace Wellbeing Conference, where he joined a roundtable meeting with senior business leaders to discuss Mind’s ‘Thriving at Work Report’ (2017) before speaking about the crucial role senior leadership play in prioritising mental health at work.

September 2018:
The Royal Foundation launched ‘Mental Health at Work’ – a freely available website helping employers and employees to easily search for relevant and high-quality information, resources and training for the workplace. We have developed the site in partnership with Mind and with support from 11 other organisations.

November 2018:
The Duke of Cambridge joined Heads Together supporters Jonny Benjamin and Neil Laybourne at their ‘This Can Happen’ workplace wellbeing conference. His Royal Highness joined a panel discussing high pressured jobs and the impact they can have on a person’s wellbeing.

January 2019:
At the World Economic Forum in Davos this year, The Duke of Cambridge was invited to join New Zealand Prime Minister Jacinda Ardern on a ‘Mental Health Matters’ panel, where he spoke candidly once again about his own experiences as an Air Ambulance Pilot.

April 2019:
Alongside the development of Mental Health at Work, we have also been supporting Mind in the production of a new series of online training to help smaller workplaces talk about and prioritise mental health, which launched this month on the Mental Health at Work site.

“With the right culture of support, employees can experience poor mental health at times, or live with an ongoing mental health condition, and still succeed and thrive at work.” António Horta-Osório, CEO of Lloyds Banking Group at the launch of Mental Health at Work, September 2018

“Line managers need support, and one of the great things about the Mental Health at Work gateway is there are resources in there for managers to help them have the conversations that really make a difference.” Tim Munden, Chief Learning Officer, Unilever

“The positive impact of a mentally healthy workplace will last longer than any shift… it doesn’t matter what business you’re employed in – by taking mental health seriously, you can build a better team. You can be a better boss, and you can be a better colleague.” The Duke of Cambridge

Stats:

300,000 people have to leave their jobs each year due to a mental health problem
Less than 2% of us would feel comfortable talking about mental health in their workplace
100,000 visitors to the site in its first six months

Cyberbullying

In 2018 The Royal Foundation has continued its work with The Duke of Cambridge to tackle cyberbullying. This work included convening the Cyberbullying Taskforce and a day dedicated to the Stop Speak Support campaign, which asks people to choose respect and to think before they post online, making the internet a better place.
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Company Registration No. 7033553

Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

Stop Speak Support Day

The Anti-Bullying Alliance dedicated November 15th to the Stop Speak Support campaign, which has been rolled out to schools nationwide.

To mark the day, as well as Anti-Bullying Week, The Duke and Duchess of Cambridge visited The BBC to meet some of the young people who wrote and performed in the campaign video for Stop Speak Support - a youth-led code of conduct to provide guidance on what to do when they witness bullying online. Speaking at the event, The Duke said of the Cyberbullying Taskforce: “It hasn’t been easy, but I believe our attempt to work collaboratively has been instructive for the rest of the world.”

He also voiced his concern about major tech organisations, explaining: “I am worried though that our technology companies still have a great deal to learn about the responsibilities that come with their significant power.”

Tony Hall, Director-General of the BBC, and Alice Webb, Director of BBC Children’s, also spoke at the event to explain the work the broadcaster is doing as a key member of The Duke of Cambridge’s Cyberbullying Taskforce.

Safer Internet Day

On Safer Internet Day 2018, The Duke of Cambridge and Professor Green paid a surprise visit to pupils from Ark Burlington Danes Academy and Kensington Aldridge Academy.

The event, which was also a celebration of Children’s Mental Health Week, was focused on cyberbullying, the effect it can have on our mental health and the importance of being kind to each other online. It was also attended by YouTuber Dan Howell and music group The Vamps.

Own It

Thanks to the work the Taskforce had done, the BBC have committed to working with a broad collaboration of industry and charity organisations to develop a new app called Own It, aimed at preventing cyberbullying and supporting young people when they run into problems.

“You are creating a practical, powerful tool to help children use their smartphones and social media with confidence and with safety. I am so proud that this has sprung out of the Cyberbullying Taskforce work.”
- The Duke of Cambridge on the BBC’s Own It app:

“Just saying hello to someone and smiling at them can make someone’s day. It feels quite good being kind to someone.” Professor Green

Stats:
3.2m people watched the brand film

Further information:
Stopspeaksupport.com
Royalfoundation.com/cyberbullying

Future Focus: Men’s Mental Health

Men are more reluctant to seek support for their mental health or to disclose a mental health problem to someone, and it is having a devastating effect. We know that for so many, the fear of judgement and the stigma that surrounds mental health stops people from reaching out for the help they need, and evidence shows that this issue is more prolific amongst men.
Suicide is the single biggest killer of men under the age of 45 in the UK.

Following a year of work learning more about the services that are available to support men with their mental health, and meeting people who have benefitted from this work; The Duke of Cambridge is set to launch a new campaign to encourage more people – in particular men – to talk about mental health, and take their mental fitness as seriously as they do their physical fitness. As part of The Duke's work in Men's Mental Health, he attended a number of charities that are working to help raise awareness of men's mental health and develop their confidence in speaking out about it - these included Future Dads, Best Man Project and Lions Barber collective.

Future Dads
The Duke visited a charity called ‘Future Men’, who were running one of their ‘Future Dads’ sessions. This programme runs in locations across London aiming to build stronger families by providing practical guidance, advice and support, especially for young and hard to reach fathers, and to develop their confidence in their role as dads.

Lions Barber Collective
The Duke of Cambridge visited Pall Mall Barbers, who are members of the Lions Barber Collective. The collective is an international group of top barbers who have come together to raise awareness for the prevention of suicide and provide training for barbers, called BarbersTalk.

Best Man Project
Heads Together charity partner, CALM, launched their #BestManProject – a light hearted helping hand for men who want to feel confident and comfortable being there for mates in good times and bad. In 2018, The Duke of Cambridge supported the campaign, meeting staff, volunteers and supporters to talk friendship, football and men’s mental health.

“Guys want to talk, they’ve just got to take that first step, and it’s got to feel safe to do it.” The Duke of Cambridge, visiting CALM’s #BestManProject

3. Supporting Those Who Serve

Endeavour Fund
The year 2018 has been an exciting one for The Endeavour Fund with wounded, injured and sick service personnel and veterans getting involved in a variety of opportunities. From motorsports to family triathlons, surfing to sail racing, it has been incredible to see so many veterans taking on a new challenge as part of their recovery.

In 2018, The Endeavour Fund utilised the enthusiasm of those who have previously engaged with it and are ready to lead their own challenges; activating their personal networks to reach those who might only respond to the call of a fellow veteran. This approach has seen success in programmes such as Climb2Recovery led by Neil Heritage, a former Corporal in the Royal Signals, who is helping scores of veterans each year by introducing them to rock climbing and alpine mountaineering, many of whom go on to attain introductory and even instructor qualifications through their endeavour.

Armed Forces Para Snowsports Team
The Armed Forces Para Snowsports team helps wounded, injured and sick service personnel and veterans with their recovery through snowsports. Two members, Owen Pick and Scott Meenagh competed in the Winter Paralympics in PyeongChang during 2018 – a fantastic year for the team.
Team Endeavour Racing
Team Endeavour Racing uses powerboat racing as a tool to support wounded, injured and sick veterans in their transition from the Armed Forces. With the support of Endeavour Fund, the team has grown a strong powerboat community that take part in national and international circuits.

Invictus Games
Endeavour Fund supported the UK Team in the 2018 Invictus Games. It was a hugely successful year for the team, winning 72 gold, silver and bronze medals. They also recorded 138 personal bests in cycling, swimming, rowing, archery and powerlifting.

Flying for Freedom
Flying for Freedom create opportunities for wounded, injured and sick veterans to take part in post-recovery flying activities. Through microlight flying training, pilots have an air experience where they are exposed to the elements, making for an exhilarating and adrenaline filled adventure.

Turn to Starboard
A team of six veterans sailed 3000 miles from Croatia to Cornwall. Supported by Endeavour Fund, the voyage helped injured veterans with their recovery and rehabilitation.

Climb 2 Recovery
Led by double-amputee Neil Heritage, Climb 2 Recovery helps wounded, injured and sick service personnel and veterans gain climbing qualifications. In 2018, Neil ran climbing courses in the Alps and the Peak District, helping many veterans regain their confidence and work as a team to develop new skills.

Purple Warriors
Purple Warriors is a national dragon boating club for wounded, injured and sick service personnel and veterans. In 2018, Endeavour supported the Purple Warrior's ambitions of going to the World Club Crew Championships, where a team of 26 were awarded a gold medal.

Munda Biddi Trail
A small team of wounded injured and sick veterans took part in an unsupported 1,000km cycle of the Munda Biddi Trail, starting in Mundaring in Perth and riding to Albany.

Deptherapy
Endeavour Fund supported a team of 25, including 17 injured in service veterans on Deptherapy’s largest ever scuba-diving expedition in the Red Sea. This expedition kicked off the ‘Protecting Our Oceans’ campaign, where participants work together in ocean clean ups to give back to the marine environment that helped their rehabilitation.

Op Surf
Op Surf UK brings together some of the best instructors from the UK and US to teach wounded, injured and sick service personnel and veterans how to surf and help them with their recovery by experiencing the healing power of the ocean.

Turn to Starboard race sailing
In partnership with Endeavour Fund and Help for Heroes, Turn to Starboard launched a new racing division in 2018. This new venture helps to increase the number of sailing opportunities for those affected by their time serving in the Armed Forces, as well providing exciting races and regattas that veterans can get involved in and be a valued member of a team.
Mission Motorsport
In 2018, Endeavour Fund supported Mission Motorsport with their new LANTRA driver training programme, helping wounded, injured sick service personnel and veterans gain qualifications in 4x4 driving.

Tadcaster Tri
Endeavour Fund worked with Help for Heroes to support 30 wounded, injured and sick veterans in taking part in the Tadcaster Triathlon. The challenge takes you on a rural route towards the villages of Boston Spa and Bramham and the picturesque market town of Tadcaster.

Combat Stress
The Combat Stress sports programme runs yoga and fitness sessions with British Military fitness. These take place in a residential treatment centre to support former servicemen and women with trauma-related mental health conditions such as post-traumatic stress, anxiety and depressions.

Stoll
Stoll provides supported housing to vulnerable veterans. Another way they support their residents is through the Health and Wellbeing Programme providing thousands of exercise opportunities, as well as helping some of their residents gain fitness instructor qualifications.

Alabaré
Alabaré supports vulnerable, homeless and marginalised people, including Armed Forces veterans. With The Endeavour Fund’s support, Alabaré provided gym passes to veterans who use their services.

Omani Trek
Seven wounded, injured and sick veterans took part in an incredible expedition in Oman with Endeavour Fund Ambassador, Levison Wood. The team trekked over the Jebel Samhan Nature Reserve covering a distance of 120km.

“I am continually amazed by the tenacity, fortitude and unshakable humour displayed by the men and women who sign up to run races, cross oceans, climb mountains or take on challenges few would even contemplate.” The Duke of Sussex

Stats:
21 endeavours
Over 2,700 wounded, injured and sick veterans supported in 2018
250 qualifications, mentors, work experience and employment
£393k total grants awarded

Endeavour Fund Awards 2019
In February 2019, The Duke and Duchess of Sussex attended The Endeavour Fund Awards, which celebrates some of the participants who have taken part in endeavours throughout the previous year. Each of the nominees are wounded, injured or sick service personnel and veterans, and have gone on to use sport and adventurous challenges as part of their recovery and rehabilitation. The ceremony was hosted by Ross Kemp and live streamed across Endeavour Fund’s Facebook, Twitter and Youtube channels.

The Recognising Achievement award was presented by Olympic gold medal winner Sir Matthew Pinsent and was given to Kelly Ganfield, a member of the UK Invictus team. Kelly joined the army at 18, but her service was ended abruptly when she developed a severe blood condition, leading to a serious brain injury, and leaving her visually impaired. In recovery, Kelly started running and was selected for the UK’s Invictus team. She has become an essential member of the squad and became the first visually-impaired competitor to win a medal at the Invictus Games.
Presented by The Duchess of Sussex, the Celebrating Excellence award was given to Nathan Forster, who learned to fly microlights with ‘Flying for Freedom.’ Nathan was injured when his patrol was involved in an IED blast in Afghanistan, resulting in his ankle being shattered. He quickly proved that he was a natural in the air, and today, is a commercial pilot taking thousands of people on holiday with TUI.

The Henry Worsley Award was presented by The Duke of Sussex, to Shaun Pascoe, who served in the RAF as a nurse and set up ‘Turn to Starboard’. Returning home was not an easy move for Shaun and he was diagnosed with PTSD. To help his own recovery, he took up sailing, and loved the feel of rediscovering a team and being on the ocean. This is what prompted him to start his charity ‘Turn to Starboard’, supporting the recovery and rehabilitation for other veterans like him.

“This means a great deal to me because I not only did this for me, I did this for my little 3-year-old daughter who has got cerebral palsy, and I wanted to prove to her that anything is possible in life no matter what you go through.” Kelly Ganfield, Recognising Achievement award winner

Stats:
103 qualifications were gained
85 gained employment relating to Endeavour Fund
90% reported “My endeavour has helped me move into a more positive frame of mind.”

Superhero Tri

In 2018, Endeavour Fund partnered with Superhero Series for its first ever family day. This inclusive sporting event brought together families both in and outside the Armed Forces Community to take on a challenge, regardless of disability or injury.

The triathlon was the main event but in addition there were a range of exciting activities, led by previous endeavour participants. From paddle boarding to motorsports, climbing to rowing, there was something for everyone. The family day was broadcast by Channel 4 shining a light on the veterans who are giving back to the community and sharing their skills and passion with those excited to try a sport they didn’t think they could be involved in.

“It’s just a great way for disabled people and abled people as well to enjoy doing things and come together.” Jack, Superhero Tri participant

Stat:
3,500+ participants

Lee Spencer

After coming through three operational tours of Afghanistan unscathed, Lee lost his right leg after being hit by flying debris as he was helping a motorist who had been in an accident in 2014.

In March 2019, Lee Spencer, a former Royal Marine made history when he became the first physically disabled person to row from mainland Europe to mainland South America supported by The Endeavour Fund. He completed this row across the Atlantic in 60 days, beating the able-bodied record by an incredible 36 days.

Lee undertook this row to show that nobody should be defined by disability and raised awareness and funds for The Endeavour Fund and The Royal Marines Charity. In 2015, Lee was part of the first-ever all-amputee British military team to successfully row an ocean. They were a team of 4 veterans, with just 3 legs between them and completed the endeavour in 46 days, 6 hours and 49 minutes breaking the first World Record for physically disabled people rowing the Atlantic.
Four years on and Lee decided to take on this incredible challenge again but this time, solo. Lee set off his row in January 2019 from Gibraltar, attempting to beat Stein Hoff’s world record of 96 days, 12 hours 45 minutes. When Lee arrived home, The Duke of Sussex surprised him with a phone call to congratulate him on personal journey and on completing a monumental challenge, thereby proving that sport is a powerful tool for recovery.

“No-one should be defined by what they can’t do.” Lee Spencer

Stats:
2 world records broken
3,500 miles rowed
60 days at sea

Invictus Games 2018

The Invictus Games, which began as a programme of The Royal Foundation with seed funding from the Endeavour fund, is now in its fifth year and bigger than ever.

Sydney played host to the 2018 Invictus Games, welcoming competitors from across the world along with their family and friends. Almost 1,200 individuals registered their interest to take part and in October 2018, 500 competitors from 18 nations descended on Sydney to compete in 11 different sports. Team UK totalled 72 gold, silver and bronze medals at the 2018 games, recording 138 personal bests in cycling, swimming, rowing, archery and powerlifting.

In 2014, the inaugural Invictus Games were hosted in London. Created by The Duke of Sussex, this multi-national, adaptive sporting event drew hundreds of competitors and thousands of supporters from around the world. The games captured hearts and changed minds and was established as a regular fixture in the international sports calendar.

The Endeavour Fund has been a stakeholder in the Invictus Games since its inception, providing the initial seed capital and working in partnership with the Ministry of Defence to get the project off the ground. The Royal Foundation continues to support The Invictus Games by providing funding to Help for Heroes to support the training and delivery of the UK Armed Forces Team.

“I’d like to thank The Endeavour Fund for supporting the UK team. I don’t think they appreciate what it’s brought to these individuals itself. It’s a personal journey for each individual, both physically and socially, and mentally. And that’s what Invictus is. It’s allowing you to find the person that might have disappeared, for whatever reason.” Lavinia Goddard, Team UK Powerlifting, Invictus Games Sydney 2018

Step Into Health

Supporting those who have served in the Armed Forces has been a key function of The Royal Foundation since inception. In 2018, The Royal Foundation created a Veterans Employment Programme that strives to support veterans, service leavers and their spouses in their transition from the Armed Forces into civilian life.

The loss of purpose and camaraderie after leaving the Armed Forces, coupled with the challenge of the civilian working environment can be a very challenging period for service leavers, especially those who are wounded, injured or sick.

We aim to highlight the broad range of transferable skills and the unique soft skills that veterans have acquired during their military service, often the skills most sought after by recruiters. Supporting veterans...
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
Company Registration No. 7033553

Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

with the next stage of their career, not only helps the individual become a valued member of a team again; it also allows organisations to build a dynamic workforce.

Step Into Health was our first employment initiative, formed in partnership with Walking With The Wounded, the programme aims to assist those leaving the Armed Forces to secure employment within the NHS. In 2018, the programme was generously funded by the Chancellor using LIBOR funds.

The Royal Foundation is now working with several organisations to replicate this model across a number of other industries. From conservation to construction, performing arts to cyber skills, we are working with a range of organisations to bring together exciting training and employment opportunities for the Armed Forces Community.

Stats:
Number of service leavers/veterans across all employment programmes in 2018:
427 Gained employment
732 Placed on work experience

The CASEVAC club

The Royal Foundation supported the launch and early development of a new club for those members of the armed forces who were seriously wounded in combat during conflicts in Iraq and Afghanistan. The CASEVAC club is inspired by The Guinea Pig Club, a social club that began in 1941 as a support network for British aircrew and allies that had been severely injured in World War 2. The members had all undergone experimental reconstructive plastic surgery after receiving life-changing burns and other injuries, which gave the club its name ‘guinea pig’.

The men and women in CASEVAC club will follow in their fore-bearers’ example by maintaining a close-knit community through a lifetime of cohesion. In which time they will assist in the advancement of medical science and help others experiencing traumatic injury.

In 2018, The CASEVAC Club raised thousands of pounds for Great Ormond Street Hospital as well as connecting with a group of patients injured during the bombing of the MEN Arena in 2017 to share experiences of living with trauma and blast injury. The CASEVAC Club has partnered with the Scar Free Foundation and supported the establishment of The Centre For Conflict Wound Research in Birmingham. The Club will practically support studies conducted through the centre in the hope to advance medical science and treatments for all.

Dave Henson, CASEVAC Club member
“I was working as a Royal Engineer Search Adviser in Afghanistan in 2011 when I stepped on an IED, resulting in the loss of both my legs. I was faced with a long and arduous recovery and rehabilitation, on top of adjusting to life with a different set of physical capabilities, and the loss of my highly valued career. Certainly not the easiest of situations to be dealing with, but through the entire process, I was supported, encouraged, grounded, mentored, and looked after by my peers. Other servicemen and women who were in similar positions faced with their own challenges, who had spared the time to help and assist me in making the most of my physical situation. In the understanding that the situation will last a lifetime, I felt it was important that the support could last a lifetime too. With the support of The Royal Foundation, a group of combat injured veterans created the CASEVAC Club: a unique private members’ club that aims to promote social cohesion within this community, advance medical science, and give back to the wider public community. Having the moral and social support of this unique group of veterans is extraordinary. Understanding that this support will last a lifetime, is priceless.”
“Today’s CASEVAC Club will help us to once again recognise the success and most importantly, the pertinence of the Guinea Pig Club – far beyond the lives of its original members – and continue to build on a vital legacy that continues to benefit many generations to come.” The Duke of Sussex

Stat:
130 members – and growing

Military mental health

Looking after your mental health is an important issue for us all, but life in the military is clearly different from the demands of civilian society. Service demands a lot from people and their families, with its own set of unique challenges, and it can take its toll in a very particular way. On the whole, service is incredible for our mental health and the military is considered by most to be a nurturing environment, but there are some unique factors and situations that mean the effects on mental health should be given specific attention.

Contact

Contact is a collaboration formed of charities, academia, the Ministry of Defence and the NHS all working together to improve the mental health of the armed forces community. As an executive member of Contact, The Royal Foundation contributes to conversations on how best to improve collaboration and effectiveness across the sector and has financially supported Contact from its formation.

Contact is currently working on multiple objectives including developing a common system of assessment and entry into services as well as improved case management to deliver seamless care across Contact partner services.

Ministry of Defence partnership

Spearheaded by The Duke of Sussex, The Royal Foundation is working with the Ministry of Defence to produce educational resources that will be delivered across Defence from the end of 2019. These resources aim to improve the understanding of mental health as a regular part of preparing and training for the military.

The resources will be delivered to serving personnel across Defence but will also be accessible on an open source digital platform. Service personnel would not be deployed if they were not physically prepared. Our project is supporting the MOD to ensure that mental preparedness gets the same important attention.

“Today, we are saying that taking mental health seriously is what professional and dedicated service men and women must do to be above the rest and leading from the front.” The Duke of Sussex

4. Conservation

Working together to tackle the Illegal Wildlife Trade (IWT)

An increasing number of the world’s species are in decline and if we do not act now our planet faces many great threats. We must work together to overcome the illegal wildlife trade, unsustainable development and use of resources, changing climate conditions and conflict with human populations. United for Wildlife aims to address these pressing conservation crises by bringing together conservation organisations, governments and global corporations to protect endangered species like elephants, rhinos, tigers and pangolins so they can share our world in the future. In 2018 United for Wildlife strengthened
its partnership with the Transport Taskforce, a combined partnership of leading transport companies, aimed to break the chains of the illegal wildlife trade.

Later in the year, United for Wildlife recognised the importance of engaging financial institutions to support law enforcements efforts and in October the Financial Taskforce was set up.

By bringing together the skills of global leaders in transport and finance, alongside influential conservationists to utilise their expertise and better support those living and working in areas with vulnerable wildlife, United for Wildlife is working hard to tackle the illegal wildlife trade.

Transport taskforce

The United for Wildlife Transport Taskforce engages the transport sector to identify and develop relevant, targeted solutions to wildlife trafficking, supported by an information sharing system. The Transport Taskforce now brings together over 115 stakeholders from the transport sector including airports, shipping companies and airlines alongside law enforcement agencies and other organisations to facilitate actions led by the private sector.

The Transport Taskforce follow 11 commitments, outlined by The Buckingham Palace declaration as a guide and response to the challenges faced by illegal wildlife trade – detailing actions including increasing awareness, reporting and enforcement.

In 2018, the Transport Taskforce members have been working together and taking steps every day to help stop the trafficking of wildlife products. Royal Mail is working with enforcement agencies, such as the UK Border Force, to detect and seize illegal wildlife products trafficked through the global postal system. Bangkok Airways has produced a range of information materials including videos and sticker books for children.

Stats:
52 law investigations supported by the Transport Taskforce information-sharing system
19 interdictions of suspect shipments
8 trafficker arrests
180+ national customs agencies receiving Transport Taskforce alerts
80% of the world’s container shipping fleet receiving Transport Taskforce bulletins

Financial Taskforce

For every illegal wildlife product sold, money changes hands – whether private trades or unlicensed pet stores, online marketplaces or payment for the shipment of illegal wildlife products. Financial institutions have a crucial role to play in the fight against illegal wildlife trade by using existing systems already in place to detect and track money laundering and payments linked to the supply and movement of illegal wildlife products.

To engage the financial sector in efforts to identify the actions they can take and to support them in these actions the United for Wildlife Financial Taskforce was formed. In October 2018, 30 institutions involved with the financial sector signed the Mansion House Declaration and committed to actions to tackle illegal wildlife trade.

The Declaration lays out six commitments, including the dedication to share resources and intelligence in a bid to disrupt the illegal income generated by wildlife trafficking. Supported by technical experts including RUSI, TRAFFIC and The Royal Foundation, the Taskforce has been working ever since to combat illegal wildlife trade.
Commitments of signatories to The Mansion House Declaration:
1. Increase awareness of how the financial industry can combat IWT
2. Provide training to identify and investigate suspicious activity
3. Provide intelligence to regulatory bodies and law enforcement agencies
4. Review intelligence alerts received through the Taskforce and take appropriate actions
5. Consider additional actions such as policy amendments
6. Support and promote the work of the Taskforce and external supporting mechanisms

“Traffickers are brazenly exploiting global financial systems to move the proceeds of their crimes, remaining under the radar of investigation and law enforcement. Financial institutions can, therefore, play a crucial role in disrupting such criminal activities and ending the illegal wildlife trade.” Lord Hague of Richmond

United for Wildlife projects

WILDLABS
WILDLABS.NET is a web-based community platform, launched by The Royal Foundation and United for Wildlife, to support and build a vibrant and active community bringing together experts from the technology world and conservation practitioners. The WILDLABS community is helping to crowdsource ideas and solutions to some of the biggest challenges faced by conservationists, while also providing a place for skill-sharing and networking. WILDLABS’ collaborative approach has helped to cut costs and raise effectiveness of technology-based approaches, making them more practical and accessible.

Rhino Impact Investment Project
The Rhino Impact Investment (RII) Project aims to transform conservation financing by demonstrating a scalable outcomes-based financing mechanism that directs additional private and public sector funds to improve management effectiveness of priority rhino populations. During 2018, critical funding has been provided to the selected sites to support the monitoring, protection and management of their rhino populations, providing much needed financial support to activities in these important sites and ensuring the long-term conservation of rhino populations.

Massive Open Online Platform (MOOC)
The Massive Open Online Platform (MOOC) is an informative and engaging resource of conservation courses for the general public, launched by The Royal Foundation and United for Wildlife. In 2018 the platform grew, with new courses added alongside additional translations of existing course material. The platform has almost 17,000 registered learners and has been accessed 700,000 times since its launch four years ago. Recently our core implementing partner, The Zoological Society of London, came into agreement with National Geographic Society, for the MOOC to transition to a dedicated platform hosted by National Geographic, to ensure as many people as possible can access the courses and learn more about wildlife and conservation.

United for Wildlife ranger training projects
As part of the ongoing commitment to conservation through improved on-site protection, we support regional training courses covering Southern and Eastern Africa. The support provided helps ensure rangers get access to the training they need to best equip them to respond to the threats from poaching and illegal wildlife trade.

In addition to the support provided to the College of African Wildlife Management in Tanzania, we are also supporting trainee rangers to develop their skills and knowledge at the Southern African Wildlife College in Hoedspruit, South Africa. Over 20 years, the college has trained close to 15,000 people from 26 African countries, mostly from the Southern Africa region.
United for Wildlife has been supporting a number of projects at the college including Field Ranger training, community engagement work and Protected Area Management training.

The Duke of Cambridge visits United for Wildlife projects in Africa

In September 2018, as President of United for Wildlife, The Duke of Cambridge visited projects supported by The Royal Foundation and Tusk in Namibia and Tanzania.

In Namibia, The Duke of Cambridge was able to see and hear first-hand how local people are affected by illegal wildlife trade and some of the actions taken such as time spent tracking the desert rhinos of the Kunene district.

In Tanzania, The Duke experienced the scale of global ivory trade when he visited the ivory stockpile representing thousands of elephants killed for their ivory.

His Royal Highness visited Dar es Salaam Port where he learned about the challenges faced by port authorities in detecting illegal wildlife products being moved through the world's transportation routes. During the visit he met with staff from the United Nations Office on Drugs and Crime (UNODC) and local authorities who are working to end the transportation of illegal products such as ivory and rhino horn. Shortly after the visit, UNODC became a transport taskforce partner.

One of the approaches taken by United for Wildlife is to support projects that embed skills and training in regional institutions such as on-site protection of wildlife. We work with regional training hubs, such as the Southern African Wildlife College, to support rangers by increasing their access to training, developing and strengthening rangers’ skills, supporting dogs working with rangers and creating projects with local communities.

Technology is an important tool that can help the people on the front line of protecting species and The Royal Foundation is providing support to the College of African Wildlife Management (CAWM) to help train college staff on the use of the technology, so they can run courses for rangers from across East Africa, and make connections to others using this application from across the continent.

During his visit His Royal Highness joined in some of the training activities and talked to students at the CAWM, where he heard from them the value of the training being provided and what it is that motivates them to take on careers in wildlife conservation. The Duke also joined some of the students in a training exercise on using the Spatial Monitoring and Research Technology (SMART) application at the college. SMART is one of the approaches used to help rangers and the people who manage protected areas to tackle illegal wildlife trade as well as assisting them in monitoring wildlife.

Paulus Gowaseb – Ranger, Namibia

“As a first-year student at the Southern African Wildlife College I faced lots of challenges, but my fellow students and the teaching skills of the lecturers made me stronger every day. The College was my home for an entire year. Living here and making new friends has meant I have been able to meet students from all over southern Africa and together we have built a good understanding and relationship around different conservation challenges and backgrounds.

The teamwork encouraged me to progress and this would not have been possible without the excellent support of the staff and lecturers. Because of their assistance I was not only able to obtain an Advanced Certificate in Nature Conservation but my time studying and learning at the college has made me realise that I want to continue my studies.

It was through the generous support of United for Wildlife and The Royal Foundation that made it possible for me to come to the college and pursue my dream of working to protect nature. It has helped me to
obtain a qualification in Nature Conservation and means I can take what I have learned back to my job in Namibia and share with others.

The generous support of The Foundation is helping to build Africa’s future conservationists to become qualified natural resources managers.”

“I saw some tremendous work being done to intercept the trade and keep animals as safe as possible in their natural habitat. I also learnt about the absolute importance of community-led conservation so that people value wildlife as an economic resource…Poaching threatens not just animals, but the livelihoods of generations to come. This is an economic crime against ordinary people and their future. I feel it is my duty, and our collective responsibility, to leave our planet in a stronger position for our children.”

The Duke of Cambridge

5. **Empowering Communities**

Together: Our Community Cookbook

In the aftermath of the Grenfell Tower fire, a group of local women gathered together to cook fresh food for their families and neighbours. Over the chatter and aromas of the kitchen, they found that cooking and eating together can create connections, restore hope and normality, and provide a sense of home.

In her first programme with The Royal Foundation, The Duchess of Sussex worked closely with the women she had met at the Hubb Community Kitchen. As she established her new home in London, Her Royal Highness saw the power and vibrancy of this community, and together they created the cookbook to raise money to support the kitchen and projects to empower communities through food and cooking.

The Duchess suggested creating a cookbook of the recipes, to support the Kitchen as a place to bring the community together over food. By March 2019, 130,000 copies of the Together Cookbook were sold worldwide. The resulting funds mean the kitchen has been completely refurbished and is now open seven days a week, helping others in the community to benefit. The women have been working with the social enterprise charity UnLtd to develop their own plans and ideas.

In February 2019, the women of the Hubb Community Kitchen won a prestigious award for their book at the 2018 André Simon Food & Drink Book Awards.

The women received a Special Commendation at the awards, which showcased the best of contemporary food and drink writing. Meera Sodha, the food-book assessor, said of Together: “It’s a rare and beautiful book which shows the power of cooking and eating together as a way to connect, share, love – and in this case, grieve and heal.”

**The women of the Hubb Community Kitchen**

“Our kitchen has always been a place of good food, love, support and friendship. We cook the recipes we’ve grown up with; there’s no stress, and the recipes always work because they have been made so many times – it’s proper comfort food. Cakes, stews and spicy dips have become some of our favourite weekly dishes.

A love of cooking and sharing food brought us together after the Grenfell fire. Swapping family recipes and moments of laughter gave you a sense of normality and home. We named ourselves the Hubb Community Kitchen to celebrate the thing that we all feel every time we meet – hubb means ‘love’ in Arabic.”
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex

Company Registration No. 7033553

Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

“I immediately felt connected to this community kitchen; it is a place for women to laugh, grieve, cry and cook together… Through this charitable endeavour, the proceeds will allow the kitchen to thrive and keep the global spirit of the community alive.” The Duchess of Sussex

Stats:
130k copies of the Together cookbook have been sold worldwide, raising money to help empower communities through food
300 meals made for the local community in one day
23 new qualifications achieved amongst the women who were involved in the creation of the cookbook

6. Future Focus: Early Years

The first few years of childhood are more pivotal for development, future health and happiness than any other single moment in our lifetime. The Duchess of Cambridge believes we should have a greater focus on supporting children, parents and carers through this crucial stage of social, emotional and cognitive development so we can make them healthier and more resilient later in life.

This year, Her Royal Highness and The Royal Foundation have brought together leading academics, practitioners and charities to form a steering group that will consider how best to provide children with the best possible start in life and break inter-generational cycle of disadvantage. This important consultation has lasted almost 12 months and will help shape The Duchess’s lifetime of work relating to early years.

Stemming originally from her work on issues like addiction and family breakdown, The Duchess of Cambridge has observed that so many of society’s greatest social and health challenges, and the inter-generational cycle of disadvantage, could be mitigated or entirely avoided by providing the right support for children in the earliest years in life.

Early Years Symposium
On the 21st March 2018, The Duchess of Cambridge and The Royal Foundation organised a symposium of leading academics, practitioners and charities that are championing the importance of supporting people in their earliest years.

A Better Start, Blackpool
On a visit to Blackpool, The Duke and Duchess of Cambridge met people who are involved in CECD Blackpool’s ‘A Better Start’ programme to talk about the impact of long-term investment in mothers, fathers and children in their early years.

Early Years Henry Fawcett Centre
The Duchess of Cambridge visited the Henry Fawcett Children’s Centre to see how the Lambeth Early Action Partnership are using the Parent and Infant Relationship Service to support parents, carers and their children. She joined parents and their children for ‘Together Time’, designed to support parents’ ability to understand their child’s cues, feel more confident in their parenting and strengthen their relationship with their child.

Ed Vainker – Executive Principal & Director Reach Children’s Hub at the Reach Academy on the impact of supporting children in their earliest years

“I met Mohammed on his home visit weeks before he started Reception. He had no language, sat ten inches from the TV and could not make any eye contact. He was not school ready. His journey through school has been challenging. Now in Year 6, he will achieve the expected standard in Maths but is still behind in Writing and Reading, despite intensive support that we would estimate has cost £10,000 per year. That same day I met Mohammed’s sister, Hafsa. She was 18 months old and again, far behind her developmental milestones. Our team kicked in: we bought toys and showed the family how to play together, we took Mum to ‘stay and plays’ and helped her to make friends. When Hafsa turned two we
enrolled her in Nursery and supported Mum to do a number of courses. When Hafsa started school, she was school ready and today she is at the top of her year group. She is flourishing and has not cost the school a penny. Intervening early improves children's experiences, strengthens families and, in the long, saves money. It remains a core part of our work."

“Providing children in their earliest years with social and emotional security builds strong foundations which last a lifetime. I really do feel so passionately about the importance of early intervention, and that by working on new approaches together, we can make a real difference for generations to come.”

The Duchess of Cambridge at the Early Years Symposium, 2018

“We all know how important childhood is; and how the early years shape us for life. We also know how negative the downstream impact can be, if problems emerging at the youngest age are overlooked, or ignored. It is therefore vital that we nurture children through this critical, early period.”

The Duchess of Cambridge
Financial Performance

Income

The total income for the year to 31 December 2018 was £7.8m, a 13% decrease on 2017 (£9.0m). Whilst the unrestricted funds raised remained steady at £3.4m, the restricted funds fell by £1.1m to £4.4m. This fall in restricted grant income reflects the receipt of funding for certain multi-year programmes ahead of expenditure in 2018. Of the total income, 97% (£7.6m), related to donations and legacies, of which 56% was restricted.

A breakdown of the income by restricted and unrestricted funds, in line with Notes 18 & 19, is shown below:

Expenditure

In 2018, The Royal Foundation spent £9.1m expanding and developing its portfolio of grants, projects and partnerships in its six core areas of interest, including the two new areas of Early Years and Empowering Communities. The different stages of the life cycle of programmes require very different levels of funding with research and early stages of development needing significantly less expenditure than the later delivery and scaling up phases. Likewise, different kinds of initiatives also require different levels of funding, for example our impactful work through Taskforces costs less to deliver than on the ground programmes. This explains why expenditure is 6%, or £600,000 lower than in 2017. Additionally, 2017 saw the Heads Together mental health awareness campaign take place, which continued at a lower scale in 2018, and did not therefore require as much funding.
Charitable Activities

Of the £9.1m spent in 2018, £7.6m was spent directly on charitable activities, representing 84% of total expenditure. This includes all amounts spent on providing seed capital and grant funding and all activities designed to convene and raise awareness. For 2017, this was £8.3m, representing a similar 85% of total expenditure.

A breakdown of the expenditure is shown below:

Charitable activities, which includes grant funding, research, raising awareness and convening, represents 84% of total expenditure in 2018. Grant funding represents the largest category of charitable spend, with £4.22m (55% of charitable activities) being granted in 2018, which compares with £4.27m in 2017.

The Royal Foundation’s charitable activities were spread across its six core areas, as shown on the following page. The Royal Foundation’s support of its Mental Health programmes continued and remained the largest programmatic area of work. £3.3m was spent during the year supporting its workplace, schools, digital, cyberbullying and other mental health programmes, of which £2.2m related to grant funding. This high percentage of grant funding at 67%, reflects the scale up phase of many of the programmes in this area of work. Our largest grant was to Mental Health Innovations to support the launch of a 24/7 text and messaging service called Shout. Mental Health Innovations was set up by The Royal Foundation to develop digital solutions for mental health problems.

The Royal Foundation’s expenditure on its Conservation and sustainable development work increased by 22% compared with 2017, to £1.4m, of which £576k related to grants. Work focussed on supporting the information sharing system of the Transport and Finance Taskforces, alongside grants to support improved protection of the focal species in priority sites in Africa. In addition, a dedicated staff position was recruited to develop the Sustainable Tourism programme.

The Royal Foundation’s support for Those Who Serve (formerly known as military) grew by 15% to £1.3m. The grants total of £613k funded 14 separate endeavours through its Endeavour Fund and nine organisations through its Step Into Employment programme which supports those leaving the Armed Forces in their transition back into civilian life. In addition, The Royal Foundation funded initial research
with King’s College London to help inform the development of the First Responders programme, a particular area of interest for The Duke of Cambridge.

Support for Young People’s programmes totalled £1.1m, of which half related to grant funding of Coach Core, an apprenticeship scheme for young people not in employment, education or training, across its 10 sites in the UK. Funding to the Nottingham Youth Violence Prevention Initiative (Full Effect) decreased in 2018 as the Foundation entered its fifth year of support. A final grant to a prevention of addiction programme exited by The Royal Foundation was also made. The Royal Foundation played an active role in bringing together young people affected by knife crime in London and a group of charities and funders working on this issue as The Duke of Sussex continues to have an active interest in this area.

The Royal Foundation also started work in supporting two new areas of work - Early Years and Empowering Communities - on behalf of The Duchess of Cambridge and The Duchess of Sussex respectively. An Early Years steering group met throughout the year and has made recommendations to The Duchess of Cambridge on where to focus future work in this area.

The ratio of grants to direct charitable costs varied considerably across the six core areas, reflecting the size of grants, the nature of the work and the stage in the programme life cycle. The mental health programmes required a significantly higher proportion of its charitable spend on grant making reflecting the size of mental health grants and the scale up phase of its programmes. Supporting Those Who Serve programmes, for example Step Into Employment and Endeavour Fund, required a smaller value but higher volume of grants. By contrast, the conservation programmes had a greater need for non grant expenditure, reflecting the people and communications aspects of its taskforce work.

**Staff and Support Costs**

The Royal Foundation’s staff costs increased by 20%, reflecting the recruitment of additional skills to support the new programme areas of work and additional support staff to enhance the infrastructure of
the organisation as it matures and prepares for growth, with the introduction of a fourth patron, The Duchess of Sussex. The average number of employees in the year was 42 full time equivalents (FTE), compared with 33 in the prior year, with most of the new roles being programme related.

Support costs totalled £1.5m and include the costs of Finance, HR, CEO office, IT and premises. We continue to work hard to ensure the support costs are managed efficiently and believe this represents value against a backdrop of increasing regulatory and compliance requirements. Support costs are allocated across The Royal Foundation’s charitable and fundraising activities to reflect usage by activity and by associated headcount to give a fair reflection of how resources have been utilised. Details are provided in note 7.

Fundraising

The costs of raising funds remained steady at £1.47m, a small increase from £1.43m in 2017. This was predominately due to a general increase in support costs, as the direct fundraising costs alone fell by 7% from £987k to £914k. During the year the team was strengthened bringing in a role to ensure that the Foundation’s database is GDPR compliant and that data can be interrogated to facilitate fundraising more efficiently – this will also contribute to event management. New posts were also recruited to lead the development of fundraising from private individuals and to ensure the first class stewardship of this group.

Our events team was also expanded to meet the need of both the Development and Programme teams which are now serving four Principals.

Funds of The Royal Foundation

The funds of the charity fall into three categories: Restricted funds (£3.9m) are donations received for defined projects that will be spent in future years; unrestricted funds (£3.7m) to be spent in accordance with the charitable objectives at the discretion of the Trustees; and an Endowment fund (£0.25m) in relation to a donation given by The Diana, Princess of Wales Memorial Fund for The Royal Foundation to invest. This endowment was held until the 31st March 2019 at which time it transferred to the unrestricted fund.

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, excluding expenditure from restricted funds, which equates to a range of approximately £3.5 to £4.2m. This approach recognises that most of the charity’s income comes from voluntary donations which are uncertain.

The total funds of the charity currently stand at £7.9m (2017: £9.3m). The free reserves of the charity are £3.5m (2017: £3.4m). The adjustments to determine the free reserves of the charity are set out as follows:
At the end of 2018 free reserves stood at 11 months. Whilst reserves increased during the year, it is slightly below the target of 12 months due to investment in building the infrastructure of The Royal Foundation and as a result of investment losses in the year of £95k. However as disclosed above and in notes 11 and 20 of the accounts, on 31 March 2019 the £0.25m endowment fund was transferred to unrestricted funds, thus increasing free reserves to £3.8m on a pro forma basis. The Trustees are satisfied with this level and would like to maintain the reserves level at 12 months over future years to support the growing organisation and to continue being able to respond in a timely manner to issues raised by its Patrons.

**Investment Policy and Performance**

The Trustees invest 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 and during the year recommended the Trustees move from a direct investment approach to investing in a Responsible Multi Asset Fund (RMAF), in order to achieve greater diversification. The RMAF looks to generate a return of inflation (CPI) +4% over the longer term, and follows the exclusionary guidelines set by the Church of England’s Ethical Investment Advisory Group. Cazenove also invests a proportion of the portfolio in liquid cash type assets, with the objective of achieving a yield in excess of that available in cash, whilst preserving the nominal capital value.

The Finance Committee reviews the investment performance on a quarterly basis and compares it with industry benchmarks to ensure investments remain appropriate for The Royal Foundation’s funds and risk profile.

In 2018 the portfolio produced a negative performance return of 2.3% (2017: +7.7%) during the year, after investment management fees. This compared with a CPI + 3% return of 5.1%. However, since inception the portfolio has seen a return of 38.1% compared with CPI + 3% of 37.8%.

The investment portfolio stood at a value of £2.29m as at 31 December 2018 (2017: £2.34m), including cash held for investment purposes. The value and composition of investments are summarised in note 13 to the financial statements.

**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. In addition, The Royal Foundation actively looks for projects or partnership opportunities where it can demonstrate added

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2 These are conditional grants that are not on the balance sheet; however, for the purpose of the reserves calculation, it has been prudently assumed they are committed grants.
leverage or gearing from its involvement. It is unlikely to support projects where wider applicability or a broader benefit cannot be demonstrated. Except for the Endeavour Fund, The Royal Foundation does not accept unsolicited requests for funds.

Going Concern
The Royal Foundation’s financial position and performance has been outlined in the financial review above. The Trustees have assessed projected future income, expenditure and cash flows and analysed the strength of The Royal Foundation’s reserves and liquid assets and its ability to withstand a material fall in incoming resources. Consideration has been given to stability and diversity of various income streams in making this assessment.

The Trustees believe that The Royal Foundation and its subsidiary, PWPH Trading Limited, have adequate resources to continue their activities for the foreseeable future so they continue to adopt the going-concern basis in preparing the financial statements.

Risk Management
The Trustees are committed to maintaining a strong risk management framework and ensure that The Royal Foundation makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of risks. The Trustees, the Finance Committee and the senior management team believe that sound risk management is integral to both good management and good governance practice.

During the year, the Trustees approved a new risk policy. A strategic risk register and dashboard are reviewed regularly by the Senior Management Team, Finance Committee and Trustees, taking into consideration three measures: impact, likelihood and level of mitigation.

More detailed operational risk registers are maintained in aspects where this is considered appropriate, for example, for specific programmes or operational activities, taking account of the impact of potential risk and the cost benefit of the exercise.

Each quarter reports are made to the Finance Committee and Trustee board, and will be made to the Governance and Nominations Committee, of continuing and emerging high-concern risks and those where priority action is needed to affect better control. This includes key strategic risks and major risks identified from the operational risk registers.

Each risk is assigned to a senior member of staff who is responsible for ensuring that controls are established to mitigate those risks through planning and operational decision making, management systems, insurance cover, specialist advice or holding an appropriate level of funds for residual reserves.

The principal risks are those which without effective mitigation would have a serious impact on the work of The Royal Foundation, its reputation and its ability to achieve its ambitions. The principal risks are summarised below:

- Lacking direction, strategy and forward planning: during the past year, the charity has been developing and implementing new systems to ensure that its priorities, plans and objectives are clear and robust, and are aligned with the strategies of each of our Patrons. This rigour in planning and decision making will continue as The Royal Foundation develops its budget to support the 3-year strategic plan over the coming year.

- Insufficient reserves: the level of reserves marginally increased during the year; however, they did not increase sufficiently in line with the growth of the organisation to maintain the level of reserves at 12 months of operational costs. During the past year, the charity invested in its fundraising team and recruited additional skills and expertise to mitigate this risk, by focussing on diversifying the fundraising strategy and improving stewardship.

- 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.

- 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. During the year, two directors of Insight & Innovation and Programmes & Partnership joined to support the programme team and ensure that a considered and structured approach is taken throughout the complete programme cycle, from concept through to exit.

- Lower fundraising caused by uncertainty during the review period of the Principals’ charitable activity, which includes reviewing the structure of The Royal Foundation.

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 and 8 June 2018.

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 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 Fund’s Trustee Company (company number 05516463) upon its closure at the end 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, 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 on 31st December 2013. Any future income is received by The Royal Foundation as unrestricted funds.

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.

#### Trustees, Delegated Committees and Advisory Boards

**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.
At the date of signing, and during the year, the Trustees were:

Sir Keith Mills GBE, DL – Chairman
Barroness Barran, MBE (appointed 27 June 2018, resigned 30 November 2018)
Tessa Green, CBE
Edward Harley, OBE, DL
Miguel Head, LVO (resigned 27 June 2018)
Jamie Lowther-Pinkerton, LVO, MBE, DL
Charles Mindenhall
Guy Monson (resigned 27 June 2018)
Simon Patterson
Lady Pinsent
Claire Wills (appointed 27 June 2018)

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

**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 Patrons 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 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 attend meetings to help familiarise themselves with in-house procedures and activities. 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 currently comprises Two Trustees and four external advisory members: Ben Moorhead, DL, Solicitor; Claire Brown FCA; Catherine Biscoe FCA; and Guy Monson. The Finance
Committee, chaired by Edward Harley, OBE, DL, meets quarterly to consider financial matters and reports to the Trustees accordingly. Lady Pinsent recently joined the Finance Committee now that Guy Monson has stepped down as a Trustee. The Chief Executive and Director of Finance & Operations attend this meeting.

**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 will be 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 corporate governance arrangements of the organisation. The Governance and Nominations Committee will be chaired by Trustee Claire Wills and will meet at least twice a year, with the first meeting to be held in 2019.

**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 the following external advisory groups:

- **Endeavour Fund Advisory Board** – this board includes former Servicemen, experienced adventurers and representatives from Walking With The Wounded, Row2Recovery and Help for Heroes
- **Coach Core Advisory Board** - the board plays a key role in developing the Coach Core model towards its goal of rolling out on a national scale
- **Development Board** – this board, consisting of Trustees and senior industry leaders, helps advocate the work of The Royal Foundation and expand the organisation’s network in support of its programmes.
- **Early Years Steering Group** consists of academics, practitioners and charities who are helping to develop a significant new body of work that will ultimately support all efforts to provide children with the best possible start in life.

**Key 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, led by the Chief Executive, Lorraine Heggessey, is composed of the Director of Finance & Operations, the Director of Programmes and Partnerships, the Director of Insight and Innovation, the Director of Development, the Head of HR and the Head of Communications.

The Senior Management Team 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 HR 3-year strategy aims to enable its people to continue to contribute to its success and ensure that it builds a strong and sustainable future.

The Royal Foundation operates and maintains a legal, fair, equitable and affordable Pay and Reward Framework for its diverse and talented workforce. A simple pay framework has been embedded over the past couple of years which supports the alignment of The Foundation’s strategy and objectives through workforce planning so that it can 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.
A wide-ranging learning and development programme is available to all staff, which is further developed throughout the year, and focuses on an individual’s growth and development – both professionally and personally.

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 demonstrate its commitment. Success is evidenced by both its low staff turnover and sickness absence rates.

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 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. Safeguarding training was attended by all staff in the organisation.

**Data Protection**

An internal working group was established to prepare the charity for meeting the new General Data Protection Regulation (GDPR) changes which came into effect in May 2018. This group examined guidance and best practice issued by the Information Commissioner’s Office, the Fundraising Regulator and others to ensure the charity maintains compliance. The organisation reviewed and revised where necessary its processes, policies and approaches in relation to data protection to ensure compliance with GDPR. 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 new 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:

1. **Decision making, risk and control**
   - It is recommended that the Finance Committee includes at least two Trustees. For part of the year, the Finance Committee only had one Trustee sitting on this committee, however a second Trustee, with relevant financial experience, has been recruited to this committee.
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
Company Registration No. 7033553

Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

- It is recommended that the terms of references for each sub committee are reviewed regularly; this will be carried out for each committee in future.

(2) Board effectiveness
- It is recommended that the board of Trustees has a vice-chair or similar. This position has been discussed and agreed by the Trustees.
- It is recommended that Trustees review their performance with an external every three years. It is the intention of the board that an external review will be carried out during this year.
- Two Trustees have served for ten years, with one reappointed for a further three months and the other for a further year to provide continuity whilst new Trustees are appointed.

(3) 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’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 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 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 ensures 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.

The Royal Foundation is registered with the Fundraising Regulator and complies with their code of practice. During the year, correspondence was received from the Fundraising Regulator querying The Royal Foundation’s role in relation to the fundraising activities of a third party. Once the foundation’s role in the event had been explained, the case was closed and no further action was taken.

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.
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
Company Registration No. 7033553

Trustees’ Report – incorporating the Directors’ report for Companies Act Purposes (continued)

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;
• 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 6 June 2019 and signed on its behalf by

Sir Keith Mills, GBE DL - Chairman
Kensington Palace
Palace Green
London, W8 4PU
INDEPENDENT AUDITOR’S REPORT TO MEMBERS AND TRUSTEES OF THE ROYAL FOUNDATION OF THE DUKE AND DUCHESS OF CAMBRIDGE AND THE DUKE AND DUCHESS OF SUSSEX

Opinion

We have audited the financial statements of The Royal Foundation of the Duke and Duchess of Cambridge and the Duke and Duchess of Sussex (“the Parent Charitable Company”) and its subsidiary (“the Group”) for the year ended 31 December 2018 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 2018 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 Chairman’s Statement,
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
Company Registration No. 7033553

the Chief Executive Officer's Statement and the Trustees' Report. The Trustees are responsible for the other information.

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
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex  
Company Registration No. 7033553

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.

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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Julia Poulter (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
Date 7 June 2019

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 and The Duke and Duchess of Sussex

Company Registration No. 7033553

Consolidated statement of financial activities
(including the income and expenditure account)
For the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Endowment Fund</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Income:</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Donations and Legacies</td>
<td>3,359,069</td>
<td>4,250,337</td>
<td>-</td>
<td>7,609,406</td>
</tr>
<tr>
<td>Trading activities</td>
<td>458</td>
<td>115,696</td>
<td>-</td>
<td>116,154</td>
</tr>
<tr>
<td>Investment income</td>
<td>72,428</td>
<td>26,100</td>
<td>-</td>
<td>98,528</td>
</tr>
<tr>
<td>Other income</td>
<td>1,089</td>
<td>-</td>
<td>-</td>
<td>1,089</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>3,433,044</strong></td>
<td><strong>4,392,133</strong></td>
<td>-</td>
<td><strong>7,825,177</strong></td>
</tr>
</tbody>
</table>

| Expenditure:                         | £                  | £                | £              | £         |
| Raising funds                        | (1,471,139)        | (293)            | -              | (1,471,432) |
| Charitable activities                | (1,256,264)        | (2,130,779)      | -              | (3,387,043) |
| Grants                               | (4,224,284)        | (4,224,284)      | -              | (8,448,568) |
| Other charitable activities          | (1,256,264)        | (6,355,063)      | -              | (7,611,327) |
| **Total expenditure**                | **(2,727,403)**    | **(6,355,356)**  | -              | **(9,082,759)** |

| Net income/(expenditure) before investment gains | £                  | £                | £              | £         |
| Net (losses)/gains on investment        | (95,173)           | -                | (95,173)       | 128,866   |

| Net income/(expenditure)                | £                  | £                | £              | £         |
| Transfers between funds                | (640,516)          | 640,516          | -              | (620,923) |

| Net movement in funds                  | £                  | £                | £              | £         |
| Fund balances brought forward at 1 January 2018 | 3,742,165          | 5,258,031        | 250,000        | 9,250,196 |

| Funds balances carried forward at 31 December 2018 | £                  | £                | £              | £         |
| All results are from continuing operations. |
| There were no other recognised gains or losses. |
| The notes on pages 47 to 58 also form part of these financial statements. |
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex

Company Registration No. 7033553

Charity statement of financial activities
(including the income and expenditure account)
For the year ended 31 December 2018

Notes
Unrestricted Funds £ Restricted Funds £ Endowment Fund £ Total £
Unrestricted Funds £ Restricted Funds £ Endowment Fund £

Income:
Donations and Legacies   2  3,359,069  4,358,774 - 7,717,843  3,387,671  5,511,624 - 8,899,295
Investment income   4  72,428  26,100 - 98,528  62,878  5,769 - 68,647
Other income   4  3,412 - - 3,412 13,140  300 - 13,440

Total income 3,434,909 4,384,874 - 7,819,783 3,463,689 5,517,693 - 8,981,382

Expenditure:
Raising funds   5 (1,465,745) (293) - (1,466,038) (1,419,956) (130) - (1,420,086)
Charitable activities  5,6
- Grants   - (4,224,284) - (4,224,284) - (4,268,729) - (4,268,729)
- Other charitable activities   (1,256,264) (2,130,779) - (3,387,043) (861,844) (3,153,869) - (4,015,713)

Total expenditure (2,722,009) (6,355,356) - (9,077,365) (2,281,800) (7,422,728) - (9,704,528)

Net income/(expenditure) before investment gains 712,900 (1,970,482) - (1,257,582) 1,181,889 (1,905,035) - (723,146)
Net (losses)/gains on investment   13 (95,173) - - (95,173) 128,866 - - 128,866

Net income/(expenditure) 617,727 (1,970,482) - (1,352,755) 1,310,755 (1,905,035) - (594,280)

Transfers between funds   18,19 (640,516) 640,516 - - (620,923) 620,923 - -

Net movement in funds (22,789) (1,329,966) - (1,352,755) 689,832 (1,284,112) - (594,280)

Reconciliation of funds:
Fund balances brought forward at 1 January 2018 3,724,608 5,275,587 250,000 9,250,195 3,034,776 6,559,699 250,000 9,844,475

Funds balances carried forward at 31 December 2018 3,701,819 3,945,621 250,000 7,897,440 3,724,608 5,275,587 250,000 9,250,195

All results are from continuing operations.

There were no other recognised gains or losses.

The notes on pages 47 to 58 also form part of these financial statements.
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 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>12</td>
<td>55,930</td>
<td>61,824</td>
<td>55,930</td>
</tr>
<tr>
<td>Investments</td>
<td>13</td>
<td>2,292,062</td>
<td>2,344,996</td>
<td>2,292,063</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>2,347,992</td>
<td>2,406,820</td>
<td>2,347,993</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>14</td>
<td>1,160,929</td>
<td>600,395</td>
<td>1,161,415</td>
</tr>
<tr>
<td>Investments</td>
<td>15</td>
<td>2,000,000</td>
<td>-</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>25</td>
<td>2,944,206</td>
<td>7,577,746</td>
<td>2,923,046</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>6,105,135</td>
<td>8,178,141</td>
<td>6,084,461</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>16</td>
<td>(555,686)</td>
<td>(1,334,765)</td>
<td>(535,014)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>5,549,450</td>
<td>6,843,376</td>
<td>5,549,447</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>7,897,441</td>
<td>9,250,196</td>
<td>7,897,440</td>
</tr>
<tr>
<td><strong>The funds of the charity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>18</td>
<td>3,712,117</td>
<td>3,742,165</td>
<td>3,701,819</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>19</td>
<td>3,935,324</td>
<td>5,258,031</td>
<td>3,945,621</td>
</tr>
<tr>
<td>Endowment fund</td>
<td>20</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Total charity funds</strong></td>
<td></td>
<td>7,897,441</td>
<td>9,250,196</td>
<td>7,897,440</td>
</tr>
</tbody>
</table>

The notes on pages 47 to 58 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 and The Duke and Duchess of Sussex (registered number 7033553) were approved by the Board of Trustees on 6 June 2019 and signed on its behalf by:

Edward Harley, OBE, DL – Trustee
Kensington Palace
Palace Green
London
W8 4PU
Consolidated and Charity Cash Flow Statement  
For the year ended 31 December 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>23</td>
<td>(2,641,216)</td>
<td>(408,337)</td>
<td>(2,605,489)</td>
<td>(441,995)</td>
</tr>
<tr>
<td><strong>Cash (used in)/provided by operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash (used in)/provided by operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>98,528</td>
<td>68,647</td>
<td>98,528</td>
<td>68,647</td>
</tr>
<tr>
<td>13</td>
<td>(1,349,834)</td>
<td>(443,267)</td>
<td>(1,349,834)</td>
<td>(443,267)</td>
</tr>
<tr>
<td>13</td>
<td>1,568,161</td>
<td>382,298</td>
<td>1,568,161</td>
<td>382,298</td>
</tr>
<tr>
<td>15</td>
<td>(2,000,000)</td>
<td>-</td>
<td>(2,000,000)</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>(48,613)</td>
<td>(33,096)</td>
<td>(48,613)</td>
<td>(33,096)</td>
</tr>
<tr>
<td><strong>Net cash (used in)/provided by investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,731,758)</td>
<td>(25,418)</td>
<td>(1,731,758)</td>
<td>(25,418)</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents in the year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>7,796,932</td>
<td>8,230,687</td>
<td>7,740,045</td>
<td>8,207,458</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at the end of the year</strong></td>
<td>3,423,956</td>
<td>7,796,932</td>
<td>3,402,798</td>
<td>7,740,045</td>
</tr>
</tbody>
</table>

The notes on pages 47 to 58 also form part of these financial statements.
The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex

Notes to the consolidated financial statements
Year ended 31 December 2018

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) (effective 1 January 2015) - (Charities SORP (FRS102)) and the Companies Act 2006.

b) Consolidation

The financial statements of the wholly owned subsidiary, 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.

c) Going Concern

These accounts have been prepared on the going concern basis. The Trustees believe The Royal Foundation and its subsidiary are financially secure for the foreseeable future and 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

With respect to the next reporting period, January to December 2019, 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 2018 was £2,292,062 (2017: £2,344,996.)

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 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.
1 Accounting policies (continued)

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.

Incoming resources 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.

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, PWPH Trading Limited, made qualifying donations of all taxable profit to The Royal Foundation of the Duke and Duchess of Cambridge and The Duke and Duchess of Sussex. 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.
1 Accounting policies (continued)

k) Investments
The fixed asset investment consists of the share in the subsidiary 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 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 normally recognised at their settlement amount.
2 Income from donations and legacies

<table>
<thead>
<tr>
<th>Group</th>
<th>2018 (Unrestricted)</th>
<th>2018 (Restricted)</th>
<th>2018 Total</th>
<th>2017 (Unrestricted)</th>
<th>2017 (Restricted)</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>£3,019,616</td>
<td>£3,608,842</td>
<td>£6,628,458</td>
<td>£2,933,265</td>
<td>£3,702,430</td>
<td>£6,635,695</td>
</tr>
<tr>
<td>Grants</td>
<td>300,000</td>
<td>540,175</td>
<td>840,175</td>
<td>371,169</td>
<td>1,608,994</td>
<td>1,980,163</td>
</tr>
<tr>
<td>Legacies</td>
<td>1,878</td>
<td>-</td>
<td>1,878</td>
<td>1,636</td>
<td>-</td>
<td>1,636</td>
</tr>
<tr>
<td>Donated services</td>
<td>37,575</td>
<td>101,320</td>
<td>138,895</td>
<td>34,500</td>
<td>200,200</td>
<td>234,700</td>
</tr>
<tr>
<td>Total</td>
<td>£3,359,069</td>
<td>£4,250,337</td>
<td>£7,609,406</td>
<td>£3,340,570</td>
<td>£5,511,624</td>
<td>£8,852,194</td>
</tr>
</tbody>
</table>

In 2018, The Royal Foundation received £21,583 (2017: £23,302) from The Diana, Princess of Wales Memorial Fund.

Donated services of £138,895 (2017: £234,700) 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 £108,437 restricted (2017: £47,101 unrestricted), which has been gift aided to The Royal Foundation from its subsidiary, PWPH Trading Limited and is eliminated on consolidation.

3 Income from trading activities

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

PWPH 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 and The Duke and Duchess of Sussex. A summary of its results extracted from its full audited accounts is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December 2018</th>
<th>Year ended 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£116,154</td>
<td>£53,992</td>
</tr>
<tr>
<td>Gross profit</td>
<td>£116,154</td>
<td>£53,992</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(£7,687)</td>
<td>(£6,866)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>£108,467</td>
<td>£47,126</td>
</tr>
<tr>
<td>Finance charges</td>
<td>(30)</td>
<td>(25)</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>£108,437</td>
<td>£47,101</td>
</tr>
<tr>
<td>Tax on profit on ordinary activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit on ordinary activities after taxation</td>
<td>£108,437</td>
<td>£47,101</td>
</tr>
<tr>
<td>Charitable donation to parent</td>
<td>(108,437)</td>
<td>(47,101)</td>
</tr>
<tr>
<td>Retained profit for the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Assets, liabilities and shareholders' funds

|                       | £131,433                    | £56,968                    |
| Assets                |                            |                            |
| Liabilities           | (£131,432)                  | (£56,967)                  |
| Funds surplus including 1 ordinary share of £1 | 1 | 1 |

4 Investment income and other income – Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2018</th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income:</td>
<td>£72,428</td>
<td>£26,100</td>
<td>£98,528</td>
<td>£62,878</td>
<td>£5,769</td>
<td>£68,647</td>
</tr>
<tr>
<td>Other Income:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>1,089</td>
<td>-</td>
<td>1,089</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent and associated charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,060</td>
<td>-</td>
<td>12,060</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Total other income</td>
<td>1,089</td>
<td>-</td>
<td>1,089</td>
<td>12,060</td>
<td>300</td>
<td>12,360</td>
</tr>
</tbody>
</table>

Rent and associated charges relate to amounts charged to the Invictus Games Foundation from letting part of the first-floor office space to the Invictus Games Foundation, which was surplus to the charity’s operational requirements.

Other income for the charity alone derives from income received from PWPH Trading Limited, consisting of £2,323 (2017 £1,080) relating to a resource sharing agreement recharge.
5 Summary analysis of total expenditure - Charity

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total 2018</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td>1,465,745</td>
<td>293</td>
<td>1,466,038</td>
<td>1,419,956</td>
<td>130</td>
<td>1,420,086</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Direct costs - grant funding of activities</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>4,224,284</td>
<td>4,224,284</td>
</tr>
<tr>
<td>- Direct costs - convening, collaboration and R&amp;D</td>
<td>294,033</td>
<td>2,130,779</td>
<td>2,424,812</td>
<td>203,739</td>
<td>3,153,869</td>
<td>3,357,608</td>
</tr>
<tr>
<td>- Support costs</td>
<td>962,231</td>
<td>-</td>
<td>962,231</td>
<td>658,105</td>
<td>-</td>
<td>658,105</td>
</tr>
<tr>
<td>Total charitable activities</td>
<td>1,766,226</td>
<td>6,355,063</td>
<td>7,611,327</td>
<td>861,844</td>
<td>7,422,586</td>
<td>8,284,424</td>
</tr>
<tr>
<td></td>
<td>2,722,009</td>
<td>6,355,356</td>
<td>9,077,365</td>
<td>2,281,800</td>
<td>7,422,728</td>
<td>9,704,528</td>
</tr>
</tbody>
</table>

Included within Raising Funds are Investment management costs of £21,005 (2017: £20,022). Expenditure on Raising Funds for the charity alone excludes £5,394 (2017: £5,811) of non-intercompany expenses incurred by PWPH Trading Limited.

6 Analysis of expenditure on charitable activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Grant funding of activities</th>
<th>Direct costs</th>
<th>Support costs</th>
<th>Governance costs</th>
<th>Total costs 2018</th>
<th>Total costs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Those Who Serve (formerly 'Military')</td>
<td>612,794</td>
<td>456,697</td>
<td>174,261</td>
<td>24,861</td>
<td>1,268,613</td>
<td>1,099,978</td>
</tr>
<tr>
<td>Mental Health</td>
<td>2,239,781</td>
<td>791,404</td>
<td>258,669</td>
<td>36,803</td>
<td>3,326,757</td>
<td>4,501,466</td>
</tr>
<tr>
<td>Young People</td>
<td>513,000</td>
<td>414,889</td>
<td>142,041</td>
<td>20,264</td>
<td>1,090,194</td>
<td>1,518,267</td>
</tr>
<tr>
<td>Conservation</td>
<td>576,158</td>
<td>620,389</td>
<td>199,675</td>
<td>28,487</td>
<td>1,424,709</td>
<td>1,164,731</td>
</tr>
<tr>
<td>Early Years</td>
<td>50,000</td>
<td>26,403</td>
<td>27,228</td>
<td>3,885</td>
<td>107,516</td>
<td>-</td>
</tr>
<tr>
<td>Empowering Communities</td>
<td>232,551</td>
<td>115,030</td>
<td>40,219</td>
<td>5,738</td>
<td>393,538</td>
<td>-</td>
</tr>
</tbody>
</table>

7 Analysis of support costs and governance costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Raising funds</th>
<th>Supporting Those Who Serve</th>
<th>Mental Health</th>
<th>Young People</th>
<th>Conservation</th>
<th>Early Years</th>
<th>Empowering Communities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premises</td>
<td>124,474</td>
<td>52,915</td>
<td>78,545</td>
<td>43,131</td>
<td>60,631</td>
<td>8,268</td>
<td>12,212</td>
<td>380,176</td>
</tr>
<tr>
<td>General Management</td>
<td>160,050</td>
<td>50,005</td>
<td>74,227</td>
<td>40,760</td>
<td>57,298</td>
<td>7,813</td>
<td>11,541</td>
<td>401,694</td>
</tr>
<tr>
<td>Finance</td>
<td>97,827</td>
<td>19,777</td>
<td>29,357</td>
<td>16,121</td>
<td>22,662</td>
<td>3,090</td>
<td>4,565</td>
<td>193,399</td>
</tr>
<tr>
<td>IT</td>
<td>49,163</td>
<td>20,523</td>
<td>30,463</td>
<td>16,728</td>
<td>23,516</td>
<td>3,207</td>
<td>4,737</td>
<td>148,337</td>
</tr>
<tr>
<td>HR</td>
<td>62,175</td>
<td>27,709</td>
<td>41,130</td>
<td>22,586</td>
<td>31,750</td>
<td>4,330</td>
<td>6,395</td>
<td>196,075</td>
</tr>
<tr>
<td>Office supplies</td>
<td>7,495</td>
<td>3,332</td>
<td>4,946</td>
<td>2,716</td>
<td>3,818</td>
<td>521</td>
<td>769</td>
<td>23,597</td>
</tr>
<tr>
<td>Governance</td>
<td>55,920</td>
<td>24,861</td>
<td>38,903</td>
<td>20,264</td>
<td>28,487</td>
<td>3,885</td>
<td>5,738</td>
<td>176,058</td>
</tr>
</tbody>
</table>

Total: 597,104 | 199,122 | 295,571 | 162,306 | 228,162 | 31,114 | 45,957 | 1,519,336 |

Raising Funds in the group totals £1,471,432 (2017: £1,425,897) which consists of £314,328 (2017: £397,047) of direct fundraising costs and £557,104 (2017: £438,705) of support and governance costs.

Costs relating to Premises, General Management, IT, HR, 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

<table>
<thead>
<tr>
<th>The Endeavour Fund</th>
<th>Supporting Those Who Serve</th>
<th>Mental Health</th>
<th>Young People</th>
<th>Conservation</th>
<th>Early Years</th>
<th>Empowering Communities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>65 Degrees North</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armed Forces Para-Snowsport Team</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climb 2 Recovery</td>
<td>64,445</td>
<td>64,445</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat Stress</td>
<td>13,156</td>
<td>13,156</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deeptherapy</td>
<td>17,000</td>
<td>17,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flying for Freedom</td>
<td>17,000</td>
<td>17,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help for Heroes (Invictus Games 2018)</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help for Heroes (Op Surf UK)</td>
<td>15,000</td>
<td>15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Challenges International</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission Motorsport</td>
<td>25,000</td>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purple Warriors</td>
<td>19,000</td>
<td>19,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Endeavour Racing</td>
<td>33,000</td>
<td>33,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Sir Oswald Stoll Foundation</td>
<td>29,720</td>
<td>29,720</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turn to Starboard</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Veterans Employment

| David Shepherd Wildlife Foundation  | 8,000                     | 8,000         |              |              |              |                        |       |
| Echoes VO Ltd                      | 5,000                     | 5,000         |              |              |              |                        |       |
| HighGround                         | 10,000                    | 10,000        |              |              |              |                        |       |
| Mission Motorsport                 | 10,000                    | 10,000        |              |              |              |                        |       |
| NHS Employers                      | 50,000                    | 50,000        |              |              |              |                        |       |
| Normad Construction Training       | 5,000                     | 5,000         |              |              |              |                        |       |
| Soldiers' Arts Academy             | 5,000                     | 5,000         |              |              |              |                        |       |
| The Cadet Apprenticeship Company   | 10,000                    | 10,000        |              |              |              |                        |       |
| Walking With The Wounded           | 40,000                    | 40,000        |              |              |              |                        |       |
8 Analysis of grants (continued)

<table>
<thead>
<tr>
<th>Supporting Those Who Serve</th>
<th>Mental Health</th>
<th>Young People</th>
<th>Conservation</th>
<th>Early Years</th>
<th>Empowering Communities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Mental Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat Stress (Contact)</td>
<td>5,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Help for Heroes (Contact)</td>
<td>25,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td>First Responders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>King's College London</td>
<td>46,473</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46,473</td>
</tr>
<tr>
<td>Nottingham Youth Violence Prevention Initiative</td>
<td>EPIC Partners</td>
<td>95,100</td>
<td>95,100</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Coach Core</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Partners Trust - Nottingham FC</td>
<td>13,691</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13,691</td>
</tr>
<tr>
<td>Devon County Council (on behalf of Active Devon)</td>
<td>91,000</td>
<td>91,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birmingham Sport and Physical Activity Trust</td>
<td>50,500</td>
<td>50,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essex County Council (on behalf of Active Essex)</td>
<td>37,500</td>
<td>37,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fulham Football Club Foundation</td>
<td>37,500</td>
<td>37,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manchester City FC in the Community Foundation</td>
<td>67,500</td>
<td>67,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middlesbrough FC Foundation</td>
<td>52,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52,500</td>
</tr>
<tr>
<td>Notts County Football in the Community</td>
<td>(6,191)</td>
<td>(6,191)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West of England Sport Trust (WeSport)</td>
<td>53,900</td>
<td>53,900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention of Addiction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Places2Be</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>Mental Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace wellbeing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mind</td>
<td>233,900</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>233,900</td>
</tr>
<tr>
<td>Mentally Healthy Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anna Freud Centre</td>
<td>155,077</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>155,077</td>
</tr>
<tr>
<td>Young Minds</td>
<td>52,134</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52,134</td>
</tr>
<tr>
<td>Places2Be</td>
<td>63,120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>63,120</td>
</tr>
<tr>
<td>Digital mental health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental Health Innovations</td>
<td>1,700,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,700,000</td>
</tr>
<tr>
<td>Cyberbullying</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Children's Bureau</td>
<td>35,550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35,550</td>
</tr>
<tr>
<td>Early Years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anna Freud Centre</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
</tr>
<tr>
<td>Conservation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Cape Parks and Tourism Agency</td>
<td>37,494</td>
<td>37,494</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fauna &amp; Flora International</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowveld Rhino Trust</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
</tr>
<tr>
<td>Southern African Wildlife College</td>
<td>70,000</td>
<td>70,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Groningen</td>
<td>70,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70,000</td>
</tr>
<tr>
<td>Save The Rhino International</td>
<td>99,720</td>
<td>99,720</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilderness Foundation Africa</td>
<td>76,666</td>
<td>76,666</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wildlife Conservation Society</td>
<td>42,000</td>
<td>42,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zoological Society of London</td>
<td>120,278</td>
<td>120,278</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowering Communities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Al Manaar, The Muslim Cultural Heritage Trust</td>
<td>204,031</td>
<td>204,031</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UnLimited</td>
<td>28,520</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28,520</td>
</tr>
<tr>
<td>Charitable Grants 2018</td>
<td>612,794</td>
<td>2,239,781</td>
<td>513,000</td>
<td>576,158</td>
<td>50,000</td>
<td>4,224,284</td>
</tr>
<tr>
<td>Charitable Grants 2017</td>
<td>450,943</td>
<td>2,047,162</td>
<td>1,083,069</td>
<td>687,555</td>
<td>-</td>
<td>4,268,729</td>
</tr>
</tbody>
</table>
Notes to the consolidated financial statements (continued)
Year ended 31 December 2018

9 Total expenditure

The following have been charged within total expenditure:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees payable for the audit of</td>
<td>25,539</td>
<td>24,000</td>
</tr>
<tr>
<td>The Royal Foundation and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>subsidiary annual accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of tangible</td>
<td>2,086</td>
<td>7,640</td>
</tr>
<tr>
<td>fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease payments</td>
<td>54,507</td>
<td>46,402</td>
</tr>
<tr>
<td>Exchange gains/(losses)</td>
<td>204,843</td>
<td>188,371</td>
</tr>
<tr>
<td>Defined contribution pension</td>
<td>145,603</td>
<td>160,385</td>
</tr>
<tr>
<td>costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total staff costs comprised:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross wages and salaries</td>
<td>1,958,206</td>
<td>1,609,233</td>
</tr>
<tr>
<td>Social security costs</td>
<td>213,506</td>
<td>168,879</td>
</tr>
<tr>
<td>Pension costs: defined</td>
<td>145,603</td>
<td>160,385</td>
</tr>
<tr>
<td>contribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other benefits (including</td>
<td>19,878</td>
<td>15,556</td>
</tr>
<tr>
<td>medical insurance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,337,193</td>
<td>1,954,093</td>
</tr>
</tbody>
</table>

All employees are employed by the charity. The average number of employees in the year was 42 (2017: 33). The average number of staff in the year was 36 full time (2017: 26) and 6 part time (2017: 7), with the part time staff representing an average of 4 FTEs (2017: 4)

For 2018, 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 (including maternity cover), and the Head of HR. The total employee benefits of the key management personnel were £597,963 (2017: £552,269), including pension costs of £34,804 (2017: £52,657).

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

<table>
<thead>
<tr>
<th>Salary Range</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 - £70,000</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>£70,001 - £80,000</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>£80,001 - £90,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£110,001 - £120,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£160,001 - £170,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

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 £145,603 (2017: £160,385). As at 31 December 2018, £nil was outstanding (2017: £333).

11 Trustee remuneration, expenses and related party transactions

Remuneration

No Trustee or persons connected with them received any remuneration or received any other benefits from an employment with the charity or a related entity (2017: £nil).

Expenses

During the year the Trustees incurred expenses in the UK totalling £2,109 (2017: £2,064) for travel and other expenses.

Related Party transactions - Trustees

During the year, The Royal Foundation received aggregate donations from Trustees and their charitable foundations of £225,600 (2017: £362,625).

Charles Mindenhall is a Trustee of The Royal Foundation and also a Director of AVADO. During the year, £nil of services were purchased from AVADO by the Royal Foundation (2017: £25,000).

Charles Mindenhall is also a trustee of Mental Health Innovations, a charity to which The Royal Foundation granted £1,700,000 in the year (2017: £692,218).

Jamie Lowther-Pinkerton, LVO, MBE, DL is a Trustee of both The Royal Foundation and The Varkey Foundation, which donated £nil to The Royal Foundation during the year (2017: £3,000,000), of which £nil was outstanding as at 31 December 2018 (2017: £150,000).

Edward Harley, OBE, DL, is a Trustee of The Royal Foundation and Chair of the Finance Committee, and is also a Senior Advisor to Cazenove Capital Management, the wealth management and charity investment business of Schroder & Co. Guy Monson chairs meetings held with Cazenove Capital Management when reviewing The Royal Foundation’s investment portfolio managed by Cazenove Capital Management. During the year, Cazenove Capital Management charged £20,942 (2017: £20,022) for managing the portfolio.

Edward Harley, OBE, DL is a director of The Goldsmiths’ Company Trustee which is the sole corporate trustee of the Goldsmiths’ Company Charity. During the year The Royal Foundation received £48,156 (2017: £1,000) as a cash donation and £3,120 as a gift in kind (2017: £nil) from the Goldsmiths’ Company Charity.

Baroness Diana Barran was a trustee of The Royal Foundation and of Charity Projects (better known as Comic Relief) during the year. During Baroness Barran’s tenure as a trustee of The Royal Foundation, a grant instalment of £30,300 was received from the BT Supporters Club fund of Charity Projects.
11 Trustee remuneration, expenses and related party transactions (continued)

Miguel Head was a trustee of The Royal Foundation and a director of Tyrolese (743) Limited. During the year, a donation of £91,800 (2017: £nil) was received from Tyrolese (743) Limited.

Related Party transactions - Subsidiaries

PWPW Trading Limited

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

PWPW Trading Limited raises funds on behalf of the charity and passes up its profits to The Royal Foundation of The Duke and Duchess of Cambridge and The Duke and Duchess of Sussex. At the year end, PWPW Trading Limited owed £110,761 (2017: £48,181) to The Royal Foundation, comprised of management charges of £2,323 (2017: £1,080) and a gift aid donation of £108,437 (2017: £47,101).

The Diana, Princess of Wales Memorial Fund

With effect from 1 April 2013, The Royal Foundation took over legal control of The Diana, Princess of Wales Memorial Fund in order to safeguard both the Fund’s name and any further income donated to the Fund in the future. 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. For further details of transactions, please refer to Note 2.

On 31 March 2019 the endowment fund of £250,000 was transferred to unrestricted funds in accordance with the agreement relating to the closure of the Diana, Princess of Wales Memorial Fund.

12 Tangible fixed assets – Group and Charity

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Fixtures &amp; Fittings</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 1 January 2018</td>
<td>72,011</td>
<td>21,023</td>
<td>193,500</td>
</tr>
<tr>
<td>Additions</td>
<td>34,134</td>
<td>14,479</td>
<td>48,613</td>
</tr>
<tr>
<td>Disposals</td>
<td>(4,337)</td>
<td>(4,337)</td>
<td></td>
</tr>
<tr>
<td>Balance carried forward 31 December 2018</td>
<td>101,688</td>
<td>35,502</td>
<td>237,776</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 1 January 2018</td>
<td>56,704</td>
<td>13,638</td>
<td>131,676</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>23,305</td>
<td>7,302</td>
<td>54,507</td>
</tr>
<tr>
<td>On disposals</td>
<td>(4,337)</td>
<td>(4,337)</td>
<td></td>
</tr>
<tr>
<td>Balance carried forward 31 December 2018</td>
<td>75,672</td>
<td>20,940</td>
<td>181,946</td>
</tr>
<tr>
<td>Net book value:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brought forward 1 January 2018</td>
<td>15,307</td>
<td>7,385</td>
<td>61,824</td>
</tr>
<tr>
<td>Carried forward 31 December 2018</td>
<td>26,136</td>
<td>14,562</td>
<td>55,930</td>
</tr>
</tbody>
</table>

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 2018. All funds invested with Cazenove Capital Management are unrestricted funds.

<table>
<thead>
<tr>
<th>Group</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Fund investments:</td>
<td></td>
</tr>
<tr>
<td>Market value (including cash) at 1 January</td>
<td>2,344,996</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>1,349,834</td>
</tr>
<tr>
<td>Proceeds on disposal</td>
<td>(1,568,161)</td>
</tr>
<tr>
<td>Net gains on revaluation</td>
<td>(95,173)</td>
</tr>
<tr>
<td>Movement in cash</td>
<td>260,566</td>
</tr>
<tr>
<td>Market Value at 31 December</td>
<td>2,292,062</td>
</tr>
<tr>
<td>Investment in Subsidiary</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>2,292,062</td>
</tr>
</tbody>
</table>

The charity also holds 1 ordinary share of £1 in PWPW 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).
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 2018

14 Debtors

<table>
<thead>
<tr>
<th></th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>72,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts owed by subsidiary</td>
<td>-</td>
<td>-</td>
<td>110,761</td>
<td>48,181</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>1,081,702</td>
<td>598,491</td>
<td>1,043,427</td>
<td>586,408</td>
</tr>
<tr>
<td>Other debtors</td>
<td>7,227</td>
<td>1,904</td>
<td>7,227</td>
<td>1,904</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,160,929</strong></td>
<td><strong>600,395</strong></td>
<td><strong>1,161,415</strong></td>
<td><strong>648,493</strong></td>
</tr>
</tbody>
</table>

15 Current asset investments

<table>
<thead>
<tr>
<th></th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Cash equivalents on deposit</td>
<td>2,000,000</td>
<td>-</td>
<td>2,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,000,000</strong></td>
<td><strong>-</strong></td>
<td><strong>2,000,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

16 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2018</th>
<th>Group 2017</th>
<th>Charity 2018</th>
<th>Charity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>147,791</td>
<td>93,702</td>
<td>147,791</td>
<td>93,702</td>
</tr>
<tr>
<td>Charitable grants</td>
<td>71,948</td>
<td>864,982</td>
<td>71,948</td>
<td>864,982</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>98,904</td>
<td>83,419</td>
<td>45,425</td>
<td></td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>223,940</td>
<td>218,753</td>
<td>313,514</td>
<td></td>
</tr>
<tr>
<td>Other creditors</td>
<td>13,103</td>
<td>8,355</td>
<td>13,103</td>
<td>8,355</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>555,686</strong></td>
<td><strong>1,334,765</strong></td>
<td><strong>535,014</strong></td>
<td><strong>1,325,978</strong></td>
</tr>
</tbody>
</table>

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 2018 the Foundation had approved but not yet awarded grants to third parties amounting to £1,899,257 (2017: £554,632) and there were instalments of grants awarded but falling due in the future amounting to £1,490,680 (2017: £2,446,312). In line with the Foundation’s accounting policy the commitments to future years are not recognised as a liability.

18 Analysis of movements in unrestricted funds

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

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

<table>
<thead>
<tr>
<th>Group</th>
<th>Balance at 1 January 2018</th>
<th>Income 2018</th>
<th>Expenditure 2018</th>
<th>Transfers between funds 2018</th>
<th>Gains &amp; Losses 2018</th>
<th>Balance at 31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Restricted funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coach Core</td>
<td>153,050</td>
<td>514,058</td>
<td>(711,199)</td>
<td>230,365</td>
<td>-</td>
<td>185,874</td>
</tr>
<tr>
<td>Conservation</td>
<td>623,515</td>
<td>375,005</td>
<td>(1,112,143)</td>
<td>356,518</td>
<td>-</td>
<td>242,859</td>
</tr>
<tr>
<td>Digital Technology</td>
<td>-</td>
<td>31,250</td>
<td>-</td>
<td>(31,250)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Early Years</td>
<td>-</td>
<td>296,282</td>
<td>(66,896)</td>
<td>100,000</td>
<td>-</td>
<td>329,386</td>
</tr>
<tr>
<td>Empowering Communities</td>
<td>-</td>
<td>557,638</td>
<td>(239,866)</td>
<td>-</td>
<td>-</td>
<td>317,772</td>
</tr>
<tr>
<td>Mental Health</td>
<td>3,456,173</td>
<td>1,287,444</td>
<td>(2,941,995)</td>
<td>(100,000)</td>
<td>-</td>
<td>1,702,922</td>
</tr>
<tr>
<td>The Duke and Duchess of Sussex Engagement Gift Fund</td>
<td>-</td>
<td>145,168</td>
<td>(108,367)</td>
<td>(36,811)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The Endeavour Fund</td>
<td>851,707</td>
<td>135,783</td>
<td>(548,035)</td>
<td>-</td>
<td>-</td>
<td>439,455</td>
</tr>
<tr>
<td>Supporting Those Who Serve (formerly 'Military')</td>
<td>153,586</td>
<td>1,024,105</td>
<td>(460,871)</td>
<td>-</td>
<td>-</td>
<td>717,020</td>
</tr>
<tr>
<td>Young People</td>
<td>20,000</td>
<td>25,000</td>
<td>(166,694)</td>
<td>121,694</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>5,258,031</strong></td>
<td><strong>4,392,133</strong></td>
<td><strong>(6,305,356)</strong></td>
<td><strong>640,516</strong></td>
<td>-</td>
<td><strong>3,935,324</strong></td>
</tr>
</tbody>
</table>

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 £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 an International Taskforce. During the year, a transfer from unrestricted funds of £325,267 and £31,250 from the restricted Digital Technology fund were made to cover a shortfall in conservation programmes.

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

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

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 children and young people’s mental health and well-being. During the year a transfer of £100,000 was made to the Early Years programme relating to a donation received in 2017, prior to the establishment of Early Years as a separate programme.

The Duke and Duchess of Sussex Engagement Gift Fund relates to funds received which are restricted to activities relating to the interests of the Duke and Duchess of Sussex.

The funds received in relation to the Endeavour Fund were from donors to support injured, wounded and sick Service men and women with their recovery through the provision of sporting and adventure challenges.

'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 £84,883 from unrestricted funds and £36,811 from The Duke and Duchess of Sussex Engagement Fund were made to cover a shortfall on Young People programmes.

20 Expendable Endowment Fund

<table>
<thead>
<tr>
<th>Group</th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Balance brought forward at 1 January</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Balance carried forward at 31 December</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

An 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.
### Notes to the consolidated financial statements (continued)

**Year ended 31 December 2018**

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

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

#### 22 Operating leases - Group and Charity

The minimum lease payments due over the lease terms are:

<table>
<thead>
<tr>
<th></th>
<th>Property</th>
<th>Other</th>
<th>Total</th>
<th>Property</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>205,887</td>
<td>5,595</td>
<td>211,482</td>
<td>191,712</td>
<td>3,052</td>
<td>194,764</td>
</tr>
<tr>
<td><strong>between two and 5 years</strong></td>
<td>766,848</td>
<td>27,976</td>
<td>794,824</td>
<td>766,848</td>
<td>1,157</td>
<td>768,005</td>
</tr>
<tr>
<td><strong>greater than 5 years</strong></td>
<td>122,376</td>
<td>-</td>
<td>122,376</td>
<td>314,088</td>
<td>-</td>
<td>314,088</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,095,111</td>
<td>33,571</td>
<td>1,128,682</td>
<td>1,272,648</td>
<td>4,209</td>
<td>1,276,857</td>
</tr>
</tbody>
</table>

As at year end, The Royal Foundation leased an office under an operating lease signed in 2014. The lease runs for 10 years, with a break after 5 years, at which time the lease payments were due to be renegotiated to reflect market rentals. In February 2019, a variation to the lease was signed to defer the break option to August 2020. Part of the first floor of the office was sublet by The Royal Foundation to the Invictus Games Foundation from January 2015 until July 2017.

In January 2018 The Royal Foundation signed a lease for additional office space adjacent to the existing office space. This lease expires in September 2019.

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 income/expenditure to net cash flow from operating activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>(1,352,755)</td>
<td>(594,280)</td>
<td>(1,352,755)</td>
<td>(594,280)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments for:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>54,507</td>
<td>46,402</td>
<td>54,507</td>
<td>46,402</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on investments</td>
<td>95,173</td>
<td>(128,866)</td>
<td>95,173</td>
<td>(128,866)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends and interest included in investing activities</td>
<td>(98,528)</td>
<td>(68,647)</td>
<td>(98,528)</td>
<td>(68,647)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in creditors</td>
<td>(560,534)</td>
<td>(490,310)</td>
<td>(512,922)</td>
<td>(521,076)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(2,641,216)</td>
<td>(408,937)</td>
<td>(2,605,489)</td>
<td>(441,995)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net funds at 1 January</strong></td>
<td>7,796,932</td>
<td>8,230,687</td>
<td>7,740,045</td>
<td>8,207,458</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net funds at 31 December</strong></td>
<td>3,423,958</td>
<td>7,796,932</td>
<td>3,402,798</td>
<td>7,740,045</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Analysis of cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>1 January 2018</th>
<th>Cash flows 2018</th>
<th>31 December 2018</th>
<th>1 January 2017</th>
<th>Cash flows 2017</th>
<th>31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>7,577,746</td>
<td>(4,633,540)</td>
<td>2,944,206</td>
<td>7,520,859</td>
<td>(4,597,813)</td>
<td>2,923,046</td>
</tr>
<tr>
<td>Cash held in investment portfolio</td>
<td>219,186</td>
<td>260,566</td>
<td>479,752</td>
<td>219,186</td>
<td>260,566</td>
<td>479,752</td>
</tr>
<tr>
<td></td>
<td>7,796,932</td>
<td>(4,373,974)</td>
<td>3,423,958</td>
<td>7,740,045</td>
<td>(4,337,247)</td>
<td>3,402,798</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1 January 2017</th>
<th>Cash flows 2017</th>
<th>31 December 2017</th>
<th>1 January 2017</th>
<th>Cash flows 2017</th>
<th>31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>7,991,626</td>
<td>(413,880)</td>
<td>7,577,746</td>
<td>7,968,397</td>
<td>(447,538)</td>
<td>7,520,859</td>
</tr>
<tr>
<td>Cash held in investment portfolio</td>
<td>239,061</td>
<td>(19,875)</td>
<td>219,186</td>
<td>239,061</td>
<td>(19,875)</td>
<td>219,186</td>
</tr>
<tr>
<td></td>
<td>8,230,687</td>
<td>(433,755)</td>
<td>7,796,932</td>
<td>8,207,458</td>
<td>(467,413)</td>
<td>7,740,045</td>
</tr>
</tbody>
</table>

**Notes:**
- The Royal Foundation of the Duke and Duchess of Cambridge and The Duke and Duchess of Sussex
- Year ended 31 December 2018
- Analysis of cash and cash equivalents
- Cash at bank and in hand
- Cash held in investment portfolio
- £ figures used in financial statements