

**The Royal Foundation of The Prince and Princess of Wales**

Company Registration No. 07033553

For the year ended 31 December 2023

**Company Registration No. 07033553**

**Charity Registration No. 1132048**

**The Royal Foundation of The Prince and Princess of Wales**

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

**Report and Consolidated Financial Statements for the year ended 31 December 2023**

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**THE ROYAL FOUNDATION OF THE PRINCE AND PRINCESS OF WALES**

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

**Company Registration No. 07033553**

**Principals and Members, Officers and Professional Advisers**

**Principals and Members**

Their Royal Highnesses The Prince and Princess of Wales

**Trustees**

Lord Hague of Richmond – Chairman

Simon Patterson – Vice Chairman

Zeinab Badawi

Dame Pippa Harris (from 28 September 2023)

Sir Ron Kalifa OBE

Lady Pinsent

Alice Webb

Claire Wills

**Ex Officio Trustees**

Jean-Christophe Gray CBE (until 23 February 2023)

Ian Patrick (from 4 March 2024)

Lt Col Tom White MVO RM (from 19 February 2024)

**Leadership Team**

Amanda Berry OBE

Chief Executive

Chris Bates

Head of Finance (until 21 November 2023)

Tom Clements

Executive Director, Conservation (from 3 June 2024)

Pim Gregory

Director of Impact (until 31 October 2023); Executive Director, Homelessness (from 1 November 2023)

Christian Guy

Director of The Royal Foundation Centre for Early Childhood (from 22 May 2023 until 31 October 2023); Executive Director, The Royal Foundation Centre for Early Childhood (from 1 November 2023)

Kully Kaur-Ballagan

Director of Research (until 31 October 2023); Director of Research and Impact (from 1 November 2023)

Amy Pickerill

Creative Director (Maternity Leave February 2023 – March 2024)

Jas Sohal

Director of People and Culture (from 8 April 2024)

Melanie Waters

Executive Director, Programmes (from 7 May 2024)

Damian Wilson

Director of Partnerships

Felicity Woodrow

Head of Governance and Operations (until 31 October 2023); Chief of Staff (from 1 November 2023)

**Registered Office**

Kensington Palace

Palace Green

London W8 4PU

**Bankers**

Barclays Bank plc

1 Churchill Place

London E14 5HP

**Solicitors**

Bates Wells LLP

10 Queen Street Place

London EC4R 1BE

**Auditor**

Crowe U.K. LLP

55 Ludgate Hill

London EC4M 7JW

**Investment Advisors**

Cazenove Capital (trading name of Schroder & Co. Limited)

1 London Wall Place,

London

EC2Y 5AU

## **LETTER FROM THE CHAIR OF THE BOARD AND THE CHIEF EXECUTIVE**

Driven by the passion and ambition of Their Royal Highnesses The Prince and Princess of Wales, our work is built on world-class research and close collaboration with a network of partners to incubate, pilot, fund and scale programmes.

In 2023, across a range of existing and new programmes, The Royal Foundation tackled some of society's greatest issues both at home and internationally, delivering positive sustainable change through innovative and optimistic solutions. We were more ambitious than ever before, bringing together the best and the brightest minds across the private, public and charity sectors to deliver projects that make a real difference to people and communities.

Highlights of the year included the launch of Homewards, the Foundation's transformative five-year programme that aims to demonstrate it is possible to end homelessness. In six locations across the UK, Homewards brings together local partners and people with lived experience of homelessness with the shared goal of making it rare, brief and unrepeatable.

Homewards demonstrates the power of The Royal Foundation to bring together hundreds of people and organisations across the private, public and voluntary sectors to create local coalitions to deliver ground-breaking programmes that inspire and catalyse change. The progress that Homewards has already made will be captured in a two-part documentary for ITV which started filming in 2023 and will follow its first 12 months.

Work undertaken by the Centre for Early Childhood highlighted how the Foundation is changing public perceptions and working constructively with both the Early Years sector and business. Launched in January 2023, Shaping Us is a long-term campaign that aims to raise awareness of the unique importance of early childhood development by changing and informing public perceptions around the issue.

The Centre also established The Royal Foundation Business Taskforce for Early Childhood. The Taskforce brought together eight of the biggest businesses in the UK to prioritise early childhood, leading to the publication of a case for change report and the launch of a number of practical initiatives including a research project in partnership with the University of Oxford and the NHS in which health visitors successfully trialled an innovative screening tool to improve parent-infant interactions and relationships.

One of our longest-running programmes, United for Wildlife, brings together over 400 members and partners from across law enforcement, finance, transport and other spheres to work together to end the illegal wildlife trade. As the programme enters its second decade, we are proud of the global presence it has built and the impact it has made. Momentum continued to build in 2023, with the programme supporting the training of 20,000 individuals on how to combat illegal wildlife trafficking last year. We were also pleased to launch our new United for Wildlife chapter in Latin America – our seventh globally – and to have hosted the United for Wildlife Summit in Singapore in November.

At the Foundation we believe in the vital importance of supporting communities so they can thrive. In 2023, we established new Community Impact projects, designed to make a tangible and long-lasting difference by supporting communities to solve challenges they themselves have identified.

The projects are varied but they share the goal of bringing people together and enabling community action around issues such as youth violence and addiction. Our work in Manchester, for instance, brought together The Mayor of Greater Manchester, Manchester City Council and the private sector to create a dedicated employment, skills and training programme for young people at risk of violence in the city. The three-year project, working with the Manchester Peace Together Alliance, addressed the underlying causes of youth violence and will showcase learnings and insights that will allow our partners on the ground to roll the initiative out across Manchester and beyond.

As we approached the end of the year, The Princess of Wales hosted her third annual Christmas Carol service broadcast on Christmas Eve by ITV, attended by 1,600 inspirational individuals from across the UK who work tirelessly to support young children in our society.

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For the year ended 31 December 2023

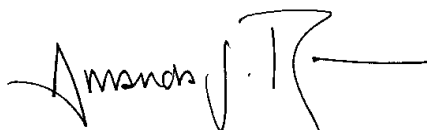
Alongside the service at Westminster Abbey, 12 further events took place across the UK, and over three million people watched the service on ITV on Christmas Eve bringing the nation together in a celebration of the power of community.

None of this would be possible without the dedication and talent of everyone involved with the Foundation, from the inspirational individuals and partner organisations we are proud to work with to our exceptionally hard-working staff. We are also truly fortunate to benefit from the wisdom and guidance of our Board of Trustees, who continue to help drive us forward as we work to create lasting change.

Finally, as we look forward with excitement to the future, we would like to sincerely thank The Prince and Princess of Wales for the strength of their vision and commitment which continues to allow the Foundation to achieve so much.



Lord Hague of Richmond  
Chair



Amanda Berry OBE  
Chief Executive

June 2024

## **TRUSTEES' REPORT**

The Trustees of The Royal Foundation of The Prince and Princess of Wales ("The Royal Foundation") present their annual report (including the Directors' and Strategic Report) for the year ended 31 December 2023 under the Companies Act 2006, together with the audited accounts for the year, in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)).

### **Objectives and activities**

The Royal Foundation tackles society's greatest issues.

Guided by the interests and passions of The Prince and Princess of Wales, we drive change where it is needed most, with ambition and optimism to deliver a better future for all.

We partner with the best and the brightest to spotlight the issues and challenges we seek to address.

We inspire action whilst creating impact and sustainable change.

The work of The Royal Foundation is currently focused on the following themes: the environment and conservation, early childhood, mental health, the emergency responders' community and homelessness.

Core to the Foundation's approach are:

#### ***Optimism - Leading with the principle that change is always possible.***

This positive approach has seen the Foundation work on issues that have previously seemed too big a challenge to many. Work on mental health, the environment and early childhood is underpinned by the belief that change can and will be seen.

#### ***Partnerships - Catalysing collaborative action and investment for more sustainable change.***

The Partnerships Team plays a central role in the successful delivery of The Royal Foundation's mission and approach, working across the organisation to establish major strategic partnerships with philanthropy and business to develop and scale our programmes.

The Royal Foundation has a small number of individuals who generously give unrestricted gifts to support the core of the organisation. This crucially enables early-stage programme design and development, together with central operational capacity. Alongside these individuals, the Foundation also works with a group of trusts and other organisations who fund specific programmes from the point of launch, enabling their impact to be scaled and sustained.

In both cases, the strategic value and collaboration of The Royal Foundations' philanthropic partners is as vital to its success as their financial support.

#### ***Platform - Spotlighting issues and solutions***

The platform of Their Royal Highnesses The Prince and Princess of Wales gives The Royal Foundation a unique opportunity to spotlight issues on an unparalleled scale.

The Foundation convenes powerful and diverse business leaders and coalitions to co-design, develop and invest in innovative solutions to society's greatest challenges. In the past year this has included the Homewards' 'Activators' and the Business Taskforce for Early Childhood

#### ***Research - High quality research ensures that our work is evidence-led so that we can address some of society's toughest challenges and deliver the greatest impact.***

Research and evaluation are fundamental in ensuring that programme design is underpinned by the best evidence and the resulting impact can be tracked and understood.

In 2023, the Foundation invested further in its research and evaluation capacity, including integrating lived experience to all elements of programme design.

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For example, evaluation and learning has been embedded as part of Homewards so that as delivery gets underway in each location, the team are able to understand more about what is working and ensure learnings are shared.

Through deeper understanding around public perceptions, the Foundation is better placed to shift the dial on deep-rooted views and misperceptions (for example around homelessness) and low levels of awareness (for example around the importance of early childhood). This research will help us to inform future communications and campaigns activities to ensure these resonate with the public in the right way.

Looking to the future, research and evaluation will remain at the root of all that the Foundation does. This includes collaboration with research experts to aid the design of programmes that deliver game-changing solutions with measurable, sustainable impact.

### **THE ROYAL FOUNDATION CENTRE FOR EARLY CHILDHOOD**

The Royal Foundation Centre for Early Childhood (the Centre) was established by Her Royal Highness The Princess of Wales in 2021 to bring decades of ground-breaking scientific research about the unique importance of early childhood development to a more mainstream audience, thereby unleashing its potential to transform and build healthier societies.

#### ***Shaping Us***

In January 2023, the Centre launched Shaping Us, a long-term campaign to raise public awareness about the importance of development in early childhood, illustrated by Layla's Story, a short film bringing to life key developmental milestones in the life of a little girl from the womb to the age of five.

Within four months of the campaign launching, the Centre saw early signs of progress, as their annual Public Perceptions Survey recorded a small, but nevertheless encouraging, increase in public awareness levels of the importance of early childhood development from 17% to 19%.

#### ***Business Taskforce***

In March, The Royal Foundation Business Taskforce for Early Childhood was established, bringing together eight of the biggest businesses in the UK to work together to prioritise early childhood.

Since then, the Taskforce has been collaborating on a report setting out a business case for change. This includes the identification of five game-changing areas where business can act to have maximum impact and the development of a pledge to inspire the wider business community to join the movement and help create a happier, healthier society by investing in early childhood.

#### ***Alarm Distress Baby Scale trial***

In June, the Centre funded its first UK innovation trial, testing a tool – the Alarm Distress Baby Scale – which supports Health Visitors to interpret baby behaviour and promote parent-infant relationships. The Princess of Wales saw the tool on a trip to Denmark in 2021 and was keen to explore whether it could be used effectively in the UK.

The trial ran in two NHS Trusts, in partnership with the Institute of Health Visiting and the University of Oxford, and the results were overwhelmingly positive. The tools helped practitioners to have more meaningful conversations with parents and carers about the emotional wellbeing of their baby, promoted positive parent-infant interactions and bonding and identified babies and families in need of greater support during this critical period.

A second phase for the trial is planned, bringing the benefits to more health visitors across the country so that more babies and their families receive the support they need to thrive. The importance of social and emotional development is a significant area of interest for the Centre and this trial was part of wider work to promote this aspect of child development.

### ***Social and emotional development***

To inform work that inspires greater action and investment on the critical importance of social and emotional development, the Centre conducted a first-of-its-kind global listening exercise to develop consensus on the universally relevant skills that matter most throughout our lives and which have their foundations in early childhood. The research involved experts in human development from 21 countries around the world, who took part in a two-stage survey process to generate a list of skills and then test the importance of these skills in shaping lives. Consensus was reached around key skills relating to knowing ourselves, managing our emotions, focusing our thoughts, communicating with others, nurturing our relationships and exploring the world.

The results were presented to an audience of cross-disciplinary leaders, child and adult specialists and global thinkers at the Shaping Us National Symposium in November. More than 100 experts took part in an action-focused discussion later in the day which will inform the Centre's future planning.

### **HOMEWARDS**

In 2023, The Royal Foundation launched a new, transformative and ambitious five-year programme, Homewards, to demonstrate that together it's possible to end homelessness, making it rare, brief and unrepeated.

Following a two-year consultation and design period, Homewards is an ambitious but achievable way forward to tackle one of society's greatest challenges that utilises the platform and convening power of Prince William and The Royal Foundation and has the potential to make a huge impact in the UK and beyond.

Rooted in Prince William's lifelong commitment to tackling homelessness, Homewards is working in partnership with six flagship locations across the UK (Aberdeen, Bournemouth, Christchurch and Poole, the borough of Lambeth, Newport, Northern Ireland and Sheffield) to provide them with the tools and skills to focus on homelessness prevention. The programme is also working to change the narrative around homelessness. Independent research conducted on behalf of the Foundation shows that three in ten members of the public incorrectly think that street homelessness is more common than other types of homelessness and seven in ten don't know what's being done to end homelessness in the UK.

The Royal Foundation is supporting each location by providing additional capacity to convene partners and drive forward work in each of the six locations. Chosen due to their distinctiveness, potential and ambition, the wide-ranging geographical selection of the locations spans the four nations of the UK, whilst their diversity reflects the breadth and complexities of homelessness. Each location will deliver an innovative housing project that will test new ways to access and scale housing.

In addition, the Foundation has established the Homewards Fund, a fund of £3 million which each location can apply to for grant funding to use to unlock scalable solutions. Through the Homewards Partnership, locations also have access to an extensive network of experts, partners and resources to ensure best practice and all activity will be evaluated so that learnings and best practice can be shared.

The launch of Homewards in June saw Prince William undertake a UK tour of all six locations and meet local partners. Through support from the Homewards Sector Partners, a group of 16 national and international homelessness charities, our initial Homewards Activators, businesses from a range of industries, and our Advocates, a diverse group of high-profile individuals, coverage of the launch reached a global audience of 1.8 billion. This included interviews and features on Good Morning America, BBC Radio 4's Today programme, BBC Breakfast and local news stations. Since launch, all six Homewards locations have convened hundreds of new partners to galvanise local movement and form the beginnings of local coalitions.

In September, the programme shone a spotlight on the vital role business can play in supporting Homewards. On a visit to Bournemouth, the Foundation convened local businesses, including AFC Bournemouth and Lush, who joined Prince William and local coalition members to announce their commitment to the programme. We also worked closely with Homewards Activator Pret A Manger, who pledged to extend their Rising Stars programme and support at least 500 people experiencing, or at risk of homelessness, into jobs at Pret's UK shops, including in Homewards flagship locations where Pret has a presence.



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### **UNITED FOR WILDLIFE**

The Royal Foundation continues its longstanding effort to combat the illegal wildlife trade through United for Wildlife (UfW).

The programme expanded its membership by 35% (from 296 to 399 formal members), supported over 100 law enforcement investigations, and trained approximately 20,000 people in counter illegal wildlife trade practices. The programme also significantly strengthened its relationship with law enforcement authorities across the globe, announcing formal partnerships with Interpol, UN Office of Drugs and Crime (UNODC), The United States Department of Homeland Security and Dubai Police.

In June, the Foundation supported the launch of the RHINO MAN film, hosting a private screening in London for key stakeholders. The film raises awareness of the role of rangers and the challenges they face working on the front lines of conservation.

With support from the British Embassy in Bogota, United for Wildlife's seventh Regional Chapter (Latin America) was launched in Colombia in July. Some of the largest financial institutions, transport companies, law enforcement agencies and conservation groups in Latin America joined forces at the launch and committed to take action against the growing trends coming from the region.

In November, the United for Wildlife Global Summit took place in Singapore. Prince William brought together stakeholders from the network to share successes and learnings and encourage the cross-sector relationships that are essential to fighting the illegal wildlife trade.

United for Wildlife ended the year at COP28, with its Middle East and Northern Africa (MENA) Chapter hosting two events. A formal partnership with Dubai Police was announced and, in partnership with Lexis Nexis Risk Solutions, UfW launched a new global report on the illegal wildlife trade.

### **COMMUNITY IMPACT**

In 2023, The Royal Foundation established two more Community Impact projects, both designed to leave a tangible legacy in communities visited by The Prince and Princess of Wales.

The Royal Foundation brought together The Mayor of Greater Manchester, Manchester City Council and the private sector to create the Manchester Peace Together Alliance's first dedicated employment, skills and training programme for young people at risk of violence in the city. The Manchester Peace Together Alliance is a community-led programme working to pinpoint and address the underlying causes of youth violence, providing activities and targeted mentoring programmes to support them to succeed. This three-year project will also showcase learnings and insights that will, in time, allow the initiative to be rolled out across Manchester and beyond.

In South Wales, the Foundation worked with Brynawel Rehabilitation Centre to help develop a therapy garden and allotments to support those who are receiving treatment for alcohol and drug dependency. The garden now incorporates horticultural therapy and gardening for residents from the community.

### **TOGETHER AT CHRISTMAS**

In December, The Princess of Wales hosted the Foundation's third annual Christmas Carol Service at Westminster Abbey.

Linked to the Shaping Us campaign, the 2023 service was dedicated to all those working tirelessly to support our youngest children in those crucial early years. Westminster Abbey was filled with over 1,600 inspiring individuals from across the UK who were invited in recognition of their work supporting babies, young children and families. This included midwives, health visitors, early years practitioners, nursery teachers and community volunteers. The service showcased the golden opportunity of early childhood in shaping future society and why it is so important to build supportive, nurturing worlds around children and those who care for them.

The service featured some of the nation's favourite carols performed by the Westminster Abbey choir, as well as musical performances from James Bay, Jacob Collier, Freya Ridings and a special duet from Beverley Knight and Adam Lambert.

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Readings were delivered by The Prince of Wales, Micheal Ward, Emma Willis, Jim Broadbent and Roman Kemp whilst a specially commissioned poem celebrating the wonder of early childhood, written by Joseph Coelho, the Children's Laureate, was read by **Call the Midwife** actress Leonie Elliott.

Alongside the service at Westminster Abbey, 12 Community Carol Services took place across the UK, hosted by Lord-Lieutenants and supported by The Royal Foundation. Linked to the Westminster Abbey service, these services provided an opportunity to bring communities together and thank those supporting our youngest children.

The service was broadcast on ITV1 on Christmas Eve and reached a total audience of 3.2 million people. The service received extensive media coverage, including 10 front pages and had a reach of over 38 million through social channels.

### **MENTAL HEALTH**

Mental health has been at the heart of The Royal Foundation's work since the charity's inception. In 2023, the Foundation hosted Exploring our Emotional Worlds, a forum for young people, designed and delivered in partnership with The Mix charity and BBC Radio 1. 100 young people joined the event, with support from 10 leading mental health and youth charities, to start a conversation about why understanding our emotions is the bedrock of mental wellbeing.

Hearing directly from young people about the specific mental health challenges their generation faces, enabled insightful discussion of the solutions that might best support them to better look after their own and each other's mental wellbeing. These conversations are helping to inform the next phase of the Foundation's mental health programme.

We know this work is crucial if we are to create a healthier society for all. An independent survey of 3,000 young people across the UK, commissioned by the Foundation, helped showcase the role that social and emotional development plays in this group's current and future wellbeing, revealing 59% of 16–24 year olds think it's very important for young people to have greater awareness and understanding of social and emotional skills.

### **EMERGENCY RESPONDERS**

The Royal Foundation continues to support the mental health and wellbeing of the emergency responder community, galvanising collaboration between the emergency services and the charities that support the workforce and their families.

The Royal Foundation's Emergency Responders Senior Leaders Board continues to go from strength to strength. Through collaboration, Ambulance and Fire services have launched dedicated, bespoke crisis helplines and the Police Service will follow suit imminently. The Senior Leaders Board also have oversight of newly formed cross-sector working groups that focus on culture across the different services and on the impact of dealing with traumatic events involving young people.

In November 2023, the third successful Emergency Services Mental Health and Wellbeing Symposium was hosted by the National Police Wellbeing Service in Manchester. The event explored emerging critical issues and saw the launch of several high-profile areas of work to support the mental health of those working in the emergency services. This included brand new resources for supporting families of police officers and staff, a relaunch of Blue Light Together – a digital hub to support the mental health of the work force – and the development of the Fire Service suicide prevention crisis line.

### **WHAT'S NEXT FOR THE ROYAL FOUNDATION?**

2024 will see the Foundation continue to highlight the vital importance of the early years, further working towards demonstrating that it is possible to end homelessness, developing our mental health programme to better support future generations, working with communities so they can thrive and tackling the illegal wildlife trade.

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In 2024, Homewards will be firmly established in each of its six locations, with tailored actions plans in delivery that support local and national solutions to ending homelessness, and inspiring optimism that homelessness can be ended if we work together.

The Centre for Early Childhood is looking forward to scaling up the work of the Business Taskforce, following the recent publication of their report ***Prioritising early childhood for a happier, healthier society: How business can drive, and benefit from, transformative change in the UK***, which sets out the business case for prioritising early childhood.

The Foundation's work combatting the illegal wildlife trade will continue through United for Wildlife. Since January, the team has already brought together the North America and Latin America Chapters, hosted the India Chapter, with further regional Chapter meetings planned for later this year.

Following the successful Community Impact days in 2023, this programme will continue this work in 2024, enabling more communities across the UK to solve challenges they have identified, by drawing on the convening power of The Royal Foundation and Their Royal Highnesses' unique platform to galvanise action and support.

Informed by learnings from the recent youth mental health forum and key partners in this sector, the Foundation will continue to develop its mental health programme. Mental health is a vital aspect of so much of the Foundation's activity, and the development of this work will help to broaden the impact of our flagship programmes.

## FINANCIAL REVIEW

### Income

The total income for the year to 31 December 2023 was £8.0m, (2022, £10.1m). The reduction in income from the prior year reflects the significant funds that were raised in 2022 for The Earthshot Prize, ahead of its spinout from The Royal Foundation and establishment as an independent charity. The Foundation's total income recognises net income share from The Earthshot Prize, reflecting Earthshot's status as an associate of The Royal Foundation.

81% of total income consists of donations, grants, royalty and legacy income (down from 95% in 2022) of which 43% was restricted (2022: 73%). Again, the movement here reflects the high level of restricted income raised for The Earthshot Prize ahead of spinout.

Unrestricted income increased from £2.7m to £3.8m, an increase of 42% which reflects the continuing growth of the Foundation's donor base.

### Expenditure

Total expenditure in 2023 was £8.7m of which 87% was spent on charitable activities. The comparable figures for 2022 were £15.0m of expenditure of which 95% was spent on charitable activities, again reflecting The Earthshot Prize spinning out of The Royal Foundation in July 2022. Expenditure incurred by The Royal Foundation in respect of The Earthshot Prize fell from £9.0m in 2022 (of which £6.6m related to restricted funds transferred to the newly independent charity upon spin out and treated as grant expenditure) to £0.2m in 2023.

### Charitable Activities

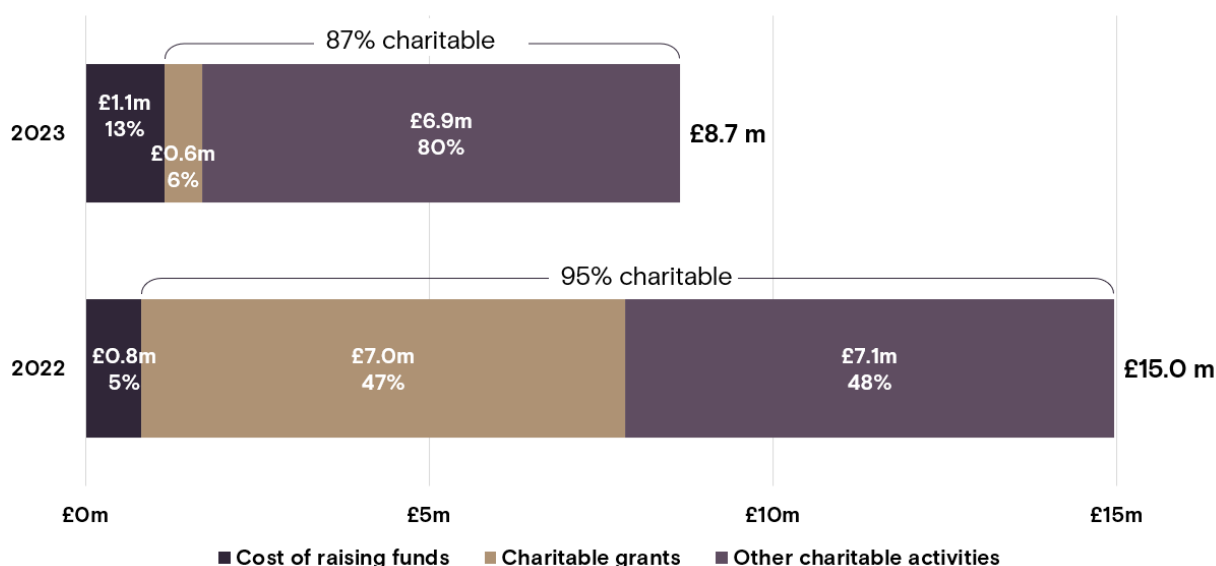
87% of the £8.7m spent in the year was incurred on charitable activities, down from 95% in 2022, with a small increase in fundraising costs as the Foundation secured new donors in line with financial forecasts and increased income targets for 2024. Charitable expenditure includes amounts spent on designing and incubating projects, providing grant funding and all activities designed to convene and raise awareness.

The Royal Foundation's charitable expenditure was incurred across its core focus areas: Conservation (including both United for Wildlife and the final payments of restricted funds relating to The Earthshot Prize), Early Childhood, Homelessness, Emergency Responders, and Mental Health. The value of charitable grants decreased significantly, with the 2022 figure including the £6.6m transferred to The Earthshot Prize at spin-out. Details are provided in Notes 5 and 6. A breakdown of the expenditure is shown below:

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**The Early Years** programme incurred the highest expenditure (£2.6m; 2022: £1.8m) as following investment in The Centre for Early Childhood team and increasing activity following the **Shaping Us** campaign launched in January 2023. Communications, marketing and event costs reflect the activation around the campaign and the subsequent **Shaping Us** symposium, with grant expenditure incurred in relation to the health visitor trial and research projects.

Following the public launch of **Homewards** in June, spend on **Homelessness** grew significantly (2023 £2.2m, 2022 £0.5m). This reflects increased staff costs as a dedicated Homewards team was built, as well as investing in evaluation measurement to support the development of the programme over the coming years.

**United for Wildlife** continued to ramp up activities overseas including the establishment of the regional chapter network across four continents and a global summit held in Singapore to coincide with The Earthshot Prize Awards ceremony, which saw programme expenditure growing from £1.3m in 2022 to £1.6m in 2023.

**Mental Health** spend also increased year-on-year from £0.1m in 2022 to £0.6m in 2023 as the Foundation partnered with Radio One and The Mix to deliver a youth mental health forum in the autumn. This forum will help to inform the development of the Foundation's future mental health activity.

Expenditure on **Emergency Responders** and other smaller projects, including the final transfer of restricted funds to **The Earthshot Prize**, accounts for the remaining £0.5m spend in 2023.

### Fundraising

The cost of raising funds increased from £0.8m in 2022 to £1.1m in 2023, reflecting additional investment in prospecting, securing new donors and leveraging corporate partners to support the planned growth of the key Charitable Programmes listed above. A number of prospects identified in 2023 have successfully converted into pledges in early 2024.

### Staff and support costs

Staff costs comprised £3.4m of total expenditure, a small increase from 3.2m in 2022, reflecting the impact of investment in the team with new roles recruited in late 2022 and across 2023, as the Foundation's activities increased and new flagship programmes were launched. The average headcount across the whole of 2023 was 48 (2022: 39).

Support costs increased from £1.6m to £2.2m, reflecting increased headcount and the associated management and operating costs as the Foundation makes important investment in its resources and infrastructure. The Royal Foundation continues to monitor and manage support costs closely, ensuring value for money and compliance with all regulatory and legal requirements. Support costs are allocated across The Royal Foundation's charitable and fundraising activities to reflect usage by activity and associated headcount. Details are provided in Note 7.

## Funds of The Royal Foundation

The funds of the charity fall into two categories: restricted funds for 2023 of (£1.7m), 2022 (£2.4m) are donations received for defined projects; and unrestricted funds for 2023 of (£5.3m), 2022 (£5.1m) to be spent in accordance with the charitable objectives at the discretion of the Trustees.

## Reserves Policy

When setting the target level of reserves, the Trustees have had regard to the Charity Commission's guidance note CC19 and to the financial risk profile of the Foundation, recognising that most of the charity's income derives from voluntary donations whose recurrence can be uncertain. Reserves are held for both proactive and reactive reasons:

- To cover any unplanned reduction to income without compromising charitable and other activities.
- To take advantage of any short-term opportunities and to allow new projects to proceed to design and research stages prior to a project-specific fundraising strategy having been devised.
- To cover any unforeseen or emergency expenditure requirements.
- To cover timing differences and working capital requirements.

As such, the Trustees target a level of reserves of between 12 and 16 months of operating expenditure. The level of reserves is calculated monthly and is reviewed by the Trustees at each of their quarterly Trustee meetings.

The total funds of the charity as at 31 December 2023 stand at £7.0m (2022: £7.5m). The free reserves of the charity are £5.1m (2022: £5.0m). The unrestricted reserves represent 13 months of unrestricted expenditure (based on the budgeted 2024 rate of spend), down from 15 months in 2022 but still within the target range (12–16 months). The Board of Trustees continues to be prudent with the free reserves balances into 2024, as our fundraising strategy scales up and the major programmes grow and develop.

Free reserves of the charity are calculated as set out below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Total Funds of The Royal Foundation	6,957	7,528
<b>Less:</b>		
Restricted Funds	(1,683)	(2,441)
Tangible Fixed Assets	(131)	(56)
Free Reserves	<u>5,143</u>	<u>5,031</u>

## Investment Policy and Performance

The Trustees invest funds not immediately required for operational purposes in an investment portfolio managed by Cazenove Capital Management. The investment objective is to generate a total return of at least inflation (UK CPI) plus 3% per annum net of all costs, through a fully diversified strategy and over a 5-year investment time horizon. The Finance Committee review the charity's investment policy annually and investment performance at their quarterly meetings.

In 2015, the trustees adopted the ethical investing guidelines of the Church of England's Ethical Investment Advisory Group. This prohibits investment in businesses which derive more than a de minimis limit from the following industries: alcohol, tobacco, pornography, armaments, gambling, doorstep lending, human embryonic cloning and the extraction, production and refining of fossil fuels.

During 2023 the portfolio, invested in Cazenove's Charity Responsible Multi-asset fund, increased in value from £1.59m to £1.70m with an unrealised capital gain of £111k. The value and composition of investments are summarised in Note 13 to the financial statements.

The portfolio is conservatively invested and diversified across multiple asset classes, and therefore suffers less than the wider equity markets during periods of volatility.

## **Grant-making policy**

Decisions on grants are made by the Trustees. Trustees only approve grants or fund projects which demonstrate public benefit within the criteria of the Charity Commission's guidance. The Royal Foundation actively looks for opportunities where added leverage can be demonstrated from its involvement but it does not accept unsolicited requests for funds.

## **Going concern**

The financial review above considers the financial performance and position of The Royal Foundation. The Trustees have undertaken a robust assessment of the charity's projected future income, expenditure and cash flow and analysed its reserves and liquid assets for the period until 31 July 2025 and are satisfied with the charity's ability to withstand a material fall in income. Additional reviews of the organisation's financial performance and position have been undertaken in March 2024 and again in June prior to approving these accounts, providing the Trustees with assurance that the charity can continue operating for at least the next twelve months.

The Foundation is primarily reliant on donations from a group of individual donors and foundations to fund its core costs, with minimal reliance on commercial sponsorship. Income from public fundraising and legacies is not solicited but is received on an ad hoc basis. Investment income is retained within the portfolio and is not required to fund the core costs of the organisation.

As such, the Trustees believe that The Royal Foundation has adequate resources to continue its activities for the foreseeable future and that there is no material uncertainty in relation to the Foundation's status as a going concern. Consequently, the going concern basis continues to be appropriate for the preparation of the financial statements.

## **RISK MANAGEMENT**

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

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

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

- **Staff capacity.** The Royal Foundation runs a lean team which requires considerable attention to resource allocation and capacity given the number of active projects being worked on. This risk is mitigated through proactive prioritisation and scheduling of work and an agile approach to resourcing, including where appropriate the use of secondees, contractors and working with partner organisations in order to manage capacity as required. The Foundation has also recruited a number of new roles over the past year, strengthening our core operations and reflecting the growth of our flagship programmes.
- **Cybersecurity.** As a high-profile organisation The Royal Foundation faces increasing risk of its IT infrastructure being maliciously targeted, which could potentially lead to exposure or loss of critical assets or sensitive information. The Foundation maintains robust security protocols and controls, and regular staff training is carried out.

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

## **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 of The Prince and Princess of Wales**

Company Registration No. 07033553

For the year ended 31 December 2023

The Royal Foundation was formed on 29 September 2009 as a charitable company limited by guarantee. It is governed by its revised Articles of Association which were passed by a special resolution dated 28 April 2011 and further amended by special resolutions dated 1 November 2011, 29 February 2012, 11 July 2012, 12 January 2017, 8 June 2018, 8 August 2019 and 20 June 2022.

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

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

A Declaration of Trust was signed by The Diana, Princess of Wales Memorial Fund Trust Company as sole corporate trustee of the Diana Fund, applying the current and future assets (excluding a £10 reserved sum) to The Royal Foundation. The Declaration of Trust came into effect on 31 December 2013. Any future income is received by The Royal Foundation as unrestricted funds. In accordance with a request by The Duke of Sussex, half of the net proceeds received by the Diana Fund since 18 December 2019 are being donated to Sentebale, a UK-registered charity of which The Duke of Sussex is a patron.

In July 2022, The Earthshot Prize was established as an independent charity, allowing it to expand at the rate needed to address the most significant challenges facing our planet. The Earthshot Prize is registered as a charity with the Charity Commission under charity number 1198701 and is a company registered in England & Wales, number 13981670.

The Royal Foundation recognises The Earthshot Prize as an associate, reflecting the continuing close relationship between the two entities. As part of the founding documents of The Earthshot Prize, the trustees of The Royal Foundation are entitled to nominate at least one third of The Earthshot Prize's Board, as well as The Royal Foundation being a Member of The Earthshot Prize. As such, there are currently three Foundation-nominated trustees sitting on the Board of The Earthshot Prize: David Fein, Jason Knauf and Zoë Ware. There are also regular meetings between executives of both entities and The Earthshot Prize reports to the Board of The Royal Foundation on an annual basis.

The Royal Foundation accounts for The Earthshot Prize as an associate using the equity accounting method.

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

## **MEMBERS, TRUSTEES, DELEGATED COMMITTEES AND ADVISORY BOARDS**

### ***Members***

The Prince and Princess of Wales have been members of The Royal Foundation since August 2019.

### ***Trustees***

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

Each Trustee undertakes a balance of responsibilities divided between strategic direction, governance, oversight and fundraising and the Trustees meet formally a minimum of four times a year under the Chairmanship of Lord Hague of Richmond.

### **Trustee Recruitment**

The Articles of Association of The Royal Foundation provide for the appointment of Directors, who also act as Trustees. After discussing and agreeing the specific skills and experience required to enhance the Trustee board, the Trustees draw up a list of potential candidates, which is approved by the members of The Royal Foundation.

## **The Royal Foundation of The Prince and Princess of Wales**

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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 prospective candidates, informed by the requirements of the Foundation's skills matrix which considers 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 appointed by the Trustees, following formal nomination by The Prince of Wales in his role as Founder.

In addition, The Private Secretaries of The Prince and Princess of Wales are entitled to be appointed as **ex officio** trustees of The Royal Foundation.

### **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 2020, 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 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, as well as being the primary forum for trustee interactions with the auditors.

The Finance Committee meets quarterly, is chaired by Sir Ron Kalifa OBE and comprises three further Trustees: Jean-Christophe Gray (until 23 November 2023), Lady Pinsent, Dame Pippa Harris (from 1 January 2024) and three external advisory members: Ben Moorhead DL (until 12 September 2023), Catherine Biscoe FCA (until 12 September 2023), Kate Mathers (from 12 September 2023), Virginia Henley (from 12 September 2023) and Simon Lyons (from 12 September 2023). The Committee meetings are attended by members of the Leadership Committee, including the Chief Executive.

### **Governance and Nominations Committee**

The Governance and Nominations Committee was constituted at the end of 2018 to lead the process for appointments and election to the Board of Trustees and independent members to its committees, and to review and make recommendations to the Board of Trustees relating to the overall governance arrangements of the organisation. The Governance and Nominations Committee meets at least twice a year, is chaired by trustee Claire Wills and comprises two further trustees, Alice Webb, Jean-Christophe Gray (until 28 November 2023) and Tom White (from 20 June 2024).

### **Remuneration Committee**

The Remuneration Committee reviews and makes recommendations to the Board of Trustees on remuneration matters. The committee is chaired by Lord Hague and comprises four further trustees, Simon Patterson, Claire Wills, Alice Webb and Sir Ron Kalifa OBE.

### **Advisory Boards and Councils**

The Royal Foundation is fortunate to benefit from a network of experienced volunteers, who support and help steer The Royal Foundation's work through external advisory groups.



## **The Royal Foundation of The Prince and Princess of Wales**

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Advisory boards and councils that were active in the year included the Emergency Services Senior Leaders Board, Early Years Advisory Group, and a National Expert Panel for Homelessness.

### **Senior Management**

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

### **Employment and Remuneration**

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

The Royal Foundation is committed to being a mentally healthy workplace and offers a number of health and wellbeing initiatives to ensure that all members of the team have the right resources and support in place to ensure good mental health.

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

These principles underpin its professional behaviour and are embedded in its policies, procedures, day-to-day practices and external relationships. All policies and practices reflect current relevant legislation and will continue to comply with future legislation changes. The Foundation is continuing its work to place its approach to diversity as an employer, partner and designer of charitable initiatives at the centre of its overall strategy.

### **SUSTAINABILITY**

The Foundation committed to further develop its sustainability policies during 2023 and to clarify the role sustainability should play in its values, culture and programmes. As a charitable foundation which seeks to influence significant and positive societal change, and specifically societal change to create a healthier planet, we recognise that positive sustainability action should be ingrained in everything we do. The Royal Foundation will adopt its role in addressing this fundamental societal challenge by advocating practical sustainable best practice throughout its operations and programmes.

The Royal Foundation's Sustainability Strategy, which will be adopted in 2024, outlines how we will reduce our carbon footprint, promote sustainability throughout our programmes, and reduce our negative environmental operational impact.

### **SAFEGUARDING**

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

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

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

### **DATA PROTECTION**

The organisation reviewed and revised where necessary its processes, policies and approaches in relation to data protection to ensure its compliance with the General Data Protection Regulation (2016/679 as implemented into UK Law ("the UK GDPR") and the Data Protection Act 2018. All staff are provided with appropriate training to ensure there is a good level of understanding throughout the whole organisation.

### **GOVERNANCE CODE**

A governance code, endorsed by the Charity Commission and other industry bodies, was launched in 2017 and updated in 2020. 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". Details of where the code has not been applied, or where steps have been taken to apply the code's provisions during the year, are provided below:

- Equality, diversity and inclusion: formal targets for diversity of the Board have not previously been set but will be considered, monitored, and reported on. Diversity is always considered as part of the Trustee recruitment process.

During 2023, the Board undertook a Board evaluation exercise, conducted by an independent expert. The review found the Board to be operating accordingly and made a small number of best practice recommendations which have been considered by the Board and implemented where appropriate.

### **FUNDRAISING**

The Royal Foundation applies the support it receives only for its charitable purposes. The Foundation does not accept funds raised through activities considered 'public fundraising' such as sponsored challenges, but it welcomes donations and other funding from individuals, foundations, companies and other charities, engaging supporters around particular programmes or the charitable work of The Royal Foundation as a whole, in line with its gift acceptance policy. The Royal Foundation is committed to the highest standards in all of its fundraising activity and is open and honest in the information it provides to its supporters about its work and how their donations are used.

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

The Royal Foundation has voluntarily registered with the Fundraising Regulator. No complaints relating to fundraising activities were received during the year or in the previous year. The Royal Foundation takes care not to cause nuisance or disruption when communicating with its supporters and the fundraising team reports to the Board of Trustees and the Chief Executive on the delivery of its fundraising activity. The Royal Foundation will never sell or share data about its donors and has put in place controls to ensure the security of all data held. Where The Royal Foundation uses professional fundraisers or where it works with corporate partners (commercial participators), it has put in place policies and contractual arrangements to ensure their effective management and adherence to The Royal Foundation's policies.

### **RELATED PARTIES**

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

### **PUBLIC BENEFIT**

The Charities Act 2011 requires all charities to explicitly consider how their charitable aims are carried out for the public benefit. The Royal Foundation is a public benefit entity under FRS.

## **The Royal Foundation of The Prince and Princess of Wales**

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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.

### **DIRECTORS' INDEMNITY INSURANCE**

The Royal Foundation maintains management liability insurance for its Trustees and Officers. Further detail can be found in Note 11 to the consolidated financial statements.

### **TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the Directors for Companies law purposes) are responsible for preparing the Trustees' Report (which incorporates the Directors' report for Companies law purposes) 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; and
- 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 Report of the Trustees, which incorporates the requirements of the Strategic report and the Directors' report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, was approved by the Board in their capacity as Trustees and company Directors on 20 June 2024 and signed on its behalf by:



Lord Hague of Richmond – Chair of The Royal Foundation  
Kensington Palace  
Palace Green London, W8 4PU

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL FOUNDATION OF THE PRINCE AND PRINCESS OF WALES**

### **Opinion**

We have audited the financial statements of The Royal Foundation of the Prince and Princess of Wales ('the charitable company') and its subsidiary ('the group') for the year ended 31 December 2023 which comprise The Consolidated Statement of Financial Activities, Group and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011, together with the Charities SORP (FRS 102).

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We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, and employment legislation.

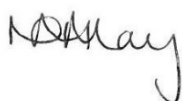
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recognition of grants awarded and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

London

Date 29 July 2024

**The Royal Foundation of The Prince and Princess of Wales**

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For the year ended 31 December 2023

**Consolidated statement of financial activities (including the income and expenditure account)**

**For the year ended 31 December 2023**

Notes	2023				2022				
	Unrestricted Funds	Restricted Funds (continuing operations)	Restricted Funds (discontinued operations)	Total 2023	Unrestricted Funds	Restricted Funds (continuing operations)	Restricted Funds (discontinued operations)	Total 2022	
	£	£	£	£	£	£	£	£	
<b>Income:</b>									
Donations and Legacies	2	3,685,257	2,816,632	-	6,500,889	2,594,478	2,802,519	4,177,775	9,574,772
Net income on share of associate's surplus	18	-	1,283,059	-	1,283,059	-	182,225	-	182,225
Trading activities	3	13,129	-	-	13,129	200	2,308	219,427	221,935
Investment income	4	147,167	21,002	-	168,169	68,500	-	-	68,500
Other income	4	3,059	-	-	3,059	54,645	-	-	54,645
<b>Total income</b>		<b>3,848,612</b>	<b>4,119,693</b>	<b>-</b>	<b>7,968,305</b>	<b>2,717,823</b>	<b>2,987,052</b>	<b>4,397,202</b>	<b>10,102,077</b>
<b>Expenditure:</b>									
Raising funds	5	(1,017,891)	(128,052)	-	(1,145,943)	(625,529)	(49,350)	(139,888)	(814,767)
Charitable activities	5,6								
- Grants		(13,290)	(384,174)	(160,811)	(558,275)	(5,918)	(429,305)	(6,598,622)	(7,033,845)
- Other charitable activities		(2,026,345)	(4,919,616)	-	(6,945,961)	(1,930,663)	(2,819,311)	(2,368,972)	(7,118,946)
		(2,039,635)	(5,303,790)	(160,811)	(7,504,236)	(1,936,581)	(3,248,616)	(8,967,594)	(14,152,791)
<b>Total expenditure</b>		<b>(3,057,526)</b>	<b>(5,431,842)</b>	<b>(160,811)</b>	<b>(8,650,179)</b>	<b>(2,562,110)</b>	<b>(3,297,967)</b>	<b>(9,107,482)</b>	<b>(14,967,558)</b>
Net (expenditure)/income before investment gains		791,086	(1,312,149)	(160,811)	(681,874)	155,713	(310,914)	(4,710,280)	(4,865,481)
Net (losses)/gains on investment	13	111,371	-	-	111,371	(103,641)	-	-	(103,641)
<b>Net income/(expenditure)</b>		<b>902,457</b>	<b>(1,312,149)</b>	<b>(160,811)</b>	<b>(570,503)</b>	<b>52,072</b>	<b>(310,914)</b>	<b>(4,710,280)</b>	<b>(4,969,122)</b>
Transfers between funds	17,18,19	(714,649)	714,649	-	-	(412,674)	412,674	-	-
<b>Net movement in funds</b>		<b>187,808</b>	<b>(597,500)</b>	<b>(160,811)</b>	<b>(570,503)</b>	<b>(360,602)</b>	<b>101,760</b>	<b>(4,710,280)</b>	<b>(4,969,122)</b>
<b>Reconciliation of funds:</b>									
Fund balances brought forward at 1 January		5,086,878	2,280,136	160,811	7,527,825	5,447,480	2,178,376	4,871,091	12,496,947
<b>Fund balances carried forward at</b>									
<b>31 December</b>	17,18,19	<b>5,274,686</b>	<b>1,682,636</b>	<b>0</b>	<b>6,957,322</b>	<b>5,086,878</b>	<b>2,280,136</b>	<b>160,811</b>	<b>7,527,825</b>

Discontinued operations in 2022 relates to The Earthshot Prize which was transferred out to a new charity on 15 July 2022.

There were no other recognised gains or losses.

The notes on pages 26 to 44 also form part of these financial statements.

**The Royal Foundation of The Prince and Princess of Wales**

Company Registration No. 07033553

For the year ended 31 December 2023

**Consolidated and Charity Balance Sheet**

**As at 31 December 2023**

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<b>Fixed assets</b>					
Tangible fixed assets	12	131,091	55,936	131,091	55,936
Investments	13	3,163,059	1,768,817	1,697,776	1,586,593
		<b>3,294,150</b>	<b>1,824,753</b>	<b>1,828,867</b>	<b>1,642,529</b>
<b>Current assets</b>					
Debtors	14	1,255,392	1,245,034	1,261,462	1,255,456
Cash at bank and in hand	22, 23	3,288,363	5,208,848	3,274,755	5,182,150
		<b>4,543,755</b>	<b>6,453,882</b>	<b>4,536,217</b>	<b>6,437,606</b>
<b>Creditors: amounts falling due within one year</b>	15	(880,583)	(750,810)	(873,046)	(734,536)
<b>Net current assets</b>		<b>3,663,172</b>	<b>5,703,072</b>	<b>3,663,171</b>	<b>5,703,070</b>
<b>Net assets</b>		<b>6,957,322</b>	<b>7,527,825</b>	<b>5,492,038</b>	<b>7,345,599</b>
<b>The funds of the group/charity</b>					
Unrestricted funds	17	5,274,686	5,086,878	5,272,044	5,084,235
Restricted funds	18	1,682,636	2,440,947	219,994	2,261,364
<b>Total funds</b>		<b>6,957,322</b>	<b>7,527,825</b>	<b>5,492,038</b>	<b>7,345,599</b>

The Charity's net expenditure for the year ended 31 December 2023 totalled £1,853,561 (2022: £5,151,347).

The notes on pages 26 to 44 also form part of these financial statements.

The financial statements of The Royal Foundation of The Prince and Princess of Wales (registered number 7033553) were approved and authorised for issue by the Board of Trustees on 20 June 2024 and signed on its behalf by:

Lord Hague of Richmond – Trustee  
Kensington Palace  
Palace Green  
London  
W8 4PU



**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2023**

	Notes	2023 £	2022 £
<b>Cash flows provided by operating activities:</b>			
Net cash provided by operating activities	21	(1,970,128)	(6,897,610)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments	4	168,169	68,500
Transfer of fixed assets to The Earthshot Prize	12	-	28,962
Purchase of tangible fixed assets	12	(118,713)	(81,351)
<b>Net cash provided by investing activities</b>		<b>49,456</b>	<b>16,111</b>
<b>Change in cash and cash equivalents in the year</b>	22, 23	<b>(1,920,672)</b>	<b>(6,881,499)</b>
Cash and cash equivalents at the beginning of the year		5,209,050	12,090,549
<b>Total cash and cash equivalents at the end of the year</b>	22, 23	<b>3,288,378</b>	<b>5,209,050</b>

**Analysis of changes in net funds**

	1 January 2023 £	Cash flows £	Foreign exchange movements £	31 December 2023 £
Cash at bank and in hand	5,208,848	(1,934,650)	14,165	3,288,363
Cash in investment portfolio	202	(187)	-	15
	<u>5,209,050</u>	<u>(1,934,837)</u>	<u>14,165</u>	<u>3,288,378</u>
	1 January 2022 £	Cash flows £	Foreign exchange movements £	31 December 2022 £
Cash at bank and in hand	10,939,633	(5,676,140)	(54,645)	5,208,848
Cash in investment portfolio	1,150,916	(1,150,714)	-	202
	<u>12,090,549</u>	<u>(6,826,854)</u>	<u>(54,645)</u>	<u>5,209,050</u>

The notes on pages 26 to 44 also form part of these financial statements.

## **Notes to the consolidated financial statements**

### **Year ended 31 December 2023**

#### **1. Accounting policies**

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

##### **a) Basis of accounts preparation**

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

##### **b) Consolidation**

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

During the year ending December 2022, The Earthshot Prize programme that was incubated within The Royal Foundation was spun out into an independent charity, The Earthshot Prize (registered charity number 1198701). The Royal Foundation is one of the members of The Earthshot Prize and has the right to nominate up to three trustees to the new charity's board (four trustees in the event that the total number of trustees of the new charity is more than nine). As a result, The Royal Foundation considers that it has significant influence, but not does exert control, over the financial and operating policies of The Earthshot Prize, and it accounts for its interest in the latter as an associate using the equity accounting method with a one third interest. The consolidated financial statements include the Group's share of the surplus or deficit and net assets of The Earthshot Prize.

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

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

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

Although one member of the Foundation's Leadership Committee (two members until 17 June 2022) is a director of the American Friends of The Royal Foundation of The Prince and Princess of Wales, the Foundation has no control or significant influence over the American Friends and as such, has not consolidated the entity into the group accounts.

##### **c) Going Concern**

The Trustees have identified no material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern.

## **The Royal Foundation of The Prince and Princess of Wales**

Company Registration No. 07033553

For the year ended 31 December 2023

The Trustees have undertaken a robust assessment of the charity's projected future income, expenditure and cash flow and analysed its reserves and liquid assets for the period until 31 July 2025 and are satisfied with the charity's ability to withstand a material fall in income. Additional reviews of the organisation's financial performance and position have been undertaken in March 2024 and again in June prior to approving these accounts, providing the Trustees with assurance that the charity can continue operating for at least the next twelve months.

The Foundation is primarily reliant on donations from a group of individual donors and foundations to fund its core costs, with minimal reliance on commercial sponsorship. Income from public fundraising and legacies is not solicited but is received on an ad hoc basis. Investment income is retained within the portfolio and is not required to fund the core costs of the organisation. As such, the Trustees believe that The Royal Foundation has adequate resources to continue its activities for the foreseeable future and that there is no material uncertainty in relation to the Foundation's status as a going concern.

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

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

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

- basis of allocation of support costs;
- income recognition, in particular estimating fair value of a gift in kind;
- estimating the liability from multi-year grant commitments; and
- rates of depreciation used in determining the carrying value of tangible fixed assets.

With respect to the next reporting period, January to December 2024, 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 2023 was £1,697,775 (2022: £1,586,592).

### **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.

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

### **f) Income**

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

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

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

## **The Royal Foundation of The Prince and Princess of Wales**

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For the year ended 31 December 2023

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

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

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

### **g) Expenditure**

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

Expenditure is classified under the following activity headings:

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

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

Support costs for charitable activities comprise costs attributable to operational and grant-making functions. Staff costs (including employer pension contributions and national insurance) 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, TRF Trading Limited, made qualifying donations of all taxable profit to the parent charity. 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. The charity has not entered into any forward contracts during the year and there were no unsettled contracts outstanding as at 31 December 2022 or 31 December 2023.

## **The Royal Foundation of The Prince and Princess of Wales**

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For the year ended 31 December 2023

### **j) Pension costs**

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

### **k) Investments**

The fixed asset investment consists of the share in the subsidiary TRF Trading Limited 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.

Cash held within the investment portfolio is highly liquid and subject to insignificant risk of change. However, these are maintained within fixed asset investments as they are intended for use on a continuing basis in the charity's activities.

### **l) Tangible fixed assets**

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

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

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

### **m) Operating Leases**

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

### **n) Financial Instruments**

The charity has financial instruments of a kind that qualify as basic financial instruments which are recognised at transaction value initially and subsequently at their settlement value. Financial assets comprise cash at bank and in hand, other debtors and prepayments and accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

### **o) Debtors**

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

### **p) Creditors**

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

### **q) Irrecoverable VAT**

Irrecoverable VAT is allocated to the principal areas of costs in which it has been incurred.

## The Royal Foundation of The Prince and Princess of Wales

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For the year ended 31 December 2023

### 2. Income from donations and legacies

Group	2023			2022		
	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Donations	2,231,441	707,971	<b>2,939,412</b>	2,335,640	802,913	3,138,553
Grants	1,200,000	1,384,667	<b>2,584,667</b>	200,000	5,495,525	5,695,525
Legacies	5,661	-	<b>5,661</b>	11,685	2,000	13,685
Donated services	248,155	722,994	<b>971,149</b>	47,153	679,856	727,009
<b>Total</b>	<b>3,685,257</b>	<b>2,815,632</b>	<b>6,500,889</b>	2,594,478	6,980,294	9,574,772

In 2023, The Royal Foundation received £40,050 (2022: £26,843) from The Diana, Princess of Wales Memorial Fund.

Donated services of £971,149 (2022: £727,009) relate to gifts of services, including office space, seconded staff, legal and professional fees and advertising, in support of the charity's programmes.

Income from donations and legacies for the charity alone, includes £5,298 unrestricted and £nil restricted (2022: £22 unrestricted, and £176,676 restricted), which has been gift aided to The Royal Foundation from its subsidiary, TRF Trading Limited and is eliminated on consolidation.

### 3. Income from trading activities

The charity has a wholly owned trading subsidiary, TRF Trading Limited (registered number 07506603, registered address Kensington Palace, Palace Green, London, W8 4PU), which was incorporated in Great Britain and registered in England and Wales on 26 January 2011.

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

	Year ended 31 December	
	2023	2022
	£	£
Turnover	13,129	221,935
<b>Gross profit</b>	<b>13,129</b>	<b>221,935</b>
Administrative expenses	(7,799)	(45,112)
<b>Operating profit</b>	<b>5,330</b>	<b>176,823</b>
Finance charges	(32)	(25)
<b>Profit before taxation</b>	<b>5,298</b>	<b>176,798</b>
Tax on profit on ordinary activities	-	-
<b>Profit after taxation</b>	<b>5,298</b>	<b>176,798</b>
<b>Total shareholder's funds brought forward</b>	<b>1</b>	<b>1</b>
Profit after taxation	5,298	176,798
Charitable donation to parent	(5,298)	(176,798)
<b>Total shareholder's funds carried forward</b>	<b>1</b>	<b>1</b>
<b>Assets Liabilities and shareholders' funds</b>		
Assets	13,608	26,698
Liabilities	(13,607)	(26,697)
<b>Funds surplus including 1 ordinary share of £1</b>	<b>1</b>	<b>1</b>

**The Royal Foundation of The Prince and Princess of Wales**

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For the year ended 31 December 2023

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

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
<b>Investment Income:</b>	<u>147,167</u>	<u>21,002</u>	<u>168,169</u>	<u>68,500</u>	<u>-</u>	<u>68,500</u>
<b>Other Income:</b>						
Foreign exchange gains	-	-	-	54,645	-	54,645
Sale of fixed asset	3,059	-	3,059	-	-	-
<b>Total other income</b>	<u>3,059</u>	<u>-</u>	<u>3,059</u>	<u>54,645</u>	<u>-</u>	<u>54,645</u>

Other income for the charity alone derives from income received from TRF Trading Limited, consisting of £234 (2022: £4,439) relating to a resource sharing agreement recharge.

**5. Summary analysis of total expenditure – Group**

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Raising funds	1,017,891	128,052	<b>1,145,943</b>	625,529	189,238	<b>814,767</b>
Charitable activities:						
- Direct costs – grant and donation funding of activities	13,290	544,985	<b>558,275</b>	5,918	7,027,927	<b>7,033,845</b>
- Direct costs – convening, collaboration and R&D	731,882	4,419,620	<b>5,151,502</b>	858,805	4,954,444	<b>5,813,249</b>
- Support costs	1,294,463	499,996	<b>1,794,459</b>	1,071,858	233,839	<b>1,305,697</b>
			-			
Total charitable activities	<u>2,039,635</u>	<u>5,464,601</u>	<u><b>7,504,236</b></u>	<u>1,936,581</u>	<u>12,216,210</u>	<u><b>14,152,791</b></u>
	<u><b>3,057,526</b></u>	<u><b>5,592,653</b></u>	<u><b>8,650,179</b></u>	<u><b>2,562,110</b></u>	<u><b>12,405,448</b></u>	<u><b>14,967,558</b></u>

Included within Raising Funds are Investment management costs of £215 (2022: £4,574). Expenditure on Raising Funds for the charity alone excludes £7,597 (2022: £40,698) of non-intercompany expenses incurred by TRF Trading Limited.

**The Royal Foundation of The Prince and Princess of Wales**

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**6. Analysis of expenditure on charitable activities**

<b>2023 activities</b>	<b>Grant funding of activities £</b>	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Governance costs £</b>	<b>Total 2023 £</b>
Emergency Responders	57,471	4,361	2,291	224	<b>64,347</b>
Mental Health	67,282	327,422	161,547	11,773	<b>568,024</b>
United for Wildlife Taskforces	150,204	1,080,720	298,575	23,508	<b>1,553,007</b>
The Earthshot Prize	160,811	(313)	-	-	<b>160,498</b>
Early Years	50,521	1,901,139	567,843	45,209	<b>2,564,712</b>
Empowering Communities	58,696	124	-	-	<b>58,820</b>
COVID-19 response fund	-	-	-	-	<b>-</b>
Homelessness	-	1,568,954	605,102	50,892	<b>2,224,948</b>
Other projects	-	269,095	27,495	-	<b>296,590</b>
Unrestricted donations (Sentebale & WellChild)	13,290	-	-	-	<b>13,290</b>
	<b>558,275</b>	<b>5,151,502</b>	<b>1,662,853</b>	<b>131,606</b>	<b>7,504,236</b>

<b>2022 activities</b>	<b>Grant funding of activities £</b>	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Governance costs £</b>	<b>Total 2022 £</b>
Emergency Responders	147,836	104,201	55,866	8,058	<b>315,961</b>
Mental Health	13,043	66,392	42,708	4,233	<b>126,376</b>
United for Wildlife Taskforces	150,000	865,361	211,703	30,405	<b>1,257,469</b>
The Earthshot Prize	6,598,622	2,437,873	386,691	63,450	<b>9,486,636</b>
Early Years	-	1,539,825	256,056	40,098	<b>1,835,979</b>
Empowering Communities	20,649	129	-	-	<b>20,778</b>
COVID-19 response fund	97,777	-	-	-	<b>97,777</b>
Homelessness	-	345,028	109,242	17,765	<b>472,035</b>
Other projects	-	454,440	70,060	9,362	<b>533,862</b>
Unrestricted donation to Sentebale	5,918	-	-	-	<b>5,918</b>
	<b>7,033,845</b>	<b>5,813,249</b>	<b>1,132,326</b>	<b>173,371</b>	<b>14,152,791</b>



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

<b>2023</b>	<b>Premises &amp; Office Costs</b>	<b>Finance, IT &amp; General Management</b>	<b>Governance</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raising funds	99,790	284,350	31,028	415,168
Emergency Responders	725	1,566	224	2,515
Mental Health	38,119	123,428	11,773	173,320
United for Wildlife Taskforces	76,118	222,457	23,508	322,083
The Earthshot Prize	-	-	-	-
Other projects	-	27,495	-	27,495
Early Years	146,385	421,458	45,209	613,052
Homelessness	164,786	440,316	50,892	655,994
Empowering Communities	-	-	-	-
COVID-19 Response Fund	-	-	-	-
	<b>525,923</b>	<b>1,521,071</b>	<b>162,634</b>	<b>2,209,627</b>

Raising Funds in the group totalled £1,138,346 which consisted of £723,178 of direct fundraising costs and £415,168 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 specific salaries. Finance costs are allocated on the basis of salaries only.

<b>2022</b>	<b>Premises &amp; Office Costs</b>	<b>Finance, IT &amp; General Management</b>	<b>Governance</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raising funds	57,582	97,505	27,476	271,320
Emergency Responders	16,195	16,515	8,058	63,924
Mental Health	8,509	25,025	4,233	46,941
United for Wildlife Taskforces	61,113	74,810	30,405	242,108
The Earthshot Prize	131,408	102,090	63,450	450,141
Other projects	18,816	30,956	9,362	79,422
Early Years	80,596	82,597	40,098	296,154
Homelessness	35,707	35,035	17,765	127,007
	<b>409,926</b>	<b>464,533</b>	<b>200,847</b>	<b>1,577,017</b>

Raising Funds in the group in 2022 totalled £777,857 which consisted of £506,537 of direct fundraising costs and £271,320 of support and governance costs.

**The Royal Foundation of The Prince and Princess of Wales**

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**8. Analysis of grants and donations**

	<b>2023</b>	2022
	£	£
<b>Emergency Responders</b>		
Mind (for the <i>Blue Light Together</i> digital gateway) (2 grants)	-	117,836
Police Care UK (on behalf of the Network of Emergency Services Therapists)	87,470	30,000
	<u>87,470</u>	<u>147,836</u>
<b>COVID-19 Response Fund</b>		
Hospice UK	-	97,777
The Mix	40,000	-
	<u>40,000</u>	<u>97,777</u>
<b>Total COVID-19 response fund</b>		
<b>Mental Health</b>		
<b>Community Impact</b>		
Two Ridings Community Foundation	-	13,043
Life at No.27	2,282	-
Hideaway Youth Project	25,000	-
	<u>27,282</u>	<u>-</u>
<b>Early Years</b>		
Institute of Health Visitors	50,521	-
WellChild	6,216	-
	<u>56,737</u>	<u>-</u>
<b>The Earthshot Prize</b>		
Spin out to independent charity, The Earthshot Prize	160,811	6,598,622
	<u>160,811</u>	<u>6,598,622</u>
<b>United for Wildlife Taskforces</b>		
Focused Conservation Solutions	150,204	150,000
	<u>150,204</u>	<u>150,000</u>
<b>Empowering Communities</b>		
The Felix Project (donation)	58,698	20,649
	<u>58,698</u>	<u>20,649</u>
<b>Others (unrestricted)</b>		
Sentebale (donation from the Diana Princess of Wales Memorial Fund)	7,073	5,918
	<u>7,073</u>	<u>5,918</u>
<b>TOTAL charitable grants and donations</b>	<b><u>588,275</u></b>	<b><u>7,033,845</u></b>

Unless otherwise stated, all amounts are for single grants.

**9. Total expenditure**

The following have been charged within total expenditure:

	<b>2023</b>	2022
	£	£
Auditor remuneration:		
- Fees payable for the audit of The Royal Foundation and subsidiary annual accounts	37,837	48,413
- Fees payable for tax advisory and compliance services for The Royal Foundation and its subsidiary	6,943	6,498
Depreciation of tangible fixed assets	43,558	25,094
Operating lease payments	-	348,742
Defined contribution pension costs	207,310	185,672

Auditor remuneration is stated net of irrecoverable VAT, which amounted to £6,962 (2022: £5,570) for audit services and £786 (2022: £692) for non-audit services.

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

	<b>2023</b>	2022
	<b>£</b>	£
<b>Total staff costs comprised:</b>		
Gross wages and salaries	2,881,029	2,629,492
Social security costs	320,519	321,464
Pension costs: defined contribution	207,310	185,672
Other benefits (including medical insurance)	21,949	36,770
	<b><u>3,430,807</u></b>	<b><u>3,173,398</u></b>

There were no termination costs during 2023 or 2022.

All employees were employed by the charity with the exception of 1 US-based individual who was employed via a third party payroll agency until June 2022 after which the individual transferred out with The Earthshot Prize. The average number of employees in the year was 48 (2022: 39). The average number of staff in the year was 43 full time (2022: 37) and 5 part time (2022: 3), with the part time staff representing an average of 3 FTE. (2022: 2).

For 2023, the key management personnel of the charity comprised the Trustees, the Chief Executive, the Director of Partnerships, the Director of Research and Impact, the Creative Director, the Executive Director Programmes, the Executive Director Centre for Early Childhood, Chief of Staff, and the Head of Finance. The total employee benefits of the key management personnel were £1,024,935 (2022: £1,077,184), including pension costs of £66,223 (2022: £67,384) and national insurance costs of £99,238 (2022: £111,197).

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

	<b>2023</b>	2022
£60,000 - £70,000	3	5
£70,001 - £80,000	8	3
£80,001 - £90,000	1	2
£90,001 - £100,000	-	-
£100,001 - £110,000	3	5
£200,001 - £210,000	1	-

The charity operates a defined contribution scheme for its employees which require contributions to be made to separately administrated funds. The pension costs for the year totalled £207,310 (2022: £185,672). There were no outstanding balances as at 31 December 2023 or 31 December 2022.

## **The Royal Foundation of The Prince and Princess of Wales**

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### **11. Trustee remuneration, expenses and related party transactions**

Unless otherwise stated in this note, there were no amounts outstanding with related parties as at 31 December 2023 or 31 December 2022.

#### **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 (2022: £nil).

#### **Expenses**

£72 of travel expenses were reimbursed to Trustees during the year (2022: £311).

#### **Related Party transactions - Trustees**

During the year, The Royal Foundation received aggregate donations from Trustees of £100,000 (2022: £100,000).

Claire Wills is a Trustee of The Royal Foundation and Partner of Freshfields Bruckhaus Deringer LLP. During the year, The Royal Foundation received pro bono legal advice from Freshfields valued at £104,684 (2022: £475,000) and use of office space for a meeting valued at £0 (2022: £500).

Jean-Christophe Gray, CBE became an ex officio trustee of The Royal Foundation on 15 February 2021 and is a member of the Lord Chamberlain's Committee, the main governing body of The Royal Household. The Prince and Princess of Wales are members of The Royal Foundation in addition to their roles as patrons.

During the year, The Royal Foundation purchased £6,957 of services from Kensington Palace relating to recharges of international travel costs and venue hire (2022: £33,342 relating to communications, recharges of international travel costs and medical costs). The Royal Foundation recharged £0 costs to Kensington Palace (2022: £684 for an event at COP26 co-hosted by the Foundation and the Prince of Wales's Sustainable Markets Initiative).

Included in these accounts is an accrual for £20,000 (2022: nil) covering the costs of a trip to Singapore by HRH The Prince of Wales whilst undertaking work on United for Wildlife, on behalf of the Charity. As at the time of signing, no charges have been received.

The Royal Household at Kensington Palace provided no pro bono services to The Royal Foundation (2022: pro bono communications services valued at £1,020).

The Charity purchased insurance for Trustees and Officers during the year to indemnify them against possible liabilities incurred by them in relation to their duties. The cost of this insurance was £1,032 (2022: £955)

#### **Related Party transactions - Subsidiaries and Associates**

##### **TRF Trading Limited**

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

TRF Trading Limited raises funds on behalf of the charity and passes up its profits to The Royal Foundation of The Prince and Princess of Wales. At the year end, TRF Trading Limited owed £7,484 (2022: £12,923) to The Royal Foundation, including management charges of £234 (2022: £4,439) and a gift aid donation of £5,298 (2022: £5,984).

##### **The Earthshot Prize**

The Earthshot Prize programme was incubated within The Royal Foundation and was spun out into an independent charity in July 2022, together with all related assets and liabilities. The Earthshot Prize charity and its trading subsidiary TEP Trading Ltd are considered a related party for the reasons set out in the basis of consolidation note 1(b). £6,427,808 of restricted funds were transferred to the new charity upon spin out and as noted above, a further £170,814 was transferred in December 2022 in respect of the transfer of Earthshot-related trading activities.

The spin out also included the transfer to the new charity of £28,961 of fixed assets, £3,000,000 of accrued income debtors, £5,000 of other debtors, £4,100,000 of outstanding grant liabilities due to the year one prize winners and £820,516 of other liabilities.

During the year TEP Trading Ltd, the wholly owned subsidiary of The Earthshot Prize charity, paid TRF Trading Ltd £100,000 as consideration for the transfer of Earthshot-related trading activities.

## **The Royal Foundation of The Prince and Princess of Wales**

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As at 31 December 2022, there was a retention balance being held of £147,811 and a debtor balance of £13,000 which consisted of costs paid on behalf of the new charity after the spin out. Both of these outstanding balances were fully settled in February 2023.

### **Related party transactions - Other**

#### ***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 has not continued 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 17 June 2020, in accordance with a request from The Duke of Sussex, the trustees approved the donation of 50% of future net income (backdated to 18 December 2019) received by The Diana, Princess of Wales Memorial Fund to Sentebale, a UK registered charity of which The Duke of Sussex is patron. During the year, donations of £7,073 (2022: £5,918) were paid to Sentebale.

#### ***American Friends of The Royal Foundation of The Duke and Duchess of Cambridge, Inc.***

The American Friends is a 501(c)(3) entity registered in the state of Delaware, USA. Elaine Dodds, Director of Development (until she stepped down from that role on 16 June 2022) was an ex officio director of the American Friends. Chris Bates, Head of Finance, is also an ex officio director of The American Friends. During the year, The Royal Foundation received £1,659,667 (2022: £3,442,642) of grant income from The American Friends.

## The Royal Foundation of The Prince and Princess of Wales

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### 12. Tangible fixed assets – Group and Charity

	<b>Equipment £</b>
<b>Cost:</b>	
Balance brought forward 1 January 2023	118,033
Additions	118,713
Disposals	(2,679)
Balance carried forward 31 December 2023	<u><b>234,067</b></u>
<b>Depreciation:</b>	
Balance brought forward 1 January 2023	62,097
Charge for the period	43,558
On disposals	(2,679)
Balance carried forward 31 December 2023	<u><b>102,976</b></u>
<b>Net book value:</b>	
Brought forward 1 January 2023	55,936
Carried forward 31 December 2023	<u><b>131,091</b></u>

The disposals consisted of IT equipment.

### 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 2023.

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fund investments:</b>				
Market value (including cash) at 1 January	1,586,592	2,848,168	1,586,592	2,848,168
Proceeds on disposal	-	(1,154,633)	-	(1,154,633)
Net gains on revaluation	111,371	(110,862)	111,371	(110,862)
Movement in cash	(188)	3,919	(188)	3,919
<b>Market Value at 31 December</b>	<u><b>1,697,775</b></u>	<u><b>1,586,592</b></u>	<u><b>1,697,775</b></u>	<u><b>1,586,592</b></u>
<b>Investment in Subsidiary</b>	-	-	1	1
<b>Investment in Associate</b>	<u>1,465,284</u>	<u>182,225</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>3,163,059</b></u>	<u><b>1,768,817</b></u>	<u><b>1,697,776</b></u>	<u><b>1,586,593</b></u>
	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fund investments:</b>				
Multi Asset funds	1,697,760	1,586,390	1,697,760	1,586,390
Cash and cash equivalents	15	202	15	202
	<u><b>1,697,775</b></u>	<u><b>1,586,592</b></u>	<u><b>1,697,775</b></u>	<u><b>1,586,592</b></u>

The investment in the Associate represents the Foundation's one third share in The Earthshot Prize and amounted to £1,465,284 (2022: £182,225).

## The Royal Foundation of The Prince and Princess of Wales

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### 13. Fixed Asset Investments (continued)

The Royal Foundation's share of The Earthshot Prize's income and expenditure at 31 December 2023:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Share of income	6,408,850	182,225	-	-
Share of expenditure	(7,081,140)	-	-	-

The Cazenove portfolio is invested as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cazenove Charity Responsible Multi-Asset Fund	1,697,760	1,586,390	1,697,760	1,586,390
Cash	15	202	15	202
	<b>1,697,775</b>	<b>1,586,592</b>	<b>1,697,775</b>	<b>1,586,592</b>

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

### 14. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Amounts owed by subsidiary	-	-	7,484	10,424
Prepayments and accrued income	1,251,924	1,191,033	1,250,510	1,191,031
Other debtors	3,468	54,001	3,468	54,001
	<b>1,255,392</b>	<b>1,245,034</b>	<b>1,261,462</b>	<b>1,255,456</b>

During the year the charity entered into 0 (2022: 3) forward contracts for the purchase of US dollars in order to manage its exchange rate exposure. No amounts are held at year end (2022: £nil).

### 15. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	277,373	101,669	277,373	101,669
Taxation and social security	102,731	73,538	102,194	65,971
Accruals and deferred income	485,169	565,025	478,169	556,318
Other creditors	15,310	10,578	15,310	10,578
	<b>880,583</b>	<b>750,810</b>	<b>873,046</b>	<b>734,536</b>

## The Royal Foundation of The Prince and Princess of Wales

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### 16. 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 2023 the Foundation had grants which were approved by trustees but not yet awarded to the grantee, and grants which were awarded to the grantee but not yet paid, broken down as follows:

	<u>Approved, not yet awarded</u>		<u>Awarded, not yet paid</u>	
	2023	2022	2023	2022
	£	£	£	£
United for Wildlife Taskforces	150,000	300,000	-	-
Emergency Responders	12,530	-	-	70,000
The Earthshot Prize	-	-	-	147,810
COVID response fund	-	-	-	-
	<u>162,530</u>	<u>300,000</u>	<u>-</u>	<u>217,810</u>

In line with the Foundation's accounting policy the commitments to future years are not recognised as a liability.

As disclosed in note 1(b) and note 11, an agreement was signed with Sussex Royal on 18 December 2019, by which The Royal Foundation intends to donate 50% of the net income received by The Diana, Princess of Wales Memorial Fund from that date onwards, to Sussex Royal. In March 2020 The Duke and Duchess of Sussex announced that they would no longer be operating Sussex Royal as their primary philanthropic vehicle in the UK and accordingly their share of the net income is instead being donated to Sentebale, a charity registered in the UK of which The Duke of Sussex is a patron. Donations to Sentebale are being paid twice a year, in January and July.



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**17. Analysis of movements in unrestricted funds**

<b>Group</b>	<b>Balance at 1 January 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Gains &amp; Losses £</b>	<b>Balance at 31 December 2023 £</b>
<b>Unrestricted funds - group:</b>						
General funds	5,086,878	3,848,612	(3,057,526)	(714,649)	111,371	5,274,686

<b>Charity</b>	<b>Balance at 1 January 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Gains &amp; Losses £</b>	<b>Balance at 31 December 2023 £</b>
<b>Unrestricted funds - charity:</b>						
General funds	5,084,235	3,841,016	(3,049,929)	(714,649)	111,371	5,272,044

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

<b>Group</b>	<b>Balance at 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Gains &amp; Losses £</b>	<b>Balance at 31 December 2022 £</b>
<b>Unrestricted funds - group:</b>						
General funds	5,447,480	2,717,823	(2,562,110)	(412,674)	(103,641)	5,086,878

<b>Charity</b>	<b>Balance at 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers between funds £</b>	<b>Gains &amp; Losses £</b>	<b>Balance at 31 December 2022 £</b>
<b>Unrestricted funds - charity:</b>						
General funds	5,444,836	2,722,184	(2,566,470)	(412,674)	(103,641)	5,084,235

## The Royal Foundation of The Prince and Princess of Wales

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### 18. Analysis of movements in restricted funds

<b>Group</b>	<b>Balance at 1 January 2023</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers between funds</b>	<b>Gains &amp; Losses</b>	<b>Balance at 31 December 2023</b>
	£	£	£	£	£	£
<b>Restricted funds:</b>						
Early Years	800,000	596,634	(2,111,283)	714,649	-	-
Mental Health	481,948	31,522	(397,282)	-	-	116,188
The Earthshot Prize	343,036	1,283,059	(160,811)	-	-	1,465,284
Emergency Responders	73,922	1,169	(61,044)	-	-	14,047
United for Wildlife Taskforces	739,732	524,512	(1,255,344)	-	-	8,900
Homelessness	-	1,598,257	(1,548,068)	-	-	50,189
Empowering Communities	2,309	84,540	(58,821)	-	-	28,028
	<u>2,440,947</u>	<u>4,119,693</u>	<u>(5,592,653)</u>	<u>714,649</u>	<u>-</u>	<u>1,682,636</u>

The table above summarises the main restricted funds.

The Early Years restricted fund relates to The Princess of Wales's Early Years programme of work which includes The Royal Foundation Centre for Early Childhood. In 2023 a transfer of £714,649 was made to this fund from unrestricted funds, to cover the additional expenditure incurred in relation to the programme.

The funds received in relation to Mental Health relate to The Royal Foundation's work focusing on mental health and well-being which includes activities relating to Heads Together.

The Earthshot Prize fund consists of amounts relating to The Earthshot Prize programme, which is designed to incentivise change and help repair our planet over the next ten years. All of the restricted funds were transferred to the independent charity upon spinout of this programme in July 2022. Also included in the year end fund balance is The Foundation's interest as an associate investment in the independent Earthshot Prize charity.

Emergency Responders funds cover projects to support personnel currently serving in the emergency responders, or those who have previously served, and their families.

United for Wildlife convenes the private sector and other organisations under the Transport and Financial Taskforces with the ambition of making it impossible for traffickers to use private sector infrastructure to finance and transport illegal wildlife and products with impunity. Included within this fund is £0 (2022: £7,251) of income received from the European Union for a project titled "Disrupting illicit supply chains of wildlife in Asia by leveraging civil society partnerships to increase the effectiveness of Government action".

The Homelessness fund is a programme spearheaded by The Prince of Wales which launched in June 2023 with the aim of making homelessness rare, brief and unrepeatable.

The Empowering Communities fund relates to The Duchess of Sussex's Empowering Communities Through Food programme, funded by income received from sales of the Together cookbook published in 2018. Funds are being donated to The Felix Project in accordance with the wishes of The Duchess of Sussex.

<b>Group</b>	<b>Balance at 1 January 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers between funds</b>	<b>Gains &amp; Losses</b>	<b>Balance at 31 December 2022</b>
	£	£	£	£	£	£
<b>Restricted funds:</b>						
COVID-19 response fund	120,229	-	(97,777)	(22,452)	-	-
Early Years	860,191	1,125,000	(1,470,298)	285,107	-	800,000
Mental Health	532,637	36,746	(87,435)	-	-	481,948
The Earthshot Prize	4,871,091	4,581,926	(9,109,981)	-	-	343,036
Emergency Responders	124,618	170,000	(243,148)	22,452	-	73,922
United for Wildlife Taskforces	540,701	1,188,867	(989,836)	-	-	739,732
Homelessness	-	217,000	(344,567)	127,567	-	-
Carol Service	-	41,628	(41,628)	-	-	-
Empowering Communities	-	23,087	(20,778)	-	-	2,309
	<u>7,049,467</u>	<u>7,384,254</u>	<u>(12,405,448)</u>	<u>412,674</u>	<u>-</u>	<u>2,440,947</u>

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**19. Analysis of group net assets between funds**

	Group			Charity		
	Unrestricted funds £	Restricted funds £	Balance at 31 December 2023 £	Unrestricted funds £	Restricted funds £	Balance at 31 December 2023 £
Fixed assets	131,091	-	<b>131,091</b>	131,091	-	131,091
Fixed asset investments	1,697,775	1,465,284	<b>3,163,059</b>	1,697,776	-	1,697,776
Cash	2,633,653	654,710	<b>3,288,363</b>	2,617,402	657,353	3,274,755
Other net current (liabilities)/assets	812,167	(437,358)	<b>374,809</b>	825,775	(437,359)	388,416
	<b>5,274,686</b>	<b>1,682,636</b>	<b>6,957,322</b>	<b>5,272,044</b>	<b>219,994</b>	<b>5,492,038</b>

	Group			Charity		
	Unrestricted funds £	Restricted funds £	Balance at 31 December 2022 £	Unrestricted funds £	Restricted funds £	Balance at 31 December 2022 £
Fixed assets	55,936	-	<b>55,936</b>	55,936	-	<b>55,936</b>
Fixed asset investments	1,586,592	182,225	<b>1,768,817</b>	1,586,593	-	<b>1,586,593</b>
Cash	3,620,444	1,588,404	<b>5,208,848</b>	3,613,208	1,568,942	<b>5,182,150</b>
Other net current liabilities	(176,094)	670,318	<b>494,224</b>	(171,502)	692,422	<b>520,920</b>
	<b>5,086,878</b>	<b>2,440,947</b>	<b>7,527,825</b>	<b>5,084,235</b>	<b>2,261,364</b>	<b>7,345,599</b>

**20. Operating leases - Group and Charity**

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:

	Property 2023 £	Other 2023 £	Total 2023 £	Property 2022 £	Other 2022 £	Total 2022 £
Within one year	-	-	-	88,150	-	88,150
	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,150</b>	<b>-</b>	<b>88,150</b>

**The Royal Foundation of The Prince and Princess of Wales**

Company Registration No. 07033553

For the year ended 31 December 2023

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

	<b>Group</b>	
	<b>2023</b>	2022
	<b>£</b>	£
<b>Net movement in funds</b>	(570,503)	(4,969,125)
Adjustments for:		
Depreciation charge	43,558	25,094
Losses/(gains) on investments	(111,371)	110,862
Dividends and interest included in investing activities	(168,169)	(68,500)
Transfer of debtor balances to The Earthshot Prize	-	3,005,000
Decrease/(increase) in other debtors	(10,358)	1,136,876
Transfer of creditor balances to The Earthshot Prize	-	(5,033,599)
(Decrease)/increase in creditors	129,774	(921,993)
Share of associate's net assets	(1,283,059)	(182,225)
<b>Net cash provided by operating activities</b>	<u>(1,970,128)</u>	<u>(6,897,610)</u>

**22. Reconciliation of net cash flow to movement in net funds**

	<b>Group</b>	
	<b>2023</b>	2022
	<b>£</b>	£
(Decrease)/increase in cash	(1,920,672)	(6,881,499)
Net funds at 1 January	<u>5,209,050</u>	<u>12,090,549</u>
Net funds at 31 December	<u>3,288,378</u>	<u>5,209,050</u>

**23. Controlling Party**

The controlling party of The Royal Foundation is HRH The Prince of Wales.