THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales · Charity number 1151869

Details

Status	Registered
Legal form	Charitable company
Company number	08236363
Registered	2013-05-02
Register	View on the Charity Commission register

Contact

Address	Household Cavalry Foundation Horse Guards Whitehall Westminster London SW1A 2AX
Phone	0207 839 4858
Website	www.hcavfoundation.org

Downloaded from opencharities.uk/ew/1151869

Activities

Objects: THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED ARE;1) THE PROMOTION OF THE MILITARY EFFICIENCY OF THE HOUSEHOLD CAVALRY BY ANY CHARITABLE MEANS THE TRUSTEES MAY DECIDE, INCLUDING WITHOUT LIMITATION BY FOSTERING AND PRESERVING THE TRADITIONS OF THE HOUSEHOLD CAVALRY AND OF ANY COMPONENT OR PREDECESSOR REGIMENT OR UNIT;2) TO PROMOTE AND PROTECT THE HEALTH OF THOSE THAT HAVE BEEN WOUNDED OR INJURED, WHETHER ON ACTIVE SERVICE OR OTHERWISE, WHILST SERVING IN THE HOUSEHOLD CAVALRY, OR AT THE TRUSTEES' DISCRETION;3)THE RELIEF OR HARDSHIP OR DISTRESS AMONG MEMBERS AND FORMER MEMBERS OF THE HOUSEHOLD CAVALRY, MEMBERS OF THEIR FAMILIES AND OTHER DEPENDENTS, INCLUDING WITHOUT LIMITATION BY PROVIDING FINANCIAL SUPPORT TO FAMILIES OR OTHER DEPENDENTS OF THOSE WHO HAVE LOST THEIR LIVES ON ACTIVE SERVICE;4) TO ADVANCE THE EDUCATION OF THE PUBLIC AND OF MEMBERS AND FORMER MEMBERS OF THE HOUSEHOLD CAVALRY IN THE HISTORY, HERITAGE, TRADITIONS AND MILITARY ACCOMPLISHMENTS OF THE HOUSEHOLD CAVALRY, INCLUDING WITHOUT LIMITATION BY SUPPORTING A MUSEUM OR MUSEUMS, ARCHIVES AND COLLECTIONS;5) TO PROMOTE HUMANE BEHAVIOUR TOWARDS SERVING OR RETIRED HOUSEHOLD CAVALRY HORSES BY PROVIDING APPROPRIATE CARE, PROTECTION, TREATMENT AND SECURITY FOR HORSES INNEED OF CARE AND ATTENTION; AND6) SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES RELATING TO THE HOUSEHOLD CAVALRY AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT.

Activities: The Household Cavalry Foundation (The HCF) raises funds to care for the Soldiers, Casualties, Veterans, Families, Heritage and Horses of the Household Cavalry. Helping soldiers injured on operations and providing aid to veterans and their dependants, The HCF provides a vital support role working to improve the lives of all serving and veteran members of the Household Cavalry and their dependants.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Animals, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Throughout England And Wales

Downloaded from opencharities.uk/ew/1151869

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£504,880	£588,508	£4,445,899	2
2024-03-31	£497,350	£546,035	-	-
2023-03-31	£580,604	£513,730	£4,248,176	2
2022-03-31	£433,152	£439,144	-	-
2021-03-31	£342,977	£308,166	-	-

Trustees

Name	Role	Appointed
JAMES PATRICK EYRE		2017-09-14
John Robert Dove		2022-02-01
Lady Jane Meriel Grosvenor		2019-06-17
Mark Simon Peter Berry		2022-07-29
Rupert Frederick Daniel Fryer		2024-01-02

Linked charities

- THE HOUSEHOLD CAVALRY SERVING OFFICERS' TRUST (1151869-1)
- THE HOUSEHOLD CAVALRY CENTRAL CHARITABLE FUND (1151869-2)

Downloaded from opencharities.uk/ew/1151869

THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales - Charity number 1151869

Accounts

The Household Cavalry Foundation

Annual Report and Financial statements

31 March 2025

Charity Registration Number
1151869

Company Registration Number:
08236363 (England and Wales)

Contents

Reports

Reference and administrative details 1

Trustees' report 3

Independent auditor's report 16

Financial statements

Statement of financial activities 21

Balance sheet 22

Statement of cash flows 23

Principal accounting policies 24

Notes to the financial statements 28

Reference and administrative details

Trustees	Brigadier MSP Berry (Chairman) Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman) Lady JM Grosvenor Captain JR Dove RFD Fryer, Esq.
Director	Lieutenant Colonel (Retired) GGE Stibbe, OBE
Company Secretary and Secretary to the Trustees	Lieutenant Colonel (Retired) RRD Griffin
Principal office	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
Charity registration number	1151869
Company registration number	08236363 (England and Wales)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Accountant	CP Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
Bankers	Royal Bank of Scotland plc Holt's Farnborough Branch 200 Fowler Avenue Farnborough Business Park Farnborough GU14 7JP
Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU

Reference and administrative details

		W1M (London & Capital and Waverton Investment Management Limited) 16 Babmaes Street London SW1Y 6AH
Solicitors		Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 and comply with the charity's Articles of Association and applicable law. The requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and financial statements.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Documents

The charity constitutes a company, limited by guarantee as defined by Companies Act 2006. The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013 and 3 November 2016) and by a Charity Commission Order dated 2 May 2013.

The Household Cavalry Serving Officers' Trust was transferred to the Household Cavalry Foundation on 21 December 2016 and this transfer was confirmed by Deed of Amendment on 22 December 2016.

Objects

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

The charity supports the protection and development of the Household Cavalry's history and heritage, and the welfare of retired horses.

The objects for which the charity is established are:

- the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;

- to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;

- the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependants, including without limitation by providing financial support to families or other dependants of those who have lost their lives on active service;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Objects (continued)

- to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, and traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;
- to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and
- such other exclusively charitable purposes relating to the Household Cavalry as the trustees in their absolute discretion think fit.

The charity's operational stakeholders include the following:

- Headquarters Household Cavalry;
- Headquarters Household Division;
- Unit Welfare Officers;
- Household Cavalry Museum Trust Limited;
- The Life Guards' Regimental Association;
- The Blues & Royals' Regimental Association.

Trustees

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

Trustees	
Brigadier MSP Berry (Chairman) Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman) Lady JM Grosvenor Major JR Dove RFD Fryer, Esq.	

No trustee received any remuneration for services as a trustee.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustee recruitment and appointment

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting before their appointment. This is so these proposed trustees may be assessed by the extant trustees for suitability and, where appropriate, relevant professional qualifications, diversity and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees. The trustees each serve for at least three years and are deliberately chosen to represent all aspects of Household Cavalry life and provide relevant expertise.

The Foundation's Articles of Association dated 3 November 2016 state:

- "trustees shall always aspire to, but not be obliged to, achieve a majority of serving or retired officers of the Household Cavalry on the board of trustees"; and
- "No trustee may serve for a period longer than six consecutive years without retiring for at least one complete year. Where a majority of the other trustees agree it would assist with the work of the charity, this rule may be disapplied in respect of a particular trustee".

Trustee induction and training

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

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis are considered to be the trustees of the charity and the Director. All strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees nor in their role as a member of the key management team. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices. Details of key management personnel's pay are set out in note 7.

Organisational structure and management reporting

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

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

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

The main generic risks this financial year was global economic uncertainty linked to events in the Middle East and Russia's continuing invasion of Ukraine and legacy economic problems that are the outcome of the Coronavirus (Covid-19) pandemic. All had an unprecedented social and economic effect across the world on a scale not seen for at least 80 years. Initially high inflation, that reduced during this reporting period, and the effect of the economic policy of the new United Kingdom government may cause a reduction in reduced incomes and so reduced donations to the Foundation.

The Foundation continues to face three perennial challenges and risks:

- **Latent Staff resilience.** There is latent strength-in-depth despite the fact that there is only one full-time employee, the Director, with a primary financial budgetary and fundraising role. The Chairman of the trustees is the alternate director. Formal authorisation for invoice payment is electronic. The management accounts are formally checked monthly by representatives of the trustees. The transparency of these documents facilitates review and oversight of the Director's role by any of the trustees.

- **Lack of investment income.** Triennial Reviews, Annual Visits and Quarterly Checks of Fund Managers are established routine. These reviews endorsed the risk-reducing status quo of holding 60% of the capital value of the charity's portfolio with Cazenove Capital Management's Charity Multi-Asset Fund and the remaining 40% with Waverton Investment Management's Charity Growth and Income Fund.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Quarterly Reviews by the Finance Trustee enable trustees to monitor the charity's investments in inherently dynamic times unprecedented for nearly eight decades.

- **Lack of income from donors.** Possible donor fatigue, exacerbated by an unpredictable economy, is mitigated by the trustees' focus on building enduring relationships with regular donors. So far these have proved to be resilient to the prevailing economic situation. State ceremonial duties keep the Household Cavalry in the "public eye". Visits to both our regiments (operational and ceremonial) ensure our donors meet our soldiers. This is a proven strategy because extant and potential donors meet soldiers who deploy on both war-fighting operations and ceremonial duties; this confirms the enduring versatility of Household Cavalry soldiers.

The trustees aim to match demand for help from the charity with their ability to raise follow-on funding to meet other priority needs as they arise. This prioritisation is fundamental to the support for all members of the Household Cavalry "family" that the charity offers to our operational casualties, our serving soldiers, our veterans and their dependents, and also, when applicable, to our heritage and the welfare of our retired horses.

Our risk management framework encourages smaller targeted fundraising events which do not involve significant up-front capital outlay or any extra work for our already busy soldiers.

ACTIVITIES AND PUBLIC BENEFIT

The charity provides public benefit by the provision of welfare grants and donations that help serving and retired Household Cavalry regimental personnel, and their dependants, who are in need, hardship or distress.

In addition, the charity enables Regimental personnel to perform their roles more effectively as members of the Armed Forces of The Crown. It does this by supporting educational, sporting and adventure training activities.

This assistance enables Regimental personnel to develop and maintain teamwork, skills, fitness, confidence, character and morale. This is especially important after operational tours as some confront the consequences of their military service; for example, latent Post-Traumatic Stress Disorder (PTSD). Support is available to all personnel who served on operations with Household Cavalry Battle Groups.

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

The funds to support the above activities are generated from investments, and by encouraging donations to the charity, and also from carefully selected events.

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

ACHIEVEMENTS FOR THE YEAR

Direction

During an economically challenging financial year, affected by significant global events, trustees' direction maintained the established focus on selected donors and targeted events; especially those events that minimise extra work for already busy serving soldiers. Inherently flexible governance enables trustees to adapt fast to dynamic challenges.

Fundraising

Loyalty is confirmed by the "mission critical" financial support given by extant donors despite continuing economic and political challenges that are unprecedented for eight decades. The Foundation's donation, legacy and events' income this year was £504,880 (2024: £497,350); the increase in income was driven by a strong year for fundraising with specially chosen events. More than ever, since the charity was founded over a decade ago, fundraised income is "mission critical" and the trustees' focus - donors and carefully selected events - is proven. Trustees are also extremely grateful to those who remember this charity by legacies in their wills. This is increasing as an income source.

This Financial Year saw a return to a routine established before the Covid epidemic and two years of more significant State Ceremonial events than for the previous seven decades. So "hardy perennial" events continue to provide vital funding. Two examples are an annual Dinner at Buck's Club which was founded by a Household Cavalryman after World War 1; and the latest "Through Music We Care" concert for this charity. Led by The Bandmaster, this was in The City of London on Thursday 6 March 2025. It again proved the quality of the British Army's largest and most senior State Band with its unique mounted ceremonial role.

This charity also gratefully received generous donations from another fundraising Dinner held by Warrant Officers and Non-Commissioned Officers, from a sculptor working with our Mounted Regiment and our runner in the annual London Marathon. For the first time one of our Army Cadets kindly raised money for this charity by marching from London to Windsor. This charity supports two of his instructors who are both operational casualties.

Events remain carefully selected because they are less financially risky than organising events, which before 2016, while sometimes popular, never guaranteed income. Before 2016 events also often unacceptably increased the workload of already busy Household Cavalry soldiers. Soldiers now receive Extra-Duty Pay if they help this charity outside peacetime working hours. This charity's most original publicity remains on a London taxi driven by a civilian rider-out at our Mounted Regiment.

Welfare

The charity and The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare. Although the LifeGuards' Regimental Association remains outside the Foundation's overall investment portfolio, it is included in all relevant welfare case considerations.

During the year ended 31 March 2025, Trustees paid the last of the children, who lost their fathers on operations during this century, from the Fund created to help their education when they reached their eighteenth birthdays. This Fund was then closed.

ACHIEVEMENTS FOR THE YEAR (continued)

Welfare (continued)

The Household Cavalry's global support links via zip/postcode-based volunteers to Regimental Welfare Officers and Home Headquarters Household Cavalry continue to prove genuinely viable as described in the Household Cavalry Welfare Guide. Its two pages with a flow chart are confirmed as user-friendly by our global Household Cavalry "family" of about 10,000 All Ranks: 1000 Serving Soldiers and 9000 Veterans, and their Dependants. Camaraderie and feedback from our Regional Dinners is also extremely helpful. One key result of these combined initiatives is emergency cases are resolved fast.

Operational Casualties are this charity's specific responsibility. A bonus is Household Cavalry personnel working in the Ministry of Defence's Recovery Capability nationwide network of Personnel Recovery Centres that are funded by key partners: The Royal British Legion and Help for Heroes. There, serving and veteran wounded, injured and longterm sick service personnel mentor each other and boost mutual morale as they face challenges often posed by the transition from military to civilian life.

Our two Operational Casualties who remain Ascot War Horse Memorial Scholars, achieved more success: Corie Mapp is the 2024-5 para-bobsleigh season World Champion and World Cup winner: his best-ever result. Corie also plays Sitting Volleyball. All Corie's sponsorship is specifically for him and so is independent of our Operational Casualties' Fund.

Like Corie Mapp, Clifford O'Farrell is an Army Cadet Force Instructor. Clifford is congratulated on promotion to Staff Sergeant Instructor. He has ensured the Army Cadet detachment affiliated to the Household Cavalry (18 Troop) continued to improve with key support. 18 Troop now has thirty-five cadets and five adult instructors. After expert instruction one cadet was awarded a Praiseworthy Action certificate for providing first aid to a casualty. Another did a fundraising march from London to Windsor. Following his awards for best new instructor and best adult shot in 2023, Richard Ward consolidated these achievements - unique for a double-amputee - by qualifying as a Skill at Arms' Instructor.

Their next challenge is a potential new riding course for cadets. Once accepted by the Army Cadet Force, it may prove to be a key source of recruits for the Household Cavalry: a significant advantage of co-location with its Training Wing in Windsor.

Clifford is also re-establishing cadet training for Windsor's Saint John Ambulance branch. His focus is inevitably on leadership training as well as First Aid Clifford's second priority is Signals' training to be used towards cadets' BTEC level 2 qualifications.

2024-5 was a mixed year for Mark Howard who sadly dislocated a shoulder and broke its socket. After an operation to stabilise his shoulder, his ambition remains to be the first Wheelchair user to complete the London classics in the same year - Marathon, Ride London and Serpentine swim - before being the first "Wheelie" to attempt The Three Peaks challenge and The Dragon Ride, Britain's hardest cycle event.

<u>This charity's two key Welfare priorities remain</u>:

-To prepare for the gradual emergence of latent Post-Traumatic Stress Disorder (PTSD). Research by King's College, London University claims 88/1,000 (9%) deployed will suffer future PTSD. Sadly, alcohol dependency is also sometimes linked to PTSD.

ACHIEVEMENTS FOR THE YEAR (continued)

Welfare (continued)
-To ensure the continual quality of prosthetics for our Wounded, Injured and Sick (WIS).

Former Household Cavalry officer Robin Bourne-Taylor's genuinely user-friendly Military App, continues to develop as the default go-to setting on Household Cavalry personnel's mobile telephones. Robin's nationwide "Walk and Talk" initiative continued to progress this year. For example, its obvious links to adventurous training exemplified by The Guards' Mountaineering and Climbing Club for both Serving and Veteran soldiers founded by Alistair Galloway. Annual Household Cavalry help is matched by support from the Foot Guards and Headquarters Household Division.

Both our Regiments and our Band again received annual funding that was increased on a *per capita* basis to enhance their soldiers and dependants' Quality of Life. Positive results aid recruiting and retention. All capbadges serving with the Household Cavalry are supported. These include our "mission critical" repair mechanics, and our Band.

Heritage
The Serving Officers' Trust (part of this charity since 2016) continues to rationalise its pictures, silver, furniture and albums, and is grateful for significant support from retired officers and their families exemplified by two new Daresbury Albums. 10-year revision of our definitive Christie's catalogues was completed. The charity offers similar property conservation support to both our Warrant Officers & Non-Commissioned Officers' Messes. Maintenance of Household Cavalry war memorials in churches, cemeteries and Commonwealth War Graveyards is supported by the charity and both Regimental Associations.

Horses
This year's fund was given to our Mounted Regiment for equipment not provided by the Ministry of Defence. Key links remain with the Defence Animal Centre, World Horse Welfare, the Stirling Trust and the Horse Trust.

Finance and administration

- The charity's two staff remain one full-time Director, Lieutenant Colonel Giles Stibbe, and one part-time Finance Administrator, Mrs Mary Edwards.

- Annual reviews ensure the Foundation's audit, banking and insurance costs remain competitive.

- Gift Aid is applied whenever possible.

- The majority of The One Day's Pay Scheme (paid voluntarily by serving officers and soldiers) is paid to The LifeGuards' and The Blues & Royals' Regimental Associations.

- The fundraising process for the charity and both Regimental Associations remains user-friendly and easy: entry fees and kit are subsidised. Serving soldiers apply via

ACHIEVEMENTS FOR THE YEAR (continued)

Finance and administration (continued)

- their Chain-of-Command, and Veterans either directly or via the Home HQ of their Regimental Associations.

- All retail activities remain coordinated by the Household Cavalry Museum's shop. The only exceptions are some specific uniform items supplied by Quartermasters, and cards and diaries marketed by Home Headquarters Household Cavalry.

- Only The Life Guards' Regimental Association remains outside the charity's investment portfolio, but it is included in all relevant welfare case considerations.

- The Household Cavalry Foundation as well as The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare.

FINANCIAL REVIEW

Results for the year and financial position

Total income for the year amounted to £504,880 (2024 – £497,350).

Expenditure totalled £588,508 (2024 – £546,035), due to increased grants awarded during the year of £299,171 (2024 – £276,040) offset by a small decrease in expenditure on raising funds £117,588 (2024 – £117,868), £17,712 (2024 – £19,874) being in respect to investment manager's fees and the balance generating donations of £248,680 (2024 – £234,831). Net realised and unrealised investment gains for the year totalled £1,594 (2024 – gain £328,442).

Therefore, the net movement in funds for the year was a decrease of £82,034 (2024 – increase £279,757).

Total funds at 31 March 2025 amounted to £4,445,899 (2024 – £4,527,933) of which £2,323,942 were restricted (2024 – £2,416,419) and £2,121,957 were unrestricted or general funds (2024 – £2,111,514). Included within unrestricted funds is a designated fund of £235,000 (2024 – £210,000) which has been set aside to help towards the cost of the next Standards' Parade where the Monarch, as Colonel-in-Chief of the Household Cavalry, will present new Standards. It is anticipated this parade will take place during the next decade. Free reserves at 31 March 2025 therefore amounted to £1,886,957 (2024 – £1,901,514).

Investment policy

The portfolio has benefited from the recovery of global stock markets following the onset of the pandemic. The charity's investments are managed by professional investment managers who were reviewed during the year. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. The strategy takes into account the charity's income requirements for the year, the appropriate risk profile and the investment managers' view of the market prospects in the medium term.

Investment policy (continued)
The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

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

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

The charity generates income largely through fundraising and investments and, therefore, it is subject to fluctuation from year to year. As a result, the charity has a Reserves' policy that no less than four months of costs, equating to approximately £200,000 are typically to be held as a cash reserve, to provide protection against such fluctuations and enable it to continue operating in all circumstances and following all eventualities, including any significant unexpected fall in income. At times it may hold significantly more cash if there are known future commitments and if there is a wider concern about prevailing market conditions. For example, the cash reserve is also influenced by the special costs of future Standards' Parades.

The reserves policy is, and will continue to be, reviewed annually by the trustees. The total value of free reserves at 31 March 2025 of £1,886,957 (2024 – £1,901,514) is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult, yet the need for the charity's support remains as high as ever. Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

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

- From its investment portfolio, as administered by professional investment managers;
- Donations from individuals;
- Holding occasional fundraising events; and
- Through applications to grant-giving trusts.

FUNDRAISING POLICY (continued)

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

The charity occasionally engages third party fundraisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

Individuals sometimes volunteer to raise funds on our behalf; for example, sponsored sports' activities. Such activities are usually undertaken independently of the charity. The charity has not received any complaints about its fundraising activity during the year.

FUTURE PLANS

The charity's priority aim is to manage any threat posed by an economically volatile financial year exacerbated by both political factors and lingering global health problems. Its most significant operational risk is the long-identified possible increase in latent Post-Traumatic Stress Disorder (PTSD) that is no respecter of rank. It will focus on adjusting a proven fundraising process of carefully targeted events and new and extant donors. This will exploit suitably innovative opportunities such as more cooperation with similar mutually supportive charities. These are exemplified by the annual support for our operational casualty and world para-bobsleigh champion and cup-winner, Corie Mapp, who has also been selected to join a re-established GB Sitting Volleyball Team to compete in the next Paralympics.

Signed on behalf of the trustees



Rupert Fryer

(Trustee)

Approved on:

1/12/2025

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

Opinion

We have audited the financial statements of the Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon.

Other information (continued)
The trustees are responsible for the other information contained within the annual report and financial statements.

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 course of 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 the audit:

- the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing risks the risks of material mis-statement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof;
- reviewed journals to identify unusual transactions; and
- assessed whether the judgements and the assumptions made in determining the probability of the receipt of legacy income and the value of the listed investments payable to other organisations on demand were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

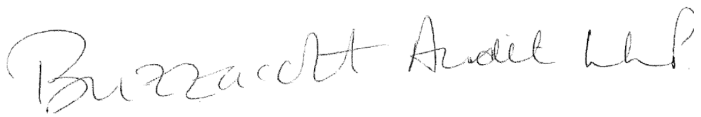
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



3 December 2025

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

Statement of financial activities Year to 31 March 2025
(Including an income and expenditure account)

	Notes	Un-restricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Un-restricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Income and expenditure							
Income from:							
Donations and legacies	1	**297,853**	**40,413**	**338,266**	239,299	92,522	331,821
Investments and interest receivable	2	**92,947**	**73,667**	**166,614**	89,375	76,154	165,529
Total income		**390,800**	**114,080**	**504,880**	328,674	168,676	497,350
Expenditure on:							
Raising funds	3	**109,155**	**8,433**	**117,588**	108,295	9,573	117,868
Charitable activities							
. Assisting service personnel and dependants	4	**272,085**	**198,835**	**470,920**	337,390	90,777	428,167
Total expenditure		**381,240**	**207,268**	**588,508**	445,685	100,350	546,035
Net (expenditure) income before investment gains		**9,560**	**(93,188)**	**(83,628)**	(117,011)	68,326	(48,685)
Net gains on investments		**883**	**711**	**1,594**	170,604	157,838	328,442
Net (expenditure) income for the year		**10,443**	**(92,477)**	**(82,034)**	53,593	226,164	279,757
Transfers between funds	13	**-**	**-**	**-**	(2,000)	2,000	-
Net movement in funds		**10,443**	**(92,477)**	**(82,034)**	51,593	228,164	279,757
Fund balances at 1 April		2,111,514	2,416,419	4,527,933	2,059,921	2,188,255	4,248,176
Fund balances at 31 March		**2,121,957**	**2,323,942**	**4,445,899**	2,111,514	2,416,419	4,527,933

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

Balance sheet 31 March 2025

		2025 £	2025 £	2024 £	2024 £
Fixed assets					
Investments	10		**7,460,734**		7,276,479
Current assets					
Debtors	11	**64,211**		71,354	
Short term deposits		**-**		100,000	
Cash at bank and in hand		**370,294**		433,820	
		434,505		605,174	
Liabilities					
Creditors: amounts falling due within one year	12	**(3,449,340)**		(3,353,720)	
Net current liabilities			**(3,014,835)**		(2,748,546)
Total assets less current liabilities			**4,445,899**		4,527,933
Total net assets			**4,445,899**		4,527,933
Represented by:					
The funds of the charity:					
Restricted funds	13		**2,323,942**		2,416,419
Unrestricted funds					
- General funds			**1,886,957**		1,901,514
- Designated funds	14		**235,000**		210,000
			4,445,899		4,527,933

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the trustees and signed on their behalf by:

Rupert Fryer

(Trustee)

Approved on: 1/12/2025

The Household Cavalry Foundation: Charity Registration Number 1151869, Company Registration Number 08236363 (England and Wales)

Statement of cash flows Year to 31 March 2025

	Notes	2025(£	2024 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	**(121,229)**	(96,484)
Cash flows from investing activities:			
Investment income and interest received		**166,614**	165,529
Proceeds from the disposal of investments		**14,713**	51,618
Invested in short term deposits		**100,000**	(100,000)
Purchase of investments		**(107,808)**	(24,881)
Net cash provided by investing activities		**173,519**	92,266
Change in cash and cash equivalents in the year		**52,290**	(4,218)
Cash and cash equivalents at 1 April	B	509,204	513,422
Cash and cash equivalents at 31 March	B	**561,494**	509,204

Notes to the statement of cash flows for the year to 31 March

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

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	**(82,034)**	279,757
Adjustments for:		
Losses (gains) on investments	**24,656**	(552,468)
Investment income and interest receivable	**(166,614)**	(165,529)
Decrease in debtors	**7,143**	32,120
Increase in creditors	**95,620**	309,636
Net cash (used in) operating activities	**(121,229)**	(96,484)

B Analysis of changes in net debt

	2024 £	Cash flows £	**2025 £**
Cash at bank and in hand	433,820	(63,526)	**370,294**
Cash held by investment managers	75,384	115,816	**191,200**
Total cash and cash equivalents	509,204	52,290	**561,494**

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

Basis of preparation
These financial statements have been prepared for the year to 31 March 2025 with comparative information provided in respect to the year to 31 March 2024.

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

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

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

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

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The principal areas in the financial statements where these judgements and estimates have been made relate to:

- the allocation of support costs between expenditure headings;
- determining the value of listed investments held on behalf of associated Household Cavalry organisations;
- assessing the probability of the receipt of legacy income; and
- estimating future income and expenditure flows for the purpose of assessing going concern.

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

Assessment of going concern (continued)
The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The key areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2026, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the investment policy and the risk management sections of the trustees' report for more information).

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

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

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

Individuals sometimes volunteer to raise funds on the charity's behalf. In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

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

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

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

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

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

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

Heritage assets
Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 9 to these financial statements.

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

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

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

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

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

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

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

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

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

Fund accounting

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1 Income from: Donations and legacies

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 2£
Donations	**163,498**	**40,413**	**203,911**	142,309	42,522	184,831
Legacies	**51,769**	**-**	**51,769**	-	50,000	50,000
Income from events	**33,893**	**-**	**33,893**	50,887	-	50,887
The Day's Pay Scheme	**48,693**	**-**	**48,693**	46,103	-	46,103
Total funds	**297,853**	**40,413**	**338,266**	239,299	92,522	331,821

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

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

2 Income from: Investment income and interest receivable

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Investment income	**81,457**	**73,299**	**154,756**	82,403	75,811	158,214
Interest receivable	**11,490**	**368**	**11,858**	6,972	343	7,315
Total funds	**92,947**	**73,667**	**166,614**	89,375	76,154	165,529

3 Expenditure on: Raising funds

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Staff costs	**27,163**	**-**	**27,163**	26,055	-	26,055
Events and fundraising costs	**53,205**	**-**	**53,205**	54,217	-	54,217
Website costs	**803**	**-**	**803**	1,436	-	1,436
Investment management fees	**9,279**	**8,433**	**17,712**	10,301	9,573	19,874
UK entertainment	**18,705**	**-**	**18,707**	16,286	-	16,286
Total funds	**109,155**	**8,433**	**117,588**	108,295	9,573	117,868

4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Grants and donations*	**116,901**	**182,270**	**299,171**	196,672	79,368	276,040
Staff costs and honoraria	**79,608**	**-**	**79,608**	73,670	-	73,670
Promotion of military efficiency	**14,381**	**-**	**14,381**	13,696	-	13,696
Accountancy	**10,432**	**-**	**10,432**	8,275	-	8,275
Publishing costs – The Household Cavalry Journal	**21,030**	**-**	**21,030**	20,628	-	20,628
Website development	**803**	**-**	**803**	1,436	-	1,436
Professional fees	**77**	**-**	**77**	35	-	35
Office and administration costs	**2,245**	**-**	**2,245**	1,954	-	1,954
Insurance	**-**	**16,565**	**16,565**	-	11,409	11,409
Governance costs: auditor's remuneration	**16,380**	**-**	**16,380**	13,164	-	13,164
Other costs	**10,228**	**-**	**10,228**	7,860	-	7,860
Total funds	**272,085**	**198,835**	**470,920**	337,390	90,777	428,167

*Grants and donations

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Soldiers	**100,068**	**-**	**100,068**	126,184	-	126,184
Operational casualties	**-**	**45,285**	**45,285**	-	46,328	46,328
Veterans	**2,524**	**-**	**2,524**	2,911	-	2,911
Childrens fund	**-**	**109,475**	**109,475**	-	-	-
Heritage	**10,996**	**-**	**10,996**	30,457	-	30,457
Silversticks fund	**1,512**	**-**	**1,512**	16,672	-	16,672
Serving officers trust	**-**	**27,510**	**27,510**	-	33,040	33,040
Standards parade	**-**	**-**	**-**	18,548	-	18,548
Other	**1,801**	**-**	**1,801**	1,900	-	1,900
Total funds	**116,901**	**182,270**	**299,171**	196,672	79,368	276,040

5 Net movement in funds

This is stated after charging

	2025 £	2024 £
Staff costs, excluding honoraria (note 6)	**81,490**	78,165
Auditor's remuneration		
. Current year	**15,660**	12,624
. Non-audit services	**936**	540

6 Staff costs

Staff costs, excluding honoraria, are as follows:

	Total funds 2025 £	Total funds 2024 £
Wages and salaries	**64,531**	60,709
Social security costs	**210**	1,687
Employer's pension contribution	**2,368**	2,073
	67,109	64,469
Contribution in respect to Regimental Adjutant	**14,381**	13,696
	81,490	78,165

The average number of employees during the year was:

	2025 No.	2024 No.
	2	2

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2024 – none).

7 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Director.
The total cost to the charity of employing key management was £60,498 (2024 – £59,428).
No trustee was reimbursed travel and subsistence expenses during the year (2024 – one).

8 Taxation

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

9 Heritage assets

The charity has title to a number of unique artefacts including silverware and paintings which form part of the heritage of the Household Cavalry and the nation generally and which the charity intends to preserve for the enjoyment of future generations. Records of the Heritage Assets owned by the Serving Officers' Trust and held in London, Bulford and Windsor are in Christie's catalogues that were reviewed during this Financial Year.

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

10 Investments

	Total funds 2025 £	Total funds 2024 £
Listed investments		
Market value as at 1 April	**7,201,095**	6,675,364
Additions at cost	**107,808**	24,881
Disposals at opening market value (proceeds £14,713; losses £2,712)	**(17,425)**	(52,275)
Net unrealised investment (losses) gains	**(21,944)**	553,125
Market value as at 31 March	**7,269,534**	7,201,095
Cash held for reinvestment	**191,200**	75,384
	7,460,734	7,276,479
Historical cost of listed investments as at 31 March	**6,901,419**	6,861,490

At 31 March 2025 listed investments comprised the following:

	Total funds 2025 £	Total funds 2024 £
Diversified Investment funds	**2,839,787**	2,756,088
Unitised funds	**4,409,625**	4,401,010
Alternatives	**20,122**	43,998
Total	**7,269,534**	7,201,096

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

At 31 March 2025, listed investments included investments with a market value of £3,305,146 (2024 – £3,185,677) representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are total net unrealised losses of £21,944 and realised losses of £2,712 which arose during the year ended 31 March 2025. Those losses and gains which relate to the investments which represent part of the amount due to the Household Cavalry regiments and associated funds are not reflected through the statement of financial activities.

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

Holding	2025 Market Value £	2025 Percentage %
Cazenove Charity Multi-Asset Fund	**4,409,625**	**60.7%**
Waverton Charity Growth and Income Fund	**2,839,787**	**39.1%**

10 Investments (continued)

Holding	2024 Market Value £	2024 Percentage %
Cazenove Charity Multi-Asset Fund	4,401,010	61.1%
Waverton Charity Growth and Income Fund	2,756,088	38.3%

11 Debtors

	Total funds 2025 £	Total funds 2024 £
Other debtors	**4,438**	16,063
Accrued investment income	**47,049**	48,468
Other accrued income	**4,405**	6,193
Prepayments	**8,319**	630
	64,211	71,354

12 Creditors: amounts falling due within one year

	Total funds 2025 £	Total funds 2024 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)		
. Listed investments	**3,305,146**	3,185,677
. Investment income payable	**62,514**	106,715
Grants payable	**18,920**	-
Accruals	**46,235**	43,240
Other creditors	**16,451**	-
Deferred income	**74**	18,088
	3,449,340	3,353,720

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

Listed investments	**2025 £**	2024 £
The Blues and Royals Association	**1,571,315**	1,500,996
Oliver Montague Fund	**1,441,229**	1,390,935
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**149,338**	149,891
Household Cavalry Mounted Regiment (Knightsbridge)	**143,264**	143,855
	3,305,146	3,185,677

12 Creditors: amounts falling due within one year (continued)

Investment income payable	**2025 £**	2024 £
The Blues and Royals Association	**32,607**	55,388
Oliver Montague Fund	**29,907**	51,327
	62,514	106,715

Deferred income primarily relates to monies received payable to a regiment:

	2025 £	2024 £
At 1 April	**18,088**	18,000
Amount released to income from charitable activities	**(18,088)**	(18,000)
Amount deferred in year	**10,574**	18,088
At 31 March	**10,574**	18,088

13 Restricted funds

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

Year ended 31 March 2025	**Operational Casualties Fund 2025 £**	**Children's Fund 2025 £**	**Serving Officers Trust Fund 2025 £**	**Total 2025 £**
At 1 April 2024	**1,899,743**	**109,055**	**407,621**	**2,416,419**
Income	**93,591**	**486**	**20,003**	**114,080**
Expenditure	**(52,450)**	**(109,541)**	**(45,277)**	**(207,268)**
Net investment gains	**475**	**-**	**236**	**711**
At 31 March 2025	**1,941,359**	**-**	**382,583**	**2,323,942**

Year ended 31 March 2024	Operational Casualties Fund 2024 £	Children's Fund 2024 £	Serving Officers Trust Fund 2024 £	Total 2024 £
At 1 April 2023	1,678,877	98,632	410,746	2,188,255
Income	143,663	4,176	20,837	168,676
Expenditure	(54,288)	(274)	(45,788)	(100,350)
Net investment gains	131,491	4,521	21,826	157,838
Transfer from unrestricted funds	-	2,000	-	2,000
At 31 March 2024	1,899,743	109,055	407,621	2,416,419

13 Restricted funds (continued)

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

Children's Fund
The Children's Fund is used to provide money to children of deceased Household Calvary personnel who have died during conflict. Donations are made each year by each of the Regimental Associations and an amount equal to those donations is transferred from unrestricted to restricted funds by the charity. During the year final payments were made and the fund was closed.

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

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

	1 April 2024 £	**New design-ations £**	**Utilised £**	**31 March 2025 £**
Standards Parade Fund	**210,000**	**25,000**	—	**235,000**

	1 April 2023 £	New design-ations £	Utilised £	31 March 2024 £
Standards Parade Fund	180,000	30,000	—	210,000

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

15 Analysis of net assets between funds

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total Funds 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £
Fund balances at 31 March 2025 are represented by:						
Investments	**5,552,745**	**1,907,989**	**7,460,734**	5,304,236	1,972,243	7,276,479
Net current (liabilities) assets	**(3,430,788)**	**415,953**	**(3,014,835)**	(3,192,722)	444,176	(2,748,546)
Total net assets	**2,121,957**	**2,323,942**	**4,445,899**	2,111,514	2,416,419	4,527,933

	Total 2025 £	Total 2024 £
Unrealised gains included above		
On investment assets	**368,115**	339,606
Reconciliation of movements in unrealised gains:		
Total unrealised gains (losses) at 1 April	**339,606**	(177,257)
Movement in respect of disposals in the year	**50,453**	(36,262)
Net (losses) gains arising on revaluations in the year	**(21,944)**	553,125
Total unrealised gains at 31 March	**368,115**	339,606

The total unrealised gains as at 31 March 2025 constitute movements on the revaluation of listed investments.

16 Related parties

Two trustees are serving Household Cavalrymen (2024 – two trustees were serving members) and so may have benefitted indirectly from grants made during both 2025 and 2024 by The Household Cavalry Serving Officers' Trust.

No trustees were reimbursed minor travel and subsistence expenses (2024 – one trustee was reimbursed £244).

The two trustees who are serving members of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.

Four trustees (2024 – three trustees) contributed donations to the Household Cavalry Serving Officers' Trust fund during the year amounting to £200 (2024 – £145).

One trustee donated £10,000 to the charity during the year.

THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales - Charity number 1151869

Accounts

The Household Cavalry Foundation

Annual Report and Financial statements

31 March 2024

Charity Registration Number
1151869

Company Registration Number:
08236363 (England and Wales)

Contents

Reports

Reference and administrative details 1

Trustees' report 3

Independent auditor's report 16

Financial statements

Statement of financial activities 21

Balance sheet 22

Statement of cash flows 23

Principal accounting policies 24

Notes to the financial statements 29

Reference and administrative details

Trustees	Brigadier MSP Berry (Chairman) Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman) Lady JM Grosvenor Captain JR Dove EDJ Goodchild, Esq. (until January 2024) RFD Fryer, Esq. (from January 2024)
Director	Lieutenant Colonel (Retired) GGE Stibbe, OBE
Company Secretary and Secretary to the Trustees	Lieutenant Colonel (Retired) RRD Griffin
Principal office	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
Charity registration number	1151869
Company registration number	08236363 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Accountant	CP Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
Bankers	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR

Reference and administrative details

Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 28 and comply with the charity's Articles of Association and applicable law. The requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and financial statements.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Documents

The charity constitutes a company, limited by guarantee as defined by Companies Act 2006. The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013 and 3 November 2016) and by a Charity Commission Order dated 2 May 2013.

The Household Cavalry Serving Officers' Trust was transferred to the Household Cavalry Foundation on 21 December 2016 and this transfer was confirmed by Deed of Amendment on 22 December 2016.

Objects

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

The charity supports the protection and development of the Household Cavalry's history and heritage, and the welfare of retired horses.

The objects for which the charity is established are:

- the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;

- to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;

- the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependants, including without limitation by providing financial support to families or other dependants of those who have lost their lives on active service;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Objects (continued)

- to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, and traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;

- to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and

- such other exclusively charitable purposes relating to the Household Cavalry as the trustees in their absolute discretion think fit.

The charity's operational stakeholders include the following:

- Headquarters Household Cavalry;
- Headquarters Household Division;
- Unit Welfare Officers;
- Household Cavalry Museum Trust Limited;
- The Life Guards' Regimental Association;
- The Blues & Royals' Regimental Association.

Trustees

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

Trustees
Brigadier MSP Berry (Chairman)
Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman)
Lady JM Grosvenor
Captain JR Dove
EDJ Goodchild, Esq. (until January 2024)
RFD Fryer, Esq. (from January 2024)

No trustee received any remuneration for services as a trustee.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustee recruitment and appointment

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting before their appointment. This is so these proposed trustees may be assessed by the extant trustees for suitability and, where appropriate, relevant professional qualifications, diversity and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees. The trustees each serve for at least three years and are deliberately chosen to represent all aspects of Household Cavalry life and provide relevant expertise.

The Foundation's Articles of Association dated 3 November 2016 state:

- "trustees shall always aspire to, but not be obliged to, achieve a majority of serving or retired officers of the Household Cavalry on the board of trustees"; and
- "No trustee may serve for a period longer than six consecutive years without retiring for at least one complete year. Where a majority of the other trustees agree it would assist with the work of the charity, this rule may be disapplied in respect of a particular trustee".

Trustee induction and training

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

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis are considered to be the trustees of the charity and the Director. All strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees nor in their role as a member of the key management team. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices. Details of key management personnel's pay are set out in note 7.

Organisational structure and management reporting

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

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

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

There were three generic risks throughout this financial year. Russia's invasion of Ukraine on continues to exacerbate economic problems caused by the Coronavirus (Covid-19) pandemic. Both had an unprecedented social and economic effect across the world on a scale not seen for at least 75 years. A third factor - recovery from the adverse economic effects of the Truss government's budget of 23 September 2022 - caused more problems. So, at the time of writing this Report, the Consumers' Prices' Index inflation rate including housing is 2.8% compared to 6.7% in the previous Annual Report and Financial Statements. Initially high inflation, that reduced during this reporting period, and the effect of the economic policy of the new United Kingdom government may cause a reduction in reduced incomes and so reduced donations to the Foundation that continues to face three perennial challenges and risks:

- **Latent Staff resilience.** There is latent strength-in-depth despite the fact that there is only one full-time employee, the Director, with a primary financial budgetary and fundraising role. The Chairman of the trustees is the alternate director. Formal authorisation for invoice payment is electronic. The management accounts are formally checked monthly by representatives of the trustees. The transparency of these documents facilitates review and oversight of the Director's role by any of the trustees.

- **Lack of investment income.** A Periodic Review of Fund Managers is due before April 2025. The previous Review in 2021 was a risk-reducing measure resulting in 40% of the capital value of the charity's portfolio with Cazenove Capital Management's Charity Multi-Asset Fund being transferred in two 20% tranches to Waverton Investment Management's Charity Growth and Income Fund. These two 20% transfers were in March 2021 and December 2021. The balance remains in Cazenove Capital Management's Charity Multi-Asset Fund. Stakes held in both funds remain proportionate to original and subsequent investments. All Household Cavalry charitable investment portfolios are now either with Cazenove Capital Management or Waverton Investment Management.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Periodic Reviews give trustees a resilient management strategy to monitor the charity's investments in inherently dynamic times unprecedented for nearly eight decades.

- **Lack of income from donors.** Possible donor fatigue, exacerbated by an unpredictable economy, is mitigated by the trustees' focus on building enduring relationships with regular donors, who, so far, have proved to be less affected by the prevailing economic situation. State ceremonial duties, especially in the first Coronation year since 1953, keep the Household Cavalry in the "public eye". Visits to both our regiments (operational and ceremonial) ensure our donors meet our soldiers. This is a proven strategy because extant and potential donors meet soldiers who deploy on both war-fighting operations and ceremonial duties, thus proving the versatility of Household Cavalry soldiers.

The trustees always aim to match demand for help from the charity with their ability to raise follow-on funding to meet other priority needs that arise. This prioritisation underpins the support for all members of the Household Cavalry "family" that the charity offers to our operational casualties, our serving soldiers, our veterans and their dependents, and also, when applicable, to our heritage and the welfare of our retired horses.

Our risk management framework encourages smaller targeted fundraising events which do not involve significant up-front capital outlay or any extra work for our already busy soldiers.

ACTIVITIES AND PUBLIC BENEFIT

The charity provides public benefit by the provision of welfare grants and donations that help Regimental personnel both past and present, as well as their dependants, who are in need, hardship or distress.

In addition, the charity enables Regimental personnel to perform their roles more effectively as members of the Armed Forces of The Crown. It does this by supporting educational, sporting and adventure training activities.

This assistance enables Regimental personnel to develop and maintain teamwork, skills, fitness, confidence, character and morale. This is especially important after operational tours as some confront the aftermath of their military service; for example, latent Post-Traumatic Stress Disorder (PTSD).

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

The funds to support the above activities are generated in part from investments, by encouraging donations to the charity, and also from carefully selected events.

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

ACHIEVEMENTS FOR THE YEAR

Direction

During an economically volatile financial year, affected by both global health and political factors, trustees' direction remained the established focus on selecting donors and targeted events; especially those events that minimise extra work for already busy serving soldiers.

Fundraising

Loyalty is confirmed by the "mission critical" financial support given by extant donors despite continuing economic and political challenges that are unprecedented for eight decades. The Foundation's donation, legacy and events' income this year was £497,350 (2023: £435,354); the increase in income was driven by a strong year for fundraising enhanced by a small number of specially chosen events. More than ever, since the charity was founded over a decade ago, fundraised income is "mission critical" and the trustees' focus - Donors and selected Events - remains "key terrain". Trustees are also extremely grateful to those who remember The HCF by legacies in their wills. For example, the generous legacy to the Operational Casualties' Fund from Captain David Jacobs.

Fundraising during Coronation Year - the busiest ceremonially for the Household Cavalry for eight decades - started auspiciously when the charity was chosen to be the Royal Windsor Horse Show's Charity for 2023. One key result is this generosity has continued to help trustees to honour a pledge to our globally unique "Jewel in our Crown" Household Cavalry Museum where visitor numbers were reduced by the impact of the pandemic.

Our Band played one "Through Music We Care" concert for the charity: a combined evening with Berkhamsted School pupils. This proved the quality of the British Army's senior largest State Band with its unique mounted ceremonial role, that was exemplified by their new compact disc: "The Monarch's Music". This is the result of a successful collaboration between The Band of the Household Cavalry led by Major Paul Collis-Smith and The Choir of St George's Chapel, Windsor Castle conducted by James Vivian. It sets the historic moment of King Charles III's Coronation within the heritage of music and monarchs past. Recorded during the celebrations of HM Queen Elizabeth II's Platinum Jubilee in 2022, the programme confirms this historic link between the British monarchy and music: from coronations to royal weddings to more subtle stories of royal involvement and it also celebrates the musical output of composers who have flourished with royal patronage.

James Blount's support also remains very significant with prize access to his concerts and generous donations from biopics and the Royal Albert Hall musical icons' gallery.

Pictorially, Coronation Year will be forever remembered for twelve original photo-portraits of Household Cavalrymen by Ripley. These were the Household Cavalry's Coronation Present to our new Colonel-in-Chief. Launched in the Hall of an affiliated Livery Company, The Saddlers, on the eve of the Presentation of The Blues and Royals' Sovereign's Standard, an exhibition is now on tour. In London at the Lanesborough and Mandarin Oriental Hotels and Buck's, The Cavalry and Guards and Royal Automobile Clubs; and out of town at Newmarket's National Horse Racing Museum, Blenheim Palace and Arundel, Floors and Grimsthorpe Castles.

A percentage from sales of copies of these photo-portraits is paid to the charity. Copies are also on display and for sale in our Museum shop.

ACHIEVEMENTS FOR THE YEAR (continued)

Fundraising (continued)
The charity's most original current publicity is on a London taxi driven by Judith Elliott who is a civilian rider-out at our Mounted Regiment.

"Hardy Perennial" events also continue to provide vital funding. For example, an annual cricket match at Burton Court remains definitively competitive; and Dinner during the autumn at Buck's Club which was founded by a Household Cavalryman.

Support from two Mayors has been superb: Neil Knowles from The Royal Borough of Windsor and Maidenhead hosted a Dinner at The Guildhall that raised a significant amount for the charity; and Alastair King, The City of London's Lord Mayor designate for 2024-25.

Events are carefully selected because they are less financially risky than organising events, which pre-2016, while sometimes popular, never guaranteed income. Pre-2016 events also often unacceptably increased the workload of already busy Household Cavalry soldiers.

Individual fundraising also continues relentlessly; for example, the annual London Marathon; and the "Head-Up" run around the United Kingdom's coastline was completed.

Welfare
The charity and The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare. The Operational Casualties' and Children's Funds are the charity's specific responsibilities. Although the Life Guards' Regimental Association remains outside the Foundation's overall investment portfolio, it is included in all relevant welfare case considerations.

Global Support links via postcode-based volunteers to Regimental Welfare Officers and Home Headquarters Household Cavalry continue to prove genuinely viable as described in the Household Cavalry Welfare Guide.

The camaraderie and feedback from successful Regional Dinners are also extremely helpful. One important result is emergency cases are resolved fast.

To ensure it remains current and user-friendly the Household Cavalry Welfare Guide (two pages with a flow chart) is reviewed annually for our global Household Cavalry "Family" of about 10,000 All Ranks: 1,000 Serving Soldiers and 9,000 Veterans, and their Dependents.

Our two key welfare priorities remain:

1. To prepare for the gradual emergence of latent Post-Traumatic Stress Disorder (PTSD). Research by King's College, London University claims 88/1,000 (9%) deployed will suffer future PTSD. PTSD cases did not increase after the withdrawal from Afghanistan.

2. To ensure the continual quality of prosthetics for our wounded soldiers, injured and long-term sick (WIS) personnel.

ACHIEVEMENTS FOR THE YEAR (continued)

Welfare (continued)
Another significant bonus is Household Cavalrymen working in the Ministry of Defence's Recovery Capability (DRC)'s nationwide network of Personnel Recovery Centres (PRC) that are funded by key partners: The Royal British Legion and Help for Heroes. There serving and veteran wounded, injured and long-term sick (WIS) service personnel mentor each other and boost mutual morale as they jointly confront the challenges posed by the transition from military to civilian life; for example, charitable initiatives such as "Head Up".

Two payments from our Children's Fund were made during this reporting period to recipients who have lost their fathers during operation deployments since 2003.

Our two Operational Casualties, who are also Ascot War Horse Memorial Scholars, enjoyed another successful year:

Double-amputee Corie Mapp ended the 2022-23 para-bobsleigh season ranked 2nd in the World. He was also selected to join a re-established Sitting Volleyball Team GB to train for and compete in the next Paralympics.

Clifford O'Farrell is congratulated on all he achieved after volunteering to be Non-Commissioned Officer in command of the Household Cavalry Cadets in Combermere Barracks, Windsor. Headquarters Army Cadets wanted to disband this troop as they "have no place". There are now five instructors exemplified by former Blue and Royal operational casualty Richard Ward, who lost both legs in Afghanistan. Richard is congratulated on his awards for best new instructor and best adult shot for 2023. His and Clifford O'Farrell's combined achievements include: cadet numbers increasing from three to twenty, and selection of the troop as focus for Advanced Signals' and Leadership training. Clifford's charity polo-playing triumphed in a 4-3 victory at a match in Denmark that raised £115,000 for children of injured NATO service personnel.

Mark Howard is congratulated on his achievements with his handcycle. Like Corie Mapp, he is also supported by the British Limbless Ex-Servicemen's Association (BLESMA).

"Walk and Talk", the successful initiative by Captain (retired) Robin Bourne-Taylor CGC, progresses. It has a user-friendly Military App, and obvious links to more robust adventurous training exemplified by The Guards' Mountaineering and Climbing Club for both Serving and Veteran soldiers. This was founded by a Household Cavalryman. Continuing annual help from the Foundation is matched by support from the Foot Guards and Headquarters Household Division.

Serving soldiers
Both Regiments and our Band receive annual funding on a per capita basis to enhance their soldiers and dependents' quality of life. For example, "Priority for Education support to Serving Soldiers are "Retention Positive" initiatives subsidising the Ministry of Defence's Personal Learning Credit system".

These payments are now made at the start of each financial year, and monthly audit returns are made based on Ministry of Defence accounting practice. Our Band is also eligible for Royal Corps of Army Music support.

ACHIEVEMENTS FOR THE YEAR (continued)

Heritage

The Serving Officers' Trust (part of The HCF since 2016) continues to rationalise its pictures, silver, furniture and albums, and is grateful for significant support from retired officers and their families such as the new Daresbury Albums. The definitive Christie's catalogues are having a 10-year check. The charity offers similar property conservation support to both our Warrant Officers & Non-Commissioned Officers' Messes.

Mandy Shepherd proved she has inherited her father David's talent with a portrait of our first mare Drumhorse, Willa-Rose, who was given the parade name Juno by Her Majesty Queen Camilla. Japanese equestrian artist, Tomoyuki Nagase, also kindly donated two of his paintings.

Sales progress of "The Household Cavalry At War. The Story of The Second Household Cavalry Regiment in the Second World War" by Roden Orde. Its re-publication by Pen & Sword was funded by serving and retired personnel. A linked Battlefield Tour map-pack is being prepared.

The charity ended its five annual £5,000 payments to The Guards' Chapel Organ Restoration Fund. These annual payments matched those paid by the five regiments of Foot Guards. Equal repayments will be made if this Restoration Fund exceeds its target.

Our two last historic Armoured Fighting Vehicles - Ferret and Saracen - are being prepared for their plinths at Bulford. Maintenance of Household Cavalry war memorials in churches, cemeteries and Commonwealth War Graveyards is supported by the charity and both Regimental Associations.

Horses

This year's fund was given to our Mounted Regiment for equipment not provided by the Ministry of Defence. Key links remain with the Defence Animal Centre, World Horse Welfare, the Stirling Trust and the Horse Trust.

Finance and administration

- The charity's two staff remain one full-time Director, Lieutenant Colonel Giles Stibbe, and one part-time Finance Administrator, Mrs Mary Edwards.
- Annual reviews ensure the Foundation's audit, banking and insurance costs remain competitive.
- Gift Aid is applied whenever possible.
- The majority of The One Day's Pay Scheme (paid voluntarily by serving officers and soldiers) is paid to The Life Guards' and The Blues & Royals' Regimental Associations.
- The fundraising process for the charity and both Regimental Associations remains user-friendly and easy: entry fees and kit are subsidised. Serving soldiers apply via their Chain-of-Command, and Veterans either directly or via the Home HQ of their Regimental Associations.

ACHIEVEMENTS FOR THE YEAR (continued)

Finance and administration (continued)

- All retail activities remain coordinated by the Household Cavalry Museum's shop. The only exceptions are some specific uniform items supplied by Quartermasters, and cards and diaries marketed by Home Headquarters Household Cavalry.
- Only The Life Guards' Regimental Association remains outside the charity's investment portfolio, but it is included in all relevant welfare case considerations.
- The Household Cavalry Foundation as well as The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare.

FINANCIAL REVIEW

Results for the year and financial position

Total income for the year amounted to £497,350 (2023 – £580,604). The main reason for decrease in income is reduced event income of £157,998 (2023 included £106,191 for an event not repeated in 2024) offset by legacy income £50,000 received in 2024 but not 2023.

Expenditure totalled £546,035 (2023 – £513,730), due to increased grants awarded during the year of £276,040 (2023 – £225,689) offset by a decrease in expenditure on raising funds £117,868 (2023 – £140,047), £19,874 (2023 – £19,268) being in respect to investment manager's fees and the balance generating donations of £234,831 (2023 – £183,062). Net realised and unrealised investment gains for the year totalled £328,442 (2023 – losses £253,483).

Therefore, the net movement in funds for the year was an increase of £279,757 (2023 – decrease £186,609).

Total funds at 31 March 2024 amounted to £4,527,933 (2023 – £4,248,176) of which £2,416,419 were restricted (2023 – £2,188,255) and £2,111,514 were unrestricted or general funds (2023 – £2,059,921). Included within unrestricted funds is a designated fund of £210,000 (2023 – £180,000) which has been set aside to help towards the cost of the next Standards' Parade where the Monarch, as Colonel-in-Chief of the Household Cavalry, will present new Standards. It is anticipated this parade will take place during 2025 or 2026. Free reserves at 31 March 2024 therefore amounted to £1,901,514 (2023 – £1,879,921).

Investment policy

The portfolio has benefited from the recovery of global stock markets following the onset of the pandemic. The charity's investments are managed by professional investment managers who were reviewed during the year. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. The strategy takes into account the charity's income requirements for the year, the appropriate risk profile and the investment managers' view of the market prospects in the medium term.

FINANCIAL REVIEW (continued)

Investment policy (continued)

The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

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

Reserves policy

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

The charity generates income largely through fundraising and investments and, therefore, it is subject to fluctuation from year to year. As a result, the charity has a Reserves' policy that no less than six months of costs are typically to be held as a cash reserve, to provide protection against such fluctuations and enable it to continue operating in all circumstances and following all eventualities, including any significant unexpected fall in income. At times it may hold significantly more cash if there are known future commitments and if there is a wider concern about prevailing market conditions. It is to be noted that the cash reserve is also influenced by the special costs of the future Standards' Parade.

The reserves policy is, and will continue to be, reviewed annually by the trustees. The total value of free reserves at 31 March 2024 of £1,901,514 (2023 – £1,879,921) is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult, yet the need for the charity's support remains as high as ever. Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

FUNDRAISING POLICY

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

- From its investment portfolio, as administered by professional investment managers;
- Donations from individuals;
- Holding occasional fundraising events; and
- Through applications to grant-giving trusts.

FUNDRAISING POLICY (continued)

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

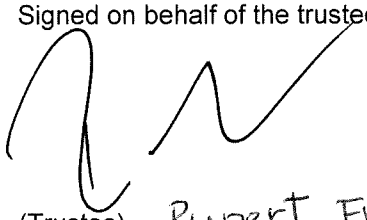
The charity occasionally engages third party fundraisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

Individuals sometimes volunteer to raise funds on our behalf; for example, sponsored sports' activities. Such activities are usually undertaken independently of the charity. The charity has not received any complaints about its fundraising activity during the year.

FUTURE PLANS

The charity's priority aim is to counter the three disruptions of an economically volatile financial year affected by both global health and political factors. Its most significant operational risk is the long-identified possible increase in latent PTSD. It will focus on adapting a proven fundraising process of carefully targeted events and new and extant donors. This will exploit suitably innovative opportunities such as more cooperation with similar mutually supportive charities. These are exemplified by the annual support for our operational casualty and world parabobsleigh champion, Corie Mapp, who has also been selected to join a re-established GB Sitting Volleyball Team to compete in the next Paralympics.

Signed on behalf of the trustees



(Trustee) Rupert Fryer

Approved on:

5/12/2024

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

Opinion

We have audited the financial statements of the Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon.

Other information (continued)
The trustees are responsible for the other information contained within the annual report and financial statements.

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 course of 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 the audit:

- the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing risks the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof;
- reviewed journals to identify unusual transactions; and
- assessed whether the judgements and the assumptions made in determining the probability of the receipt of legacy income and the value of the listed investments payable to other organisations on demand were indicative of potential bias

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP 5 December 2024

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

Statement of financial activities Year to 31 March 2024
(Including an income and expenditure account)

	Notes	Un-restricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Un-restricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Income and expenditure							
Income from:							
Donations and legacies	1	**239,299**	**92,522**	**331,821**	393,382	41,972	435,354
Investments and interest receivable	2	**89,375**	**76,154**	**165,529**	76,919	68,331	145,250
Total income		**328,674**	**168,676**	**497,350**	470,301	110,303	580,604
Expenditure on:							
Raising funds	3	**108,295**	**9,573**	**117,868**	130,768	9,279	140,047
Charitable activities							
. Assisting service personnel and dependants	4	**337,390**	**90,777**	**428,167**	258,108	115,575	373,683
Total expenditure		**445,685**	**100,350**	**546,035**	388,876	124,854	513,730
Net (expenditure) income before investment gains (losses)		**(117,011)**	**68,326**	**(48,685)**	81,425	(14,551)	66,874
Net gains (losses) on investments		**170,604**	**157,838**	**328,442**	(132,066)	(121,417)	(253,483)
Net income (expenditure) for the year		**53,593**	**226,164**	**279,757**	(50,641)	(135,968)	(186,609)
Transfers between funds	13	**(2,000)**	**2,000**	**-**	(2,000)	2,000	-
Net movement in funds		**51,593**	**228,164**	**279,757**	(52,641)	(133,968)	(186,609)
Fund balances at 1 April		**2,059,921**	**2,188,255**	**4,248,176**	2,112,562	2,322,223	4,434,785
Fund balances at 31 March		**2,111,514**	**2,416,419**	**4,527,933**	2,059,921	2,188,255	4,248,176

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

Balance sheet 31 March 2024

		2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	10		**7,276,479**		6,730,140
Current assets					
Debtors	11	**71,354**		103,474	
Short term deposits		**100,000**		-	
Cash at bank and in hand		**433,820**		458,646	
		605,174		562,120	
Liabilities					
Creditors: amounts falling due within one year	12	**(3,353,720)**		(3,044,084)	
Net current liabilities			**(2,748,546)**		(2,481,964)
Total assets less current liabilities			**4,527,933**		4,248,176
Total net assets			**4,527,933**		4,248,176
Represented by:					
The funds of the charity:					
Restricted funds	13		**2,416,419**		2,188,255
Unrestricted funds					
- General funds			**1,901,514**		1,879,921
- Designated funds	14		**210,000**		180,000
			4,527,933		4,248,176

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the trustees
and signed on their behalf by:

(Trustee) Rupert Fryer

Approved on: 5/12/2024.

The Household Cavalry Foundation:
Charity Registration Number 1151869, Company Registration Number 08236363 (England and Wales)

Statement of cash flows Year to 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	**(96,484)**	(685)
Cash flows from investing activities:			
Investment income and interest received		**165,529**	145,250
Proceeds from the disposal of investments		**51,618**	29,876
Invested in short term deposits		**(100,000)**	-
Purchase of investments		**(24,881)**	(302,557)
Net cash provided by (used in) investing activities		**92,266**	(127,431)
Change in cash and cash equivalents in the year		**(4,218)**	(128,116)
Cash and cash equivalents at 1 April	B	**513,422**	641,538
Cash and cash equivalents at 31 March	B	**509,204**	513,422

Notes to the statement of cash flows for the year to 31 March

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	**279,757**	(186,609)
Adjustments for:		
(Gains) losses on investments	**(552,468)**	483,901
Investment income and interest receivable	**(165,529)**	(145,250)
Decrease (increase) in debtors	**32,120**	(48,591)
Increase (decrease) in creditors	**309,636**	(104,136)
Net cash (used in) operating activities	**(96,484)**	(685)

B Analysis of changes in net debt

	2023 £	Cash flows £	2024 £
Cash at bank and in hand	458,646	(24,826)	**433,820**
Cash held by investment managers	54,776	20,608	**75,384**
Total cash and cash equivalents	513,422	(4,218)	**509,204**

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

Basis of preparation
These financial statements have been prepared for the year to 31 March 2024 with comparative information provided in respect to the year to 31 March 2023.

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

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

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

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

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The principal areas in the financial statements where these judgements and estimates have been made relate to:

- the allocation of support costs between expenditure headings;
- determining the value of listed investments held on behalf of associated Household Cavalry organisations;
- assessing the probability of the receipt of legacy income; and
- estimating future income and expenditure flows for the purpose of assessing going concern.

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

Assessment of going concern (continued)
The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The key areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the investment policy and the risk management sections of the trustees' report for more information).

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income recognition (continued)
Income from fundraising events is measured at fair value and accounted for on an accruals basis.

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

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

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

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

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

Allocation of support and governance costs (continued)
Both support and governance costs are allocated to the cost of assisting service personnel and their dependants.

Heritage assets
Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 9 to these financial statements.

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

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

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

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

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

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

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

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

Creditors and provisions

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

Fund accounting

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

1 Income from: Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 2£
Donations	**142,309**	**42,522**	**184,831**	141,090	41,972	183,062
Legacies	**-**	**50,000**	**50,000**	—	—	—
Income from events	**50,887**	**-**	**50,887**	208,885	—	208,885
The Day's Pay Scheme	**46,103**	**-**	**46,103**	43,407	—	43,407
Total funds	**239,299**	**92,522**	**331,821**	393,382	41,972	435,354

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

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

2 Income from: Investment income and interest receivable

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Investment income	**82,403**	**75,811**	**158,214**	74,586	68,241	142,827
Interest receivable	**6,972**	**343**	**7,315**	2,333	90	2,423
Total funds	**89,375**	**76,154**	**165,529**	76,919	68,331	145,250

3 Expenditure on: Raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Staff costs	**26,055**	**-**	**26,055**	24,201	—	24,201
Events and fundraising costs	**54,217**	**-**	**54,217**	71,998	—	71,998
Website costs	**1,436**	**-**	**1,436**	1,532	—	1,532
Investment management fees	**10,301**	**9,573**	**19,874**	9,989	9,279	19,268
UK entertainment	**16,286**	**-**	**16,286**	23,048	—	23,048
Total funds	**108,295**	**9,573**	**117,868**	130,768	9,279	140,047

4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Grants and donations	**196,672**	**79,368**	**276,040**	121,226	104,463	225,689
Staff costs and honoraria	**73,670**	**-**	**73,670**	71,058	—	71,058
Promotion of military efficiency	**13,696**	**-**	**13,696**	12,920	—	12,920
Accountancy	**8,275**	**-**	**8,275**	10,004	—	10,004
Publishing costs – The Household Cavalry Journal	**20,628**	**-**	**20,628**	19,060	—	19,060
Website development	**1,436**	**-**	**1,436**	1,532	—	1,532
Professional fees	**35**	**-**	**35**	106	—	106
Office and administration costs	**1,954**	**-**	**1,954**	1,711	—	1,711
Insurance	**-**	**11,409**	**11,409**	—	11,112	11,112
Governance costs: auditor's remuneration	**13,164**	**-**	**13,164**	11,994	—	11,994
Other costs	**7,860**	**-**	**7,860**	8,497	—	8,497
Total funds	**337,390**	**90,777**	**428,167**	258,108	115,575	373,683

Grants and donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Soldiers	**126,184**	**-**	**126,184**	63,659	-	63,659
Operational casualties	**-**	**46,328**	**46,328**	-	65,064	65,064
Veterans	**2,911**	**-**	**2,911**	1,771	-	1,771
Childrens fund	**-**	**-**	**-**	-	26,203	26,203
Heritage	**30,457**	**-**	**30,457**	39,614	—	39,614
Silversticks fund	**16,672**	**-**	**16,672**	14,532	—	14,532
Serving officers trust	**-**	**33,040**	**33,040**	-	13,196	13,196
Standards parade	**18,548**	**-**	**18,548**	-	—	-
Other	**1,900**	**-**	**1,900**	1,650	—	1,650
Total funds	**196,672**	**79,368**	**276,040**	121,226	104,463	225,689

5 Net movement in funds

This is stated after charging

	2024 £	2023 £
Staff costs, excluding honoraria (note 6)	**78,165**	72,604
Auditor's remuneration		
. Current year	**12,624**	11,580
. Non-audit services	**540**	600

6 Staff costs

Staff costs, excluding honoraria, are as follows:

	Total funds 2024 £	Total funds 2023 £
Wages and salaries	**60,709**	56,440
Social security costs	**1,687**	1,392
Employer's pension contribution	**2,073**	1,852
	64,469	59,684
Contribution in respect to Regimental Adjutant	**13,696**	12,920
	78,165	72,604

The average number of employees during the year was:

	2024 No.	2023 No.
	2	2

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2023 – none).

7 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees and the Director.
The total cost to the charity of employing key management was £59,428 (2023 – £56,024).
One trustee was reimbursed travel and subsistence expenses during the year (2023 – one).

8 Taxation

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

9 Heritage assets

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

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

10 Investments

	Total funds 2024 £	Total funds 2023 £
Listed investments		
Market value as at 1 April	**6,675,364**	6,886,584
Additions at cost	**24,881**	302,557
Disposals at opening market value (proceeds £51,618; losses £657)	**(52,275)**	(27,026)
Net unrealised investment gains (losses)	**553,125**	(486,751)
Market value as at 31 March	**7,201,095**	6,675,364
Cash held for reinvestment	**75,384**	54,776
	7,276,479	6,730,140
Historical cost of listed investments as at 31 March	**6,861,490**	6,852,622

At 31 March 2024 listed investments comprised the following:

	Total funds 2024 £	Total funds 2023 £
Diversified Investment funds	**2,756,088**	2,462,037
Unitised funds	**4,401,010**	4,127,941
Alternatives	**43,998**	85,386
Total	**7,201,096**	6,675,364

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

At 31 March 2024, listed investments included investments with a market value of £3,185,677 (2023 – £2,947,154) representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are total net unrealised gains of £553,125 and realised losses of £657 which arose during the year ended 31 March 2024. Those losses and gains which relate to the investments which represent part of the amount due to the Household Cavalry regiments and associated funds are not reflected through the statement of financial activities.

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

Holding	2024 Market Value £	2024 Percentage %
Cazenove Charity Multi-Asset Fund	**4,401,010**	**61.1%**
Waverton Charity Growth and Income Fund	**2,756,088**	**38.3%**

10 Investments (continued)

Holding	2023 Market Value £	2023 Percentage %
Cazenove Charity Multi-Asset Fund	4,127,941	61.8%
Waverton Charity Growth and Income Fund	2,462,037	36.9%

11 Debtors

	Total funds 2024 £	Total funds 2023 £
Other debtors	**16,063**	20,990
Accrued investment income	**48,468**	57,103
Other accrued income	**6,193**	24,751
Prepayments	**630**	630
	71,354	103,474

12 Creditors: amounts falling due within one year

	Total funds 2024 £	Total funds 2023 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)		
. Listed investments	**3,185,677**	2,947,154
. Investment income payable	**106,715**	6,266
Grants payable	**-**	5,000
Accruals	**43,240**	57,664
Social security and other taxes	**-**	10,000
Deferred income	**18,088**	18,000
	3,353,720	3,044,084

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

Listed investments	**2024 £**	2023 £
The Blues and Royals Association	**1,500,996**	1,388,738
Oliver Montague Fund	**1,390,935**	1,286,909
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**149,891**	138,497
Household Cavalry Mounted Regiment (Knightsbridge)	**143,855**	133,010
	3,185,677	2,947,154

12 Creditors: amounts falling due within one year (continued)

Investment income payable	**2024** £	2023 £
The Blues and Royals Association	**55,388**	3,252
Oliver Montague Fund	**51,327**	3,014
	106,715	6,266

Deferred income primarily relates to monies received in advance of an event taking place following the year end:

	2024 £	2024 £
At 1 April	**18,000**	18,523
Amount released to income from charitable activities	**(18,000)**	(18,523)
Amount deferred in year	**18,088**	18,000
At 31 March	**18,088**	18,000

13 Restricted funds

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

Year ended 31 March 2024	**Operational Casualties Fund 2024** £	**Children's Fund 2024** £	**Serving Officers Trust Fund 2024** £	**Total 2024** £
At 1 April 2023	**1,678,877**	**98,632**	**410,746**	**2,188,255**
Income	**143,663**	**4,176**	**20,837**	**168,676**
Expenditure	**(54,288)**	**(274)**	**(45,788)**	**(100,350)**
Net investment gains	**131,491**	**4,521**	**21,826**	**157,838**
Transfer from unrestricted funds	**-**	**2,000**	**-**	**2,000**
At 31 March 2024	**1,899,743**	**109,055**	**407,621**	**2,416,419**

Year ended 31 March 2023	Operational Casualties Fund 2023 £	Children's Fund 2023 £	Serving Officers Trust Fund 2023 £	Total 2023 £
At 1 April 2022	1,765,583	122,623	434,017	2,322,223
Income	87,494	3,964	18,845	110,303
Expenditure	(72,781)	(26,468)	(25,605)	(124,854)
Net investment losses	(101,419)	(3,487)	(16,511)	(121,417)
Transfer from unrestricted funds	-	2,000	-	2,000
At 31 March 2023	1,678,877	98,632	410,746	2,188,255

13 Restricted funds (continued)

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

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

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

14 Designated funds

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

	1 April 2023 £	**New design-ations £**	**Utilised £**	**31 March 2024 £**
Standards Parade Fund	**180,000**	**30,000**	—	**210,000**

	1 April 2022 £	New design-ations £	Utilised £	31 March 2023 £
Standards Parade Fund	150,000	30,000	—	180,000

The Standards' Parade Fund comprises monies set aside to help towards the cost of the next Standards' Parade where the Monarch, as Colonel in Chief of the Household Cavalry, will present new Standards. The Parade is anticipated to take place in 2025 or 2026.

15 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £
Fund balances at 31 March 2024 are represented by:						
Investments	**5,304,236**	**1,972,243**	**7,276,479**	4,906,642	1,823,498	6,730,140
Net current (liabilities) assets	**(3,192,722)**	**444,176**	**(2,748,546)**	(2,846,721)	364,757	(2,481,964)
Total net assets	**2,111,514**	**2,416,419**	**4,527,933**	2,059,921	2,188,255	4,248,176

	Total 2024 £	Total 2023 £
Unrealised gains included above		
On investment assets	**339,606**	(177,257)
Reconciliation of movements in unrealised (losses) gains:		
Total unrealised gains at 1 April	**(177,257)**	304,531
Movement in respect of disposals in the year	**(36,262)**	4,963
Net gains (losses) arising on revaluations in the year	**553,125**	(486,751)
Total unrealised gains (losses) at 31 March	**339,606**	(177,257)

The total unrealised gains as at 31 March 2024 constitute movements on the revaluation of listed investments.

16 Related parties

Two trustees are serving Household Cavalrymen (2023 – two trustees were serving members) and so may have benefitted indirectly from grants made during both 2024 and 2023.

One Trustee was reimbursed minor travel and subsistence expenses totalling £244 (2023 – one trustee was reimbursed £334).

The trustees who are serving members of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.

Three trustees (2023 – four trustees) contributed donations to the Household Cavalry Serving Officers' Trust fund during the year amounting to £145 (2023 – £200).

THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales - Charity number 1151869

Accounts

The Household Cavalry Foundation

Annual Report and Financial statements

31 March 2023

Charity Registration Number
1151869

Company Registration Number:
08236363 (England and Wales)

Contents

Reports

Reference and administrative details	1
Trustees' report	3
Independent auditor's report	16

Financial statements

Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Principal accounting policies	24
Notes to the financial statements	29

Reference and administrative details

Trustees	Colonel MSP Berry (Chairman) (from 29 July 2022) Colonel CA Lockhart LVO, MBE (until 29 July 2022) Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman) Captain JR Dove EDJ Goodchild, Esq. Lady JM Grosvenor
Director	Lieutenant Colonel (Retired) GGE Stibbe, OBE
Company Secretary and Secretary to the Trustees	Lieutenant Colonel (Retired) RRD Griffin
Principal office	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
Charity registration number	1151869
Company registration number	08236363 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Accountant	CP Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
Bankers	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR
Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU

Reference and administrative details

	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 28 and comply with the charity's Articles of Association and applicable law. The requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and financial statements.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Documents

The charity constitutes a company, limited by guarantee as defined by Companies Act 2006. The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013 and 3 November 2016) and by a Charity Commission Order dated 2 May 2013.

The Household Cavalry Serving Officers' Trust was transferred to the Household Cavalry Foundation on 21 December 2016 and this transfer was confirmed by Deed of Amendment on 22 December 2016.

Objects

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

The charity supports the protection and development of the Household Cavalry's history and heritage, and the welfare of retired horses.

The objects for which the charity is established are:

- the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;

- to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;

- the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependants, including without limitation by providing financial support to families or other dependants of those who have lost their lives on active service;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Objects (continued)

- to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, and traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;
- to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and
- such other exclusively charitable purposes relating to the Household Cavalry as the trustees in their absolute discretion think fit.

The charity's operational stakeholders include the following:

- Headquarters Household Cavalry;
- Headquarters Household Division;
- Unit Welfare Officers;
- Household Cavalry Museum Trust Limited;
- The Life Guards' Regimental Association;
- The Blues & Royals' Regimental Association.

Trustees

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

Trustees
Colonel MSP Berry (Chairman) succeeded Colonel CA Lockhart, LVO, MBE on 29 July 2022
Lieutenant Colonel (Retired) JP Eyre (Deputy Chairman)
Captain JR Dove
EDJ Goodchild, Esq.
Lady JM Grosvenor

No trustee received any remuneration for services as a trustee. One trustee was reimbursed travel and subsistence expenses during the year.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustee recruitment and appointment

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting before their appointment, so that they may be assessed by the trustees for suitability and, where appropriate, relevant professional qualifications, diversity and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees. The trustees each serve for at least three years and are deliberately chosen to represent all aspects of Household Cavalry life and provide relevant expertise.

The Foundation's Articles of Association dated 3 November 2016 state:

- "trustees shall always aspire to, but not be obliged to, achieve a majority of serving or retired officers of the Household Cavalry on the board of trustees"; and
- "No trustee may serve for a period longer than six consecutive years without retiring for at least one complete year. Where a majority of the other trustees agree it would assist with the work of the charity, this rule may be disapplied in respect of a particular trustee".

Trustee induction and training

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

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis are considered to be the trustees of the charity and the Director. All strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees nor in their role as a member of the key management team. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices. Details of key management personnel's pay are set out in note 7.

Organisational structure and management reporting

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

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

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

There were three generic risks throughout this financial year. Russia's invasion of Ukraine on 24 February 2022 exacerbated economic problems caused by the Coronavirus (Covid-19) pandemic. Both had an unprecedented social and economic effect across the world on a scale not seen for at least 75 years. A third factor – the Truss government's budget last autumn – caused more problems. So, at the time of writing this Report, the Consumers' Prices' Index inflation rate including housing is 6.7%. Increased inflation could mean a reduction in donation income for the Foundation. The Foundation continues to face three perennial challenges and risks:

- **Latent Staff resilience.** There is inherent strength-in-depth despite the fact that there is only one full-time employee, the Director, with a primary financial budgetary and fundraising role. The Chairman of the trustees is the alternate director. Formal authorisation for invoice payment is electronic. The management accounts are formally checked on a monthly basis by representatives of the trustees. The transparency of these documents facilitates review and oversight of the Director's role by any of the trustees.

  Lack of investment income. In 2021, the charity undertook a Periodic Review of Fund Managers. This resulted in 40% of the capital value of the charity's portfolio with Cazenove Capital Management's Charity Multi-Asset Fund being transferred in two 20% tranches to Waverton Investment Management's Charity Growth and Income Fund. These two 20% transfers were in March 2021 and December 2021. The balance remains in Cazenove Capital Management's Charity Multi-Asset Fund. The result of this Periodic Review of Fund Managers was considered a risk-reducing measure. Stakes held in both funds remain proportionate to original and subsequent investments. All Household Cavalry charitable investment portfolios are now divided between Cazenove Capital Management and Waverton Investment Management.

  As a result of this Periodic Review the trustees are content that they have a resilient management strategy in respect to the charity's investments, and that they monitor the performance of the current fund managers regularly especially in these unprecedented times which are inherently dynamic.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- **Lack of income from donors.** Possible donor fatigue, which is exacerbated by an unpredictable economy, is mitigated by the trustees' focus on building enduring relationships with regular donors, who, so far, have proved to be less affected by the prevailing economic situation. State ceremonial duties, especially in the year that saw a Platinum Jubilee and a State Funeral, keep the Household Cavalry in the "public eye"; and organised visits to both our regiments (operational and ceremonial) ensure that our donors can meet our soldiers. This is a proven and effective strategy because extant and potential donors meet soldiers who deploy on both war-fighting operations and ceremonial duties thus demonstrating the versatility of Household Cavalry soldiers.

The trustees aim always to match demand for assistance from the charity with their ability to raise follow-on funding to meet other priority needs that arise. This prioritisation underpins the support for all members of the Household Cavalry "family" that the charity offers to our operational casualties, our serving soldiers, our veterans and their dependents but also, when applicable, to our heritage and the welfare of our retired horses.

Our risk management framework encourages smaller targeted fundraising events which do not involve significant up-front capital outlay or any extra work for our already busy soldiers.

ACTIVITIES AND PUBLIC BENEFIT

The charity provides public benefit by the provision of welfare grants and donations that help Regimental personnel both past and present, as well as their dependants, who are in need, hardship or distress.

In addition, the charity enables Regimental personnel to perform their roles more effectively as members of the Armed Forces of The Crown. It does this by supporting educational, sporting and adventure training activities.

This assistance enables Regimental personnel to develop and maintain teamwork, skills, fitness, confidence, character and morale. This is especially important after operational tours as some of them confront the consequences of their military service; for example, Post-Traumatic Stress Disorder (PTSD).

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

The funds to support the above activities are generated in part from investments, by encouraging donations to the charity, and also from events.

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

ACHIEVEMENTS FOR THE YEAR

Direction

During this economically volatile financial year, affected by both global health and political factors, trustees' direction remained the established successful focus on selecting donors and targeted events that minimise any extra work for already busy serving soldiers.

Fundraising

Stalwart loyalty has been shown in the "mission critical" financial support given by extant donors despite continuing challenges unprecedented for eight decades. The Foundation's donation, legacy and events' income this year was £435,354 (2022: £274,152), the increase in income was driven by a strong year for fundraising enhanced by a small number of signature events.

One key result is this generosity has continued to honour a pledge to our globally unique "Jewel in our Crown" Household Cavalry Museum where visitor numbers were reduced by the impact of the pandemic.

Our Band played two "Through Music We Care" concerts for the Foundation that proved the quality of the British Army's senior and largest State Band with its unique mounted ceremonial role:

-22 October 2022: a repeat of 2017 in The Guards' Chapel with Rick Wakeman, the famous keyboard player both as a member of "Yes" and as a solo artist, who has since asked to join them for a third concert. The London-based Orion Youth Orchestra, who are useful for recruiting, again accompanied our Band.

-2 February 2023: a gala evening at the Leonardo Royal Hotel near St Paul's in The City featuring their versatility. This is now immortalised in their new recording to celebrate Her late Majesty The Queen's Platinum Jubilee year. This recording was made in St George's Chapel, Windsor outside which The Band paraded before The late Queen's Christmas broadcast in 2020.

James Blount's support was, as ever, superb with prize access at his concerts and generous donations from biopics and the Royal Albert Hall musical icons' gallery.

Other fundraising events included:

-St George's Day Roast Beef lunch at Hurlingham. Shared with The Queen's Royal Hussars, this lunch was our most successful event to date.

-A Guards' Polo Club All Rank' midsummer clay pigeon shoot featured Serving and Veteran teams.

-The Foundation was Land Rover Burghley Horse Trials' charity commemorating Gold Stick Blues & Royals' victory there with Doublet in 1971, and featured a Household Cavalry Jackboot as a cross-country fence.

ACHIEVEMENTS FOR THE YEAR (continued)

Fundraising (continued)

-Dinner in September at Buck's Club.

Events are selected because this is less financially risky than organising events, which pre-2016, while sometimes popular, never guaranteed income. Pre-2016 events also often unacceptably increased the workload of already busy Household Cavalry soldiers.

Individual fundraising also continued relentlessly despite the pandemic's challenges. For example, the annual London Marathon, and the "Head-Up" run around the United Kingdom's coastline.

Welfare

The Foundation and The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare. The Operational Casualties' and Children's Funds are the Foundation's specific responsibilities. Although the Life Guards' Regimental Association remains outside the Foundation's overall investment portfolio, it is included in all relevant welfare case considerations.

Global Support links via postcode-based volunteers to Regimental Welfare Officers and Home Headquarters Household Cavalry continue to prove genuinely viable as described in the Household Cavalry Welfare Guide.

The camaraderie and feedback exemplified by our successful Regional Dinners is also extremely helpful.

One important result is emergency cases are resolved fast.

To ensure it remains current and user-friendly the Household Cavalry Welfare Guide (two pages with a flow chart) is reviewed annually for our global Household Cavalry "Family" of about 10,000 All Ranks: 1,000 Serving Soldiers and 9,000 Veterans, and their Dependents.

Our two key welfare priorities remain:

1. To prepare for the gradual emergence of latent Post-Traumatic Stress Disorder (PTSD). Research by King's College, London University claims 88/1,000 (9%) deployed will suffer future PTSD. PTSD cases did not increase after the withdrawal from Afghanistan.

2. To ensure the continual quality of prosthetics for our wounded soldiers, injured and long-term sick (WIS) personnel.

Another bonus is Household Cavalrymen working in the Ministry of Defence's Recovery Capability (DRC)'s nationwide network of Personnel Recovery Centres (PRC) that are funded by key partners: The Royal British Legion and Help for Heroes.

ACHIEVEMENTS FOR THE YEAR (continued)

Welfare (continued)

There serving and veteran wounded, injured and long-term sick (WIS) service personnel mentor each other and boost mutual morale as they face the challenges posed by the transition from military to civilian life. For example, charitable initiatives such as "Head Up".

Two payments from our Children's Fund were made during this reporting period to recipients who have lost their fathers during operation deployments since 2003.

Our two Operational Casualties, who are also Ascot War Horse Memorial Scholars, enjoyed successful years: Corie Mapp ended the 2021-22 Para Bobsleigh season ranked 3rd globally, and he was selected to join a re-established Sitting Volleyball Team GB to train for and compete in the next Paralympics in 2024. To date, the team has competed in the European 'B' Championships in which it was placed 4th.

Clifford O'Farrell won silver medals in the men's 50m freestyle swim and water polo Veterans' Games and met the Minister for Defence People and Veterans. His polo victories have raised over £1M for charity over 12 years. Clifford has also returned to Combermere Barracks as a Life Guard Army Cadet Force Instructor.

"Walk and Talk": this successful initiative by Captain (retired) Robin Bourne-Taylor CGC, started this year. It has a user-friendly Military App, and has obvious links to more robust adventurous training exemplified by:

The Guards Mountaineering and Climbing Club for both Serving and Veteran soldiers. This was founded by a Household Cavalryman. Continuing annual help from the Foundation is matched by support from the Foot Guards and Headquarters Household Division.

Serving soldiers

Both our Regiments and our Band again received annual funding on a per capita basis to enhance their soldiers and dependants' quality of life, with positive results that aid recruiting and retention. For the past two National Hunt racing seasons Troopers have been supported with jockey kit.

These payments are now made in full at the start of each financial year, and quarterly audit returns are made based on Ministry of Defence accounting practice. Our Band is also eligible for Royal Corps of Army Music support.

Heritage

2022 marked the 40th anniversary of the Hyde Park Bombing. Its memorial and other Household Cavalry monuments are maintained by the Foundation and both Regimental Associations.

ACHIEVEMENTS FOR THE YEAR (continued)

Heritage (continued)

"Best of both Worlds: Operational and Ceremonial", a photographic project by Ripley neared completion; these photographs will be sold to support the Household Cavalry Foundation.

"The Household Cavalry At War. The Story of The Second Household Cavalry Regiment in World War 2" by Roden Orde was re-published by Pen & Sword before Christmas 2022. This project was entirely funded by the generosity of serving and retired Household Cavalrymen. A linked Battlefield Tour map-pack is being prepared.

The Serving Officers' Trust (part of the Foundation since 2016) has begun to rationalise and preserve its pictures, silver and albums, and is grateful for support from retired officers and their families. Christie's catalogue of 2010 is being updated. The Foundation has offered similar property conservation support to both Warrant Officers and Non-Commissioned Officers' Messes.

The Household Cavalry Foundation bought a painting of the most recent Birthday Parade at Windsor Castle by Rob Pointon who was our Museum's Artist-in-Residence 2020-2022.

The Foundation has one of five annual £5,000 payments to make to The Guards' Chapel Organ Restoration Fund. These annual payments match those paid by all the five Foot Guard regiments. Equal repayments to regiments will be made if this Restoration Fund exceeds its target.

Horses

This year's fund was given to our Mounted Regiment for equipment not provided by the Ministry of Defence. Key links remain with the Defence Animal Centre, World Horse Welfare, the Stirling Trust, the Horse Trust and Raystede Horse Sanctuary.

Finance and administration

- The charity's two staff remain one full-time Director, and one part-time Finance Administrator.
- Annual reviews ensure the Foundation's audit, banking and insurance costs remain competitive.
- Gift Aid is applied whenever possible.
- The majority of The One Day's Pay Scheme (paid voluntarily by serving officers and soldiers) is paid to The Life Guards' and The Blues & Royals' Regimental Associations.
- The fundraising process for the charity and both Regimental Associations remains user-friendly and easy: entry fees and kit are subsidised. Serving soldiers apply via their Chain-of-Command, and Veterans either directly or via the Home HQ of their Regimental Associations.

ACHIEVEMENTS FOR THE YEAR (continued)

Finance and administration (continued)

- All retail activities remain coordinated by the Household Cavalry Museum's shop. The only exceptions are some specific uniform items supplied by Quartermasters, and cards and diaries marketed by Home Headquarters Household Cavalry.
- Only The Life Guards' Regimental Association remains outside the charity's investment portfolio, but it is included in all relevant welfare case considerations.
- The Household Cavalry Foundation as well as The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare.

FINANCIAL REVIEW

Results for the year and financial position

Total income for the year amounted to £580,604 (2022 – £433,152). The increase was largely driven by a strong year for fundraising, enhanced by a small number of signature events. Expenditure totalled £513,730 (2022 – £439,114), due to increased grants awarded during the year of £225,689 (2022 – £216,989) and an increase in expenditure on raising funds £140,047 (2022 – £84,423), £19,268 (2022 – £20,483) being in respect to investment manager's fees and the balance generating donations of £183,062 (2022 – £190,591) and income from events of £209,385 (2022 - £42,819). Net realised and unrealised investment losses for the year totalled £253,483 (2022 – gains £190,815).

Therefore, the net movement in funds for the year was a decrease of £186,609 (2022 – increase £184,853).

Total funds at 31 March 2023 amounted to £4,248,176 (2022 – £4,434,785) of which £2,188,255 were restricted (2022 – £2,322,223) and £2,059,921 were unrestricted or general funds (2022 – £2,112,562). Included within unrestricted funds is a designated fund of £180,000 (2022 – £150,000) which has been set aside to help towards the cost of the next Standards Parade where the Monarch, as Colonel in Chief of the Household Cavalry, will present new Standards. The Parade is anticipated to take place in 2024. Free reserves at 31 March 2023 therefore amounted to £1,879,921 (2022 – £1,962,562).

Investment policy

The portfolio has benefited from the recovery of global stock markets following the onset of the pandemic. The charity's investments are managed by professional investment managers who were reviewed formally during the year. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. The strategy takes into account the charity's income requirements for the year, the appropriate risk profile and the investment managers' view of the market prospects in the medium term.

FINANCIAL REVIEW (continued)

Investment policy (continued)

The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

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

Reserves policy

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

The charity generates income largely through fundraising and investments and, therefore, it is subject to fluctuation from year to year. As a result, the Foundation has a Reserves' policy that no less than six months of costs are typically to be held as a cash reserve, to provide protection against such fluctuations and enable it to continue operating in all circumstances and following all eventualities, including any significant unexpected fall in income. At times it may hold significantly more cash if there are known future commitments and if there is a wider concern about prevailing market conditions. It is to be noted that the cash reserve is also influenced by the special costs of the future Standards' Parade.

The reserves policy is, and will continue to be, reviewed annually by the trustees. The total value of free reserves at 31 March 2023 of £1,879,921 (2022 – £1,962,562) is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult, yet the need for the charity's support remains as high as ever. Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

FUNDRAISING POLICY

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

- From its investment portfolio, as administered by professional investment managers;
- Donations from individuals;
- Holding occasional fundraising events; and
- Through applications to grant-giving trusts.

FUNDRAISING POLICY (continued)

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

The charity occasionally engages third party fund raisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

From time-to-time, individuals may independently undertake to raise funds on our behalf, for example sponsored sports activities. Such activities are undertaken independently of the HCF. The charity has not received any complaints about its fundraising activity during the year.

FUTURE PLANS

The charity is planning a period of consolidation and re-invigoration post-Pandemic and after withdrawal from Afghanistan, especially given the long-identified risk of a possible increase in latent PTSD. It will focus on adapting a proven fundraising process of carefully targeted events and new and extant donors. This will exploit suitably innovative opportunities such as more cooperation with similar mutually supporting charities as exemplified by annual support for our operational casualty and world Para Bobsleigh champion Corie Mapp who has been selected to join a re-established Sitting Volleyball Team GB to compete in the next Paralympics in 2024.

Signed on behalf of the trustees

Edward Goodchild

Trustee

EDJ Goodchild, Esq.

Approved on: 14 December 2023

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

Opinion

We have audited the financial statements of the Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon.

Other information (continued)
The trustees are responsible for the other information contained within the annual report and financial statements.

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 course of 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 the audit:

- the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing risks the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof;
- tested journals to identify unusual transactions; and
- assessed whether the judgements and the assumptions made in determining the probability of the receipt of legacy income and the value of the listed investments payable to other organisations on demand were indicative of potential bias

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 15 December 2023

Statement of financial activities Year to 31 March 2023
(Including an income and expenditure account)

	Notes	Un-restricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Un-restricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income and expenditure							
Income from:							
Donations and legacies	1	**393,382**	**41,972**	**435,354**	203,163	70,989	274,152
Investments and interest receivable	2	**76,919**	**68,331**	**145,250**	82,455	76,545	159,000
Total income		**470,301**	**110,303**	**580,604**	285,618	147,534	433,152
Expenditure on:							
Raising funds	3	**130,768**	**9,279**	**140,047**	74,541	9,882	84,423
Charitable activities							
. Assisting service personnel and dependants	4	**258,108**	**115,575**	**373,683**	281,995	72,696	354,691
Total expenditure		**388,876**	**124,854**	**513,730**	356,536	82,578	439,114
Net income (expenditure) before investment gains (losses)		**81,425**	**(14,551)**	**66,874**	(70,918)	64,956	(5,962)
Net (losses) gains on investments		**(132,066)**	**(121,417)**	**(253,483)**	100,209	90,606	190,815
Net (expenditure) income for the year		**(50,641)**	**(135,968)**	**(186,609)**	29,291	155,562	184,853
Transfers between funds	13	**(2,000)**	**2,000**	**-**	(2,000)	2,000	—
Net movement in funds		**(52,641)**	**(133,968)**	**(186,609)**	27,291	157,562	184,853
Fund balances at 1 April		**2,112,562**	**2,322,223**	**4,434,785**	2,085,271	2,164,661	4,249,932
Fund balances at 31 March		**2,059,921**	**2,188,255**	**4,248,176**	2,112,562	2,322,223	4,434,785

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

Balance sheet 31 March 2023

		2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	10		**6,730,140**		7,060,899
Current assets					
Debtors	11	**103,474**		54,883	
Cash at bank and in hand		**458,646**		467,223	
		562,120		522,106	
Liabilities					
Creditors: amounts falling due within one year	12	**(3,044,084)**		(3,148,220)	
Net current liabilities			**(2,472,664)**		(2,626,114)
Total assets less current liabilities			**4,248,176**		4,434,785
Total net assets			**4,248,176**		4,434,785
Represented by:					
The funds of the charity:					
Restricted funds	13		**2,188,255**		2,322,223
Unrestricted funds					
- General funds			**1,879,921**		1,962,562
- Designated funds	14		**180,000**		150,000
			4,248,176		4,434,785

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the trustees
and signed on their behalf by:

Edward Goodchild

Trustee EDJ Goodchild, Esq.

Approved on: 14 December 2023

The Household Cavalry Foundation:
Charity Registration Number 1151869, Company Registration Number 08236363 (England and Wales)

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	**(685)**	(75,600)
Cash flows from investing activities:			
Investment income and interest received		**145,250**	159,000
Proceeds from the disposal of investments		**29,876**	2,105,413
Purchase of investments		**(302,557)**	(1,971,074)
Net cash (used in) provided by investing activities		**(127,431)**	293,339
Change in cash and cash equivalents in the year		**(128,116)**	217,739
Cash and cash equivalents at 1 April	B	**641,538**	423,799
Cash and cash equivalents at 31 March	B	**513,422**	641,538

Notes to the statement of cash flows for the year to 31 March

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	**(186,609)**	184,853
Adjustments for:		
Losses (gains) on investments	**483,901**	(306,865)
Investment income and interest receivable	**(145,250)**	(159,000)
(Increase) decrease in debtors	**(48,591)**	5,605
(Decrease) increase in creditors	**(104,136)**	199,807
Net cash (used in) operating activities	**(685)**	(75,600)

B Analysis of changes in net debt

	2022 £	Cash flows £	2023 £
Cash at bank and in hand	467,223	(8,577)	**458,646**
Cash held by investment managers	174,315	(119,539)	**54,776**
Total cash and cash equivalents	641,538	(128,116)	**513,422**

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

Basis of preparation
These financial statements have been prepared for the year to 31 March 2023 with comparative information provided in respect to the year to 31 March 2022.

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

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

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

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

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The principal areas in the financial statements where these judgements and estimates have been made relate to:

- the allocation of support costs between expenditure headings;
- determining the value of listed investments held on behalf of associated Household Cavalry organisations;
- assessing the probability of the receipt of legacy income; and
- estimating future income and expenditure flows for the purpose of assessing going concern.

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

Assessment of going concern (continued)
The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The key areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the investment policy and the risk management sections of the trustees' report for more information).

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income recognition (continued)
Income from fundraising events is measured at fair value and accounted for on an accruals basis.

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

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

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

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

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

Allocation of support and governance costs (continued)
Both support and governance costs are allocated to the cost of assisting service personnel and their dependants.

Heritage assets
Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 9 to these financial statements.

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

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

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

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

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

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

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

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

Creditors and provisions

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

Fund accounting

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

1 Income from: Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2021 2£
Donations	**141,090**	**41,972**	**183,062**	116,502	70,989	187,491
Legacies	**—**	**—**	**—**	3,100	—	3,100
Income from events	**208,885**	**—**	**208,885**	42,819	—	42,819
The Day's Pay Scheme	**43,407**	**—**	**43,407**	40,742	—	40,742
Total funds	**393,382**	**41,972**	**435,354**	203,163	70,989	274,152

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

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

2 Income from: Investment income and interest receivable

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Investment income	**74,586**	**68,241**	**142,827**	82,413	76,543	158,956
Interest receivable	**2,333**	**90**	**2,423**	42	2	44
Total funds	**76,919**	**68,331**	**145,250**	82,455	76,545	159,000

3 Expenditure on: Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Staff costs	**24,201**	**—**	**24,201**	23,371	—	23,371
Events and fundraising costs	**71,998**	**—**	**71,998**	26,704	—	26,704
Website costs	**1,532**	**—**	**1,532**	781	—	781
Investment management fees	**9,989**	**9,279**	**19,268**	10,601	9,882	20,483
UK entertainment	**23,048**	**—**	**23,048**	13,084	—	13,084
Total funds	**130,768**	**9,279**	**140,047**	74,541	9,882	84,423

4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Grants and donations	**121,226**	**104,463**	**225,689**	154,731	62,258	216,989
Staff costs and honoraria	**71,058**	**—**	**71,058**	67,417	—	67,417
Promotion of military efficiency	**12,920**	**—**	**12,920**	12,484	—	12,484
Accountancy	**10,004**	**—**	**10,004**	10,533	—	10,533
Publishing costs – The Household Cavalry Journal	**19,060**	**—**	**19,060**	18,639	—	18,639
Website development	**1,532**	**—**	**1,532**	781	—	781
Professional fees	**106**	**—**	**106**	1,916	—	1,916
Office and administration costs	**1,711**	**—**	**1,711**	1,689	—	1,689
Insurance	**—**	**11,112**	**11,112**	—	10,438	10,438
Governance costs: auditor's remuneration	**11,994**	**—**	**11,994**	8,628	—	8,628
Other costs	**8,497**	**—**	**8,497**	5,177	—	5,177
Total funds	**258,108**	**115,575**	**373,683**	281,995	72,696	354,691

5 Net movement in funds

This is stated after charging

	2023 £	2022 £
Staff costs, excluding honoraria (note 6)	**72,604**	70,113
Auditor's remuneration		
. Current year	**11,580**	7,092
. Non-audit services	**600**	1,536

6 Staff costs

Staff costs, excluding honoraria, are as follows:

	Total funds 2023 £	Total funds 2022 £
Wages and salaries	**56,440**	54,060
Social security costs	**1,392**	1,794
Employer's pension contribution	**1,852**	1,775
	59,684	57,629
Contribution in respect to Regimental Adjutant	**12,920**	12,484
	72,604	70,113

The average number of employees during the year was:

	2023 No.	2022 No.
	2	2

6 Staff costs (continued)

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2022 – none).

7 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Director.
The total cost to the charity of employing key management was £56,024 (2022 – £53,290).
One trustee was reimbursed travel and subsistence expenses during the year (2022 – none).

8 Taxation

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

9 Heritage assets

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

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

10 Investments

	Total funds 2023 £	Total funds 2022 £
Listed investments		
Market value as at 1 April	**6,886,584**	6,714,058
Additions at cost	**302,557**	1,971,074
Disposals at opening market value (proceeds £29,876; gains £2,850)	**(27,026)**	(2,095,726)
Net unrealised investment (losses) gains	**(486,751)**	297,178
Market value as at 31 March	**6,675,364**	6,886,584
Cash held for reinvestment	**54,776**	174,315
	6,730,140	7,060,899
Historical cost of listed investments as at 31 March	**6,852,622**	6,582,055

10 Investments (continued)

At 31 March 2023 listed investments comprised the following:

	Total funds 2023 £	Total funds 2022 £
Diversified Investment funds	**2,462,037**	2,427,200
Unitised funds	**4,127,941**	4,361,960
Alternatives	**85,386**	97,424
Total	**6,675,364**	6,886,584

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

At 31 March 2023, listed investments included investments with a market value of £2,947,154 (2022 – £3,018,323) representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are total net unrealised losses of £486,751 and realised gains of £2,850 which arose during the year ended 31 March 2023. Those losses and gains which relate to the investments which represent part of the amount due to the Household Cavalry regiments and associated funds are not reflected through the statement of financial activities.

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

Holding	**2023 Market Value £**	**2023 Percentage %**
Cazenove Charity Multi-Asset Fund	**4,127,941**	**61.8%**
Waverton Charity Growth and Income Fund	**2,462,037**	**36.9%**

Holding	2022 Market Value £	2022 Percentage %
Cazenove Charity Multi-Asset Fund	4,361,960	63.3%
Waverton Charity Growth and Income Fund	2,427,200	35.2%

11 Debtors

	Total funds 2023 £	Total funds 2022 £
Other debtors	**20,990**	4,850
Accrued investment income	**57,103**	49,422
Other accrued income	**24,751**	—
Prepayments	**630**	611
	103,474	54,883

12 Creditors: amounts falling due within one year

	Total funds 2023 £	Total funds 2022 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)		
. Listed investments	**2,947,154**	3,018,323
. Investment income payable	**6,266**	47,858
Grants payable	**5,000**	5,000
Accruals	**57,664**	58,516
Social security and other taxes	**10,000**	—
Deferred income	**18,000**	18,523
	3,044,084	3,148,220

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

Listed investments	2023 £	2022 £
The Blues and Royals Association	**1,388,738**	1,413,377
Oliver Montague Fund	**1,286,909**	1,309,741
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**138,497**	153,047
Household Cavalry Mounted Regiment (Knightsbridge)	**133,010**	142,158
	2,947,154	3,018,323

Investment income payable	2023 £	2022 £
The Blues and Royals Association	**3,252**	24,840
Oliver Montague Fund	**3,014**	23,018
	6,266	47,858

12 Creditors: amounts falling due within one year (continued)

Deferred income primarily relates to monies received in advance of an event taking place following the year end:

	2023 £	2022 £
At 1 April	**18,523**	17,000
Amount released to income from charitable activities	**(18,523)**	(17,000)
Amount deferred in year	**18,000**	18,523
At 31 March	**18,000**	18,523

13 Restricted funds

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

Year ended 31 March 2023	**Operational Casualties Fund 2023 £**	**Children's Fund 2023 £**	**Serving Officers Trust Fund 2023 £**	**Total 2023 £**
At 1 April 2022	**1,765,583**	**122,623**	**434,017**	**2,322,223**
Income	**87,494**	**3,964**	**18,845**	**110,303**
Expenditure	**(72,781)**	**(26,468)**	**(25,605)**	**(124,854)**
Net investment losses	**(101,419)**	**(3,487)**	**(16,511)**	**(121,417)**
Transfer from unrestricted funds	**-**	**2,000**	**-**	**2,000**
At 31 March 2023	**1,678,877**	**98,632**	**410,746**	**2,188,255**

Year ended 31 March 2022	Operational Casualties Fund 2022 £	Children's Fund 2022 £	Serving Officers Trust Fund 2022 £	Total 2022 £
At 1 April 2021	1,634,876	114,138	415,647	2,164,661
Income	105,035	4,190	38,309	147,534
Expenditure	(49,278)	(282)	(33,018)	(82,578)
Net investment gains	74,950	2,577	13,079	90,606
Transfer from unrestricted funds	—	2,000	—	2,000
At 31 March 2022	1,765,583	122,623	434,017	2,322,223

Operational Casualties Fund

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

13 Restricted funds (continued)

Children's Fund

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

Serving Officers Trust Fund

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

14 Designated funds

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

	1 April 2022 £	**New design-ations £**	**Utilised £**	**31 March 2023 £**
Standards Parade Fund	**150,000**	**30,000**	**—**	**180,000**

	1 April 2021 £	New design-ations £	Utilised £	31 March 2022 £
Standards Parade Fund	120,000	30,000	—	150,000

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

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £
Fund balances at 31 March 2023 are represented by:						
Investments	**4,906,642**	**1,823,498**	**6,730,140**	5,111,175	1,949,724	7,060,899
Net current (liabilities) assets	**(2,846,721)**	**364,757**	**(2,481,964)**	(2,998,613)	372,499	(2,626,114)
Total net assets	**2,059,921**	**2,188,255**	**4,248,176**	2,112,562	2,322,223	4,434,785

	Total 2023 £	Total 2022 £
Unrealised gains included above		
On investment assets	**(177,257)**	304,531
Reconciliation of movements in unrealised (losses) gains:		
Total unrealised gains at 1 April	**304,531**	128,603
Movement in respect of disposals in the year	**4,963**	(121,250)
Net (losses) gains arising on revaluations in the year	**(486,751)**	297,178
Total unrealised (losses) gains at 31 March	**(177,257)**	304,531

The total unrealised gains as at 31 March 2023 constitute movements on the revaluation of listed investments.

16 Related parties

Two trustees are serving Household Cavalryman (2022 – one trustee was a serving member) and so may have benefitted indirectly from grants made during both 2023 and 2022.

One trustee was reimbursed minor travel and subsistence expenses totalling £334 (2022 – no trustees).

The trustees who are serving members of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.

Four trustees (2022 – one trustee) contributed donations to the Household Cavalry Serving Officers' Trust fund during the year amounting to £200 (2022 – £50).

THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales - Charity number 1151869

Accounts

The Household Cavalry Foundation

Annual Report and Financial statements

31 March 2022

Charity Registration Number
1151869

Company Registration Number:
08236363 (England and Wales)

Contents

Reports

Reference and administrative details 1

Trustees' report 3

Independent auditor's report 15

Financial statements

Statement of financial activities 20

Balance sheet 21

Statement of cash flows 22

Principal accounting policies 23

Notes to the financial statements 28

Reference and administrative details

Trustees	Colonel C A Lockhart, MBE, ADC (Chairman) Lieutenant Colonel (Retired) J P Eyre (Deputy Chairman) Colonel (retired) J D A Gaselee (until 1 February 2022) Captain JR Dove (from 1 February 2022) E D J Goodchild, Esq. Lady J M Grosvenor
Director	Lieutenant Colonel (Retired) G G E Stibbe, OBE
Company Secretary and Secretary to the Trustees	Lieutenant Colonel (Retired) R R D Griffin
Principal office	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
Charity registration number	1151869
Company registration number	08236363 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Accountant	C P Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
Bankers	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR

Reference and administrative details

Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 and comply with the charity's Articles of Association and applicable law. The requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and financial statements.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Documents

The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013 and 3 November 2016) and by a Charity Commission Order dated 2 May 2013.

The Household Cavalry Serving Officers' Trust was transferred to the Household Cavalry Foundation on 21 December 2016; and this transfer was confirmed by Deed of Amendment on 22 December 2016.

Objects

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

The charity supports the protection and development of the Household Cavalry's history and heritage, and the welfare of retired horses.

The objects for which the charity is established are:

- the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;

- to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;

- the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependants, including without limitation by providing financial support to families or other dependants of those who have lost their lives on active service;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Objects (continued)

- to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;
- to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and
- such other exclusively charitable purposes relating to the Household Cavalry as the trustees in their absolute discretion think fit.

The charity's operational stakeholders include the following:

- Headquarters Household Cavalry;
- Headquarters Household Division;
- Unit Welfare Officers;
- Household Cavalry Museum Trust Limited; and
- The Life Guards' Regimental Association; and
- The Blues & Royals' Regimental Association.

Trustees

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

Trustees
Colonel C A Lockhart, MBE, ADC (Chairman)
Lieutenant Colonel (Retired) J P Eyre (Deputy Chairman)
Colonel (retired) J D A Gaselee (to 1 February 2022)
Captain J R Dove (from 1 February 2022)
E D J Goodchild, Esq.
Lady J M Grosvenor

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustee recruitment and appointment

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting prior to being appointed, so that they may be assessed by the trustees for suitability and, where appropriate, relevant professional qualifications, diversity and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees. The trustees each serve for at least three years and are deliberately chosen to represent all aspects of Household Cavalry life and provide relevant governance expertise.

The Foundation's Articles of Association dated 3 November 2016 state:

- "No Trustee may serve for a period longer than six consecutive years without retiring for at least one complete year... Trustees shall always aspire to, but not be obliged to, achieve a majority of serving or retired officers of the Household Cavalry on the board of Trustees" and…

- "No Trustee may serve for a period longer than six consecutive years without retiring for at least one complete year. Where a majority of the other Trustees agree it would assist with the work of the charity, this rule may be disapplied in respect of a particular Trustee …"

Trustee induction and training

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

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

- make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis are considered to be the trustees of the charity and the Director. All strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees nor in their role as a member of the key management team. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices. Details of key management personnel's pay are set out in note 7.

Organisational structure and management reporting

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

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

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

A generic risk continued throughout this financial year: **The Coronavirus (Covid-19) pandemic.** This has had an unprecedented social and economic effect across the world on a scale not seen for at least 75 years. Russia's invasion of Ukraine on 24 February 2022 has exacerbated economic problems caused by this pandemic. For example, at the time of writing this Report, headline inflation is four times the Bank of England's target. Increased inflation could mean a reduction in donation income for the Foundation. The Foundation continues to face three perennial challenges and risks:

- **Latent Staff resilience.** Inherent strength-in-depth is proved despite the fact that there is only one full-time employee, the Director, with a primary financial budgetary and fundraising role. The Chairman of the Trustees is the alternate director. Formal authorisation for invoice payment is electronic. The management accounts are formally checked on a monthly basis by representatives of the trustees. The transparency of these documents facilitates review and oversight of the Director's role by any of the trustees.

- **Lack of investment income.** Last year, the charity undertook a periodic Review of Fund Managers. This resulted in 40% of the capital value of the charity's portfolio with Cazenove Capital Management's Charity Multi-Asset Fund being transferred in two 20% tranches to Waverton Investment Management's Charity Growth and Income Fund. These two 20% transfers were in March 2021 and December 2021. The balance remains in Cazenove Capital Management's Charity Multi-Asset Fund. The result of this Periodic Review of Fund Managers was considered a risk-reducing measure. Stakes held in both funds remain proportionate to original and subsequent investments. All Household Cavalry charitable investment portfolios are now divided equally between Cazenove Capital Management and Waverton Investment Management.

As a result of this Periodic Review the trustees are content that they have a resilient management strategy in respect to the charity's investments, and that they monitor the performance of the current fund managers regularly especially in these unprecedented times which are inherently dynamic.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- **Lack of income from donors.** Possible donor fatigue, which is exacerbated by an unpredictable economy, is mitigated by the trustees' focus on building enduring relationships with regular donors, who, so far, have proved to be less affected by the prevailing economic situation. State ceremonial duties keep the Household Cavalry in the "public eye" and organised visits to both our regiments (service and ceremonial) ensure that our donors can meet our soldiers. This is a proven and effective strategy because extant and potential donors meet soldiers who have deployed on war-fighting operations and ceremonial duties that demonstrate the scope of our work.

The trustees aim always to match demand for assistance from the charity with their ability to raise follow-on funding in order to meet other priority needs that arise. This prioritisation underpins the support for all members of the Household Cavalry "family" that the charity offers to our operational casualties, our serving soldiers, our veterans and their dependents but also, when applicable, to our heritage and the welfare of our retired horses.

Our risk management framework encourages smaller targeted fundraising events which do not involve significant up-front capital outlay. Our usual fundraising events' programme was compromised by Covid-19 restrictions especially during the first Quarter of the Financial Year covered in this Report. For example, again there was no Trooping The Colour parade at Horse Guards to celebrate The Queen's official birthday.

ACTIVITIES AND PUBLIC BENEFIT

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

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

This assistance enables Regimental personnel to develop and maintain teamwork, skills, fitness, confidence, character and morale. This is especially important after operational tours as they face the consequences of their military service, particularly Post-Traumatic Stress Disorder (PTSD).

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

The funds to support the above activities are generated in part from investments, encouraging donations to the charity, and also from events.

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

ACHIEVEMENTS FOR THE YEAR

Direction

During this economically volatile financial year, affected by both global health and political factors, Trustees' direction remained the established successful focus on selecting donors and targeted events that minimize any extra work for already busy serving soldiers.

Fundraising

This financial year was potentially complicated by continuing restrictions imposed by the pandemic. As stated within Risk Management, this was exacerbated by Russia's invasion of Ukraine on 24 February 2022.

Household Cavalry tenacity remained reassuringly resilient. An example of All Ranks' fundraising potential was proved by a spectacular Boxing match at the Leonardo Royal Hotel near St Paul's in The City on 18 November 2021 that also featured our Band. Our audience contained many familiar faces including one family whose parents and their London Marathon running sons exemplify loyal support. This event was almost a sell-out and the guest appearance of Amir Khan added stardust to eight competitive bouts whose boxers literally included all ranks who were introduced by both Regimental Corporals Major.

This stalwart loyalty has also been shown in the "mission critical" financial support given by extant donors despite continuing challenges unprecedented for eight decades. The Foundation's donation and legacy income this year was £274,152 (2021: £270,333).

One key result is this generosity has enabled a pledge to our globally unique "Jewel in our Crown" Household Cavalry Museum where visitor numbers have been reduced by the impact of the pandemic.

Welfare

As well as managing recurrent pandemic restrictions and maintaining our regional support, links via postcode-based volunteers as described in the Household Cavalry Welfare Guide, Regimental Welfare Offices and Home HQ have continued to prove user-friendly.

The camaraderie exemplified by our successful regional dinners' initiative was also genuinely helpful.

Our two key welfare priorities remain:

1. To prepare for the gradual emergence of latent Post-Traumatic Stress Disorder (PTSD). Research by King's College, London University claims 88/1,000 (9%) deployed will suffer future PTSD. PTSD cases did not increase after withdrawal from Afghanistan last August.

2. To ensure the continual quality of prosthetics for our wounded soldiers, injured and longterm sick (WIS) personnel.

Our Welfare Guide (two pages with a flow chart)is reviewed annually for our global Household Cavalry "Family" of about 10,000 All Ranks: 1,000 serving soldiers and 9,000 veterans, and their dependants.

ACHIEVEMENTS FOR THE YEAR (continued)

Welfare (continued)
Moreover, our Welfare Guide has proved fit-for-purpose since the allied withdrawal from Afghanistan in August 2021. For example, a key result is emergency cases are resolved fast.

Another bonus is Household Cavalry family members who work in the Ministry of Defence's Recovery Capability (DRC)'s nationwide network of Personnel Recovery Centres (PRC) that are funded by key partners: The Royal British Legion and Help for Heroes. There serving and veteran wounded, injured and longterm sick service personnel mentor each other and boost mutual morale as they face the challenges associated with the transition from military to civilian life, and charitable initiatives such as Head Up.

Serving soldiers and Operational Casualties
Both our Regiments and our Band again received annual funding on a per capita basis to enhance their soldiers and dependants' quality of life, with positive results that aid recruiting and retention.

As well as collective Fundraising exemplified by the Boxing Match on 18 November 2021, individual fundraising has also continued relentlessly despite the pandemic's challenges, an example being via the Household Cavalry Regiment's Twisted Barbell project.

Ascot War Horse Memorial has again very kindly endowed a second scholarship for individual Operational Casualties. Our first scholar qualified as a both a fixed-wing and rotary pilot.

Our second Ascot War Horse Memorial scholar is a double-amputee, now a Wiltshire policeman, who featured on the cover of the February 2021 edition of The Royal British Legion's Journal.

On 14 October 2021 our Ceremonial Regiment's Warrant Officers' & Non-Commissioned Officers' Mess very kindly hosted the launch of his memoirs Black Ice – Don't Exist, Live! Written with help from a former Life Guard, it also has contributions by Les Ferdinand MBE, Football Director at Queen's Park Rangers; Sir Hugh Robertson KCMG, another former Life Guard who now chairs the British Olympic Association; and Barney Campbell, his Troop Leader in Afghanistan and author of Rain, the acclaimed novel about their operational tour.

The Foundation continues to help to The Guards' Veterans' Mountaineering Club, founded by Household Cavalrymen, by pledging to match support from the Foot Guards.

Moreover, established Household Cavalry links have confirmed their loyalty to other tri-service charities such as Haig Homes and Sailors, Soldiers, Airmen and Families Association (SSAFA), the single service Army Benevolent Fund, and specialist charities; for example, the British Limbless Ex-Service Men's Association (BLESMA) and Blind Veterans UK.

ACHIEVEMENTS FOR THE YEAR (continued)

Heritage

Our last Gate Guardian that was restored is the Falklands' War trophy Panhard for the 40th anniversary celebrations of its capture. This restoration project for our historic Armoured Fighting Vehicles started with the restoration to running order of a World War 2 Dingo; its garage beside our Archives in Combermere Barracks. Windsor was kindly funded by a local charity.

This year also marks the 40th anniversary of the tragic Hyde Park Bombing. Its memorial and other Household Cavalry monuments are maintained by this Foundation and both Regimental Associations. The generosity of the Grosvenor family's Westminster Foundation made a significant contribution to the recent restoration of our Zandwoorde monument.

World War 1's unique Household (Cavalry) Battalion's Standard and Book of Remembrance in Windsor's Garrison Church was repaired during the year.

"Best of both Worlds: Operational and Ceremonial", a photographic project by globally iconic Ripley neared completion; these photographs will be sold to support this Foundation.

We gratefully received contributions during the year to guarantee re-publication by Pen & Sword of The Household Cavalry at War, The Story of The Second Household Cavalry Regiment in World War 2 by Roden Orde. The funding is now nearly complete.

The Serving Officers' Trust (part of this Foundation since 2016) has started to rationalise and preserve its pictures, silver and albums, and is most grateful for significant support from retired officers and their families. The HCF has offered similar conservation support to both Warrant Officers' & Non-Commissioned Officers' Messes.

Two of five annual £5,000 payments remain for The Guards' Chapel Organ Restoration Fund. These annual payments match those made by each of the five Foot Guard regiments. Equal repayments to regiments will be made if this Restoration Fund exceeds its target.

Horses

This year's budget was committed to stables' repair at Horse Guards. Our key links remain with the Defence Animal Centre, World Horse Welfare, the Stirling Trust, the Horse Trust and Raystede Horse Sanctuary.

Finance and administration

- This charity's two staff remain one full-time Director, and one part-time Finance Administrator
- Annual reviews ensure the Foundation's audit, banking and insurance costs remain competitive.
- Gift Aid is applied whenever possible.
- The majority of The One Day's Pay Scheme (paid voluntarily by serving officers and soldiers) is paid to The Life Guards' and The Blues & Royals' Regimental Associations.

ACHIEVEMENTS FOR THE YEAR (continued)

Finance and administration (continued)

- The fundraising process for this Foundation and both Regimental Associations remains user-friendly and easy: entry fees and kit are subsidised.
- Serving soldiers apply via their Chain-of-Command, and Veterans either directly or via the Home HQ of their Regimental Associations.
- All retail activities remain coordinated by the Household Cavalry Museum's shop. The only exceptions are some specific uniform items supplied by Quartermasters, and cards and diaries marketed by Home Headquarters Household Cavalry.
- Only The Life Guards' Regimental Association remains outside the charity's investment portfolio, but it is included in all relevant welfare case considerations.
- This Foundation and The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare.

FINANCIAL REVIEW

Results for the year and financial position

Total income for the year amounted to £433,152 (2021 – £342,977). Investment income increased to £159,000 (2021 – £72,644) as markets stabilised post pandemic. Expenditure totalled £439,114 (2021 – £308,166), due to increased grants awarded during the year of £216,989 (2021 – £104,517). Of the total expenditure, £84,423 (2021 – £65,196) was spent on raising funds, £20,483 (2021 – £26,211) being in respect to investment manager's fees and the balance generating donations of £190,591 (2021 – £193,949). Net realised and unrealised investment gains for the year totalled £190,815 (2021 –£609,835) following the recovery of the global stock markets from the crash after the initial impact of the Covid-19 pandemic.

Therefore, the net movement in funds for the year was an increase of £184,853 (2021 – £644,646).

Total funds at 31 March 2022 amounted to £4,434,785 (2021 – £4,249,932) of which £2,322,223 were restricted (2021 – £2,164,161) and £2,112,562 were unrestricted or general funds (2021 – £2,085,271). Included within unrestricted funds is a designated fund of £150,000 (2021 – £120,000) which has been set aside to help towards the cost of the next Standards Parade where the Monarch, as Colonel in Chief of the Household Cavalry, will present new Standards. The Parade is anticipated to take place in 2024. Free reserves at 31 March 2022 therefore amounted to £1,962,562 (2021 – £1,965,271).

Investment policy

The portfolio has benefited from the recovery of global stock markets following the onset of the pandemic. The charity's investments are managed by professional investment managers who were reviewed formally during the year. There are no restrictions on the charity's power to invest.

ACHIEVEMENTS FOR THE YEAR (continued)

Investment policy (continued)
The investment strategy is set by the trustees with advice from their investment managers. The strategy takes into account the charity's income requirements for the year, the appropriate risk profile and the investment managers' view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

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

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

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

The reserves policy is, and will continue to be, reviewed annually by the Trustee. The total value of free reserves at 31 March 2022 of £1,962,562 (2021 – £1,965,271) is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult, yet the need for the charity's support remains as high as ever.

Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

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

- From its investment portfolio, as administered by professional investment managers;
- Donations from individuals;
- Holding occasional fundraising events; and
- Through applications to grant-giving trusts.

ACHIEVEMENTS FOR THE YEAR (continued)

Fundraising policy (continued)
The charity does not routinely make direct approaches to the general public for fundraising purposes. Contact with individual donors is usually at their instigation but occasionally the charity does approach those already engaged with the charity.

The charity occasionally engages third party fund raisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

From time-to-time, individuals may independently undertake to raise funds on our behalf, for example sponsored sports activities. Such activities are undertaken independently of the HCF. The charity has not received any complaints about its fundraising activity.

FUTURE PLANS
The charity is planning a period of consolidation and re-invigoration post-Pandemic and after withdrawal from Afghanistan, especially given the long-identified risk of a possible increase in latent PTSD. It will focus on adapting a proven fundraising process of carefully targeted events and new and extant donors. This will exploit suitably innovative opportunities such as more cooperation with similar mutually supporting charities as exemplified by annual support for our operational casualty and world para-bobsleigh champion Corie Mapp.

Signed on behalf of the trustees

Trustee
Edward Goodchild
Approved on: 18 November 2022

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

Opinion

We have audited the financial statements of the Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements.

Other information (continued)
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 course of 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 the audit:

- the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing risks the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof;
- tested journals to identify unusual transactions; and
- assessed whether the judgements and the assumptions made in determining the probability of the receipt of legacy income and the value of the listed investments payable to other organisations on demand were indicative of potential bias

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 18 November 2022

Statement of financial activities Year to 31 March 2022
(Including an income and expenditure account)

	Notes	Un-restricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Un-restricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income and expenditure							
Income from:							
Donations and legacies	1	**203,163**	**70,989**	**274,152**	167,096	103,237	270,333
Investments and interest receivable	2	**82,455**	**76,545**	**159,000**	37,630	35,014	72,644
Total income		**285,618**	**147,534**	**433,152**	204,726	138,251	342,977
Expenditure on:							
Raising funds	3	**74,541**	**9,882**	**84,423**	52,542	12,654	65,196
Charitable activities							
. Assisting service personnel and dependants	4	**281,995**	**72,696**	**354,691**	196,809	46,161	242,970
Total expenditure		**356,536**	**82,578**	**439,114**	249,351	58,815	308,166
Net (expenditure) income before investment gains (losses)		**(70,918)**	**64,956**	**(5,962)**	(44,625)	79,436	34,811
Net gains on investments		**100,209**	**90,606**	**190,815**	315,461	294,374	609,835
Net income for the year		**29,291**	**155,562**	**184,853**	270,836	373,810	644,646
Transfers between funds	14	**(2,000)**	**2,000**	**—**	(3,000)	3,000	—
Net movement in funds	5	**27,291**	**157,562**	**184,853**	267,836	376,810	644,646
Fund balances at 1 April		**2,085,271**	**2,164,661**	**4,249,932**	1,817,435	1,787,851	3,605,286
Fund balances at 31 March		**2,112,562**	**2,322,223**	**4,434,785**	2,085,271	2,164,661	4,249,932

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

Balance sheet 31 March 2022

		2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	10		**7,060,899**		6,726,893
Current assets					
Debtors	11	**54,883**		60,488	
Cash at bank and in hand		**467,223**		410,964	
		522,106		471,452	
Liabilities					
Creditors: amounts falling due within one year	12	**(3,148,220)**		(2,943,413)	
Net current liabilities			**(2,626,114)**		(2,471,961)
Total assets less current liabilities			**4,434,785**		4,254,932
Creditors: amounts falling due in more than one year	13		**—**		(5,000)
Total net assets			**4,434,785**		4,249,932
Represented by:					
The funds of the charity:					
Restricted funds	14		**2,322,223**		2,164,661
Unrestricted funds					
- General funds			**1,962,562**		1,965,271
- Designated funds	15		**150,000**		120,000
			4,434,785		4,249,932

Approved by the trustees
and signed on their behalf by:

Trustee Edward Goodchild

Approved on: 18 November 2022

The Household Cavalry Foundation:
Charity Registration Number 1151869, Company Registration Number 08236363 (England and Wales)

Statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in)provided by operating activities	A	**(75,600)**	104,566
Cash flows from investing activities:			
Investment income and interest received		**159,000**	72,644
Proceeds from the disposal of investments		**2,105,413**	7,700,894
Purchase of investments		**(1,971,074)**	(7,743,812)
Net cash provided by investing activities		**293,339**	29,726
Change in cash and cash equivalents in the year		**217,739**	134,292
Cash and cash equivalents at 1 April	B	**423,799**	289,507
Cash and cash equivalents at 31 March	B	**641,538**	423,799

Notes to the statement of cash flows for the year to 31 March

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	**184,853**	644,646
Adjustments for:		
(Gains) losses on investments	**(306,865)**	(1,050,204)
Investment income and interest receivable	**(159,000)**	(72,644)
Decrease in debtors	**5,605**	75,393
Increase in creditors	**199,807**	507,375
Net cash (used in) provided by operating activities	**(75,600)**	104,566

B Analysis of changes in net debt

	2021 £	Cash flows £	2022 £
Cash at bank and in hand	410,964	56,259	**467,223**
Cash held by investment managers	12,835	161,480	**174,315**
Total cash and cash equivalents	423,799	217,739	**641,538**

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

Basis of preparation
These financial statements have been prepared for the year to 31 March 2022 with comparative information provided in respect to the year to 31 March 2021.

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

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

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

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

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The principal areas in the financial statements where these judgements and estimates have been made relate to:

- the allocation of support costs between expenditure headings;
- determining the value of listed investments held on behalf of associated Household Cavalry organisations;
- assessing the probability of the receipt of legacy income; and
- estimating future income and expenditure flows for the purpose of assessing going concern.

As set out in these accounting policies under the going concern section, below, the trustees have considered the continuing impact of the Covid-19 pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The key areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income from fundraising events is measured at fair value and accounted for on an accruals basis.

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

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

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

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

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

Expenditure recognition (continued)

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Heritage assets

Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 9 to these financial statements.

Investments

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

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

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

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

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

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

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

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

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

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

1 Income from: Donations and legacies

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	**116,502**	**70,989**	**187,491**	90,712	103,237	193,949
Legacies	**3,100**	**—**	**3,100**	20,845	—	20,845
Income from events	**42,819**	**—**	**42,819**	17,142	—	17,142
The Day's Pay Scheme	**40,742**	**—**	**40,742**	38,397	—	38,397
Total funds	**203,163**	**70,989**	**274,152**	167,096	103,237	270,333

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

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

2 Income from: Investment income and interest receivable

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment income	**82,413**	**76,543**	**158,956**	37,509	35,009	72,518
Interest receivable	**42**	**2**	**44**	121	5	126
Total funds	**82,455**	**76,545**	**159,000**	37,630	35,014	72,644

3 Expenditure on: Raising funds

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Staff costs	**23,371**	**—**	**23,371**	24,105	—	24,105
Events and fundraising costs	**26,704**	**—**	**26,704**	13,221	—	13,221
Website costs	**781**	**—**	**781**	948	—	948
Investment management fees	**10,601**	**9,882**	**20,483**	13,557	12,654	26,211
UK entertainment	**13,084**	**—**	**13,084**	711	—	711
Total funds	**74,541**	**9,882**	**84,423**	52,542	12,654	65,196

4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds 2022 £	**Restricted funds 2022 £**	**Total funds 2022 £**	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants and donations	**154,731**	**62,258**	**216,989**	68,050	36,467	104,517
Staff costs and honoraria	**67,417**	**—**	**67,417**	59,828	—	59,828
Promotion of military efficiency	**12,484**	**—**	**12,484**	19,629	—	19,629
Accountancy	**10,533**	**—**	**10,533**	9,407	—	9,407
Publishing costs – Household Cavalry Journal (2021)[a]	**14,228**	**—**	**14,228**	8,633	—	8,633
Publishing costs – Household Cavalry Journal (prior years)[a]	**4,411**	**—**	**4,411**	21,084	—	21,084
Website development	**781**	**—**	**781**	947	—	947
Professional fees	**1,916**	**—**	**1,916**	—	—	—
Office and administration costs	**1,689**	**—**	**1,689**	1,376	—	1,376
Insurance	**—**	**10,438**	**10,438**	—	9,694	9,694
Governance costs: auditor's remuneration	**8,628**	**—**	**8,628**	7,278	—	7,278
Other costs	**5,177**	**—**	**5,177**	577	—	577
Total funds	**281,995**	**72,696**	**354,691**	196,809	46,161	242,970

.

5 Net movement in funds

This is stated after charging

	2022 £	2021 £
Staff costs, excluding honoraria (note 6)	**70,113**	72,314
Auditor's remuneration		
. Current year	**7,092**	6,690
. Non-audit services	**1,536**	588

6 Staff costs

Staff costs, excluding honoraria, are as follows:

	Total funds 2022 £	Total funds 2021 £
Wages and salaries	**54,060**	52,572
Social security costs	**1,794**	5,639
Employer's pension contribution	**1,775**	1,743
	57,629	59,954
Contribution in respect to Regimental Adjutant	**12,484**	12,360
	70,113	72,314

6 Staff costs (continued)

The average number of employees during the year was:

	2022 No.	2021 No.
	2	2

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2021 – none).

7 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Director. The total cost to the charity of employing key management was £53,290 (2021 – £52,205).

No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2021 – none).

8 Taxation

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

9 Heritage assets

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

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

10 Investments

	Total funds 2022 £	Total funds 2021 £
Listed investments		
Market value as at 1 April	**6,714,058**	5,620,936
Additions at cost	**1,971,074**	7,743,812
Disposals at opening market value (proceeds £2,105,413; gains £9,687)	**(2,095,726)**	(7,720,782)
Net unrealised investment gains (losses)	**297,178**	1,070,092
Market value as at 31 March	**6,886,584**	6,714,058
Cash held for reinvestment	**174,315**	12,835
	7,060,899	6,726,893
Historical cost of listed investments as at 31 March	**6,582,055**	6,585,455

At 31 March 2022 listed investments comprised the following:

	Total funds 2022 £	Total funds 2021 £
UK equities	**—**	—
Overseas equities	**—**	—
Diversified Investment funds	**2,427,200**	—
Unitised funds	**4,361,960**	5,690,655
Alternatives	**97,424**	1,023,403
Total	**6,886,584**	6,714,058

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

At 31 March 2022, listed investments included investments with a market value of £3,018,323 (2021 – £2,855,035) representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are total net unrealised gains of £297,178 and realised gains of £9,687 which arose during the year ended 31 March 2022. Those losses and gains which relate to the investments which represent part of the amount due to the Household Cavalry regiments and associated funds are not reflected through the statement of financial activities.

10 Investments (continued)

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

Holding	**2022 Market Value £**	**2022 Percentage %**
Cazenove Charity Multi-Asset Fund	**4,361,960**	**63.3%**
Waverton Charity Growth and Income Fund	**2,427,200**	**35.2%**

Holding	2021 Market Value £	2021 Percentage %
Cazenove Charity Multi-Asset Fund	4,336,750	64.6%
Waverton Charity Growth and Income Fund	1,343,903	20.0%
Savills Investment Management – Charities Property Fund	763,690	11.4%

11 Debtors

	Total funds 2022 £	Total funds 2021 £
Other debtors	**4,850**	4,854
Legacies receivable	**—**	30,000
Accrued investment income	**49,422**	24,174
Prepayments	**611**	1,460
	54,883	60,488

12 Creditors: amounts falling due within one year

	Total funds 2022 £	Total funds 2021 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)		
. Listed investments	**3,018,323**	2,855,035
. Investment income payable	**47,858**	29,823
Grants payable	**5,000**	10,000
Accruals	**58,516**	31,555
Deferred income	**18,523**	17,000
	3,148,220	2,943,413

12 Creditors: amounts falling due within one year (continued)

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

Listed investments	**2022 £**	2021 £
The Blues and Royals Association	**1,413,377**	1,335,668
Oliver Montague Fund	**1,309,741**	1,237,729
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**153,047**	146,013
Household Cavalry Mounted Regiment (Knightsbridge)	**142,058**	135,625
	3,018,323	2,855,035

Investment income payable	**2022 £**	2021 £
The Blues and Royals Association	**24,840**	12,060
Oliver Montague Fund	**23,018**	11,175
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**—**	3,416
Household Cavalry Mounted Regiment (Knightsbridge)	**—**	3,173
	47,858	29,823

Deferred income primarily relates to monies received in advance of an event taking place following the year end:

	2022 £	2021 £
At 1 April	**17,000**	17,000
Amount released to income from charitable activities	**(17,000)**	(17,000)
Amount deferred in year	**18,523**	17,000
At 31 March	**18,523**	17,000

13 Creditors: amounts falling due in more than one year

	Total funds 2022 £	Total funds 2021 £
Grants payable	**—**	5,000

14 Restricted funds

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

Year ended 31 March 2022	**Operational Casualties Fund 2022 £**	**Children's Fund 2022 £**	**Serving Officers Trust Fund 2022 £**	**Total 2022 £**
At 1 April 2021	**1,634,876**	**114,138**	**415,647**	**2,164,661**
Income	**105,035**	**4,190**	**38,309**	**147,534**
Expenditure	**(49,278)**	**(282)**	**(33,018)**	**(82,578)**
Net investment gains	**74,950**	**2,577**	**13,079**	**90,606**
Transfer from unrestricted funds	**—**	**2,000**	**—**	**2,000**
At 31 March 2022	**1,765,583**	**122,623**	**434,017**	**2,322,223**

Year ended 31 March 2021	Operational Casualties Fund 2021 £	Children's Fund 2021 £	Serving Officers Trust Fund 2021 £	Total 2021 £
At 1 April 2020	1,384,211	99,100	304,540	1,787,851
Income	29,058	3,999	105,194	138,251
Expenditure	(22,726)	(361)	(35,728)	(58,815)
Net investment gains	244,333	8,400	42,316	294,374
Transfer from unrestricted funds	—	3,000	—	3,000
At 31 March 2021	1,634,876	114,138	415,647	2,164,661

Operational Casualties Fund

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

Children's Fund

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

Serving Officers Trust Fund

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

15 Designated funds

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

	1 April 2021 £	New design-ations £	Utilised £	31 March 2022 £
Standards Parade Fund	**120,000**	**30,000**	**—**	**150,000**

	1 April 2020 £	New design-ations £	Utilised £	31 March 2021 £
Standards Parade Fund	90,000	30,000	—	120,000

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

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Funds 2021 £
Fund balances at 31 March 2022 are represented by:						
Investments	**5,111,175**	**1,949,724**	**7,060,899**	4,852,773	1,874,120	6,726,893
Net current (liabilities) assets	**(2,998,613)**	**372,499**	**(2,626,114)**	(2,762,502)	290,541	(2,471,961)
Creditors: amounts falling due in more than one year	**—**	**—**	**—**	(5,000)	—	(5,000)
Total net assets	**2,112,562**	**2,322,223**	**4,434,785**	2,085,271	2,164,661	4,249,932

	Total 2022 £	Total 2021 £
Unrealised gains included above		
On investment assets	**304,531**	128,603
Reconciliation of movements in unrealised gains:		
Total unrealised gains at 1 April 2021	**128,603**	368,258
Movement in respect of disposals in the year	**(121,250)**	(1,309,747)
Net gains (losses) arising on revaluations in the year	**297,178**	1,070,092
Total unrealised gains at 31 March 2022	**304,531**	128,603

The total unrealised gains as at 31 March 2022 constitute movements on the revaluation of listed investments.

17 Related parties

One trustee is a serving Household Cavalryman (2021 – one trustees was a serving member) and so may have benefitted indirectly from grants made during both 2022 and 2021. No trustees received grants directly as individual beneficiaries (2021 – no trustees).

During the year ended 31 March 2022, a total of £11,550 was paid to the Household Cavalry Museum to help to fund Information Technology improvements. Colonel J. D. A. Gaselee, a trustee of the Household Cavalry Foundation to 1 February 2022, is a director of Household Cavalry Museum Enterprises Limited.

The trustees who are serving members of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.

Donations amounting to £50 were received from trustees during the year (2021 – £1,000). The trustee who is a serving member of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.

THE HOUSEHOLD CAVALRY FOUNDATION

England & Wales - Charity number 1151869

Accounts

The Household Cavalry Foundation

Annual Report and Financial statements

31 March 2021

Charity Registration Number
1151869

Company Registration Number:
08236363 (England and Wales)

Contents

Reports

Reference and administrative details 1

Trustees' report 3

Independent auditor's report 16

Financial statements

Statement of financial activities 21

Balance sheet 22

Statement of cash flows 23

Principal accounting policies 24

Notes to the financial statements 29

Reference and administrative details

Trustees	Colonel C A Lockhart, MBE, ADC (Chairman) Lieutenant Colonel (Retired) J P Eyre (Deputy Chairman) Colonel (retired) J D A Gaselee E D J Goodchild, Esq. Lady J M Grosvenor
Director	Lieutenant Colonel (Retired) G G E Stibbe, OBE
Company Secretary and Secretary to the Trustees	Lieutenant Colonel (Retired) R R D Griffin
Principal office	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
Charity registration number	1151869
Company registration number	08236363 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Accountant	C P Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
Bankers	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR

Reference and administrative details

Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees present their statutory report together with the financial statements of the Household Cavalry Foundation ("the charity" or HCF) for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 and comply with the charity's Articles of Association and applicable law. The requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and financial statements.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governing Documents

The charity is governed by its Articles of Association dated 2 October 2012 (amended by a special resolution dated 16 April 2013 and 3 November 2016) and by a Charity Commission Order dated 2 May 2013.

The Household Cavalry Serving Officers' Trust was transferred to the Household Cavalry Foundation on 21 December 2016; and this transfer was confirmed by Deed of Amendment on 22 December 2016.

Objects

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

The charity supports the protection and development of the Household Cavalry's history and heritage, and the welfare of retired horses.

The objects for which the charity is established are:

- the promotion of the military efficiency of the Household Cavalry by any charitable means the trustees may decide, including without limitation by fostering and preserving the traditions of the Household Cavalry and of any component of predecessor regiment or unit;

- to promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Household Cavalry, or at the trustees' discretion;

- the relief of hardship or distress among members and former members of the Household Cavalry, members of their families and other dependants, including without limitation by providing financial support to families or other dependants of those who have lost their lives on active service;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Objects (continued)

- to advance the education of the public and of members and former members of the Household Cavalry in the history, heritage, traditions of the military accomplishments of the Household Cavalry including without limitation by supporting a museum or museums, archives and collections;

- to promote humane behaviour towards serving or retired Household Cavalry Horses by providing appropriate care, protection, treatment and security for horses in need of care and attention; and

- such other exclusively charitable purposes relating to the Household Cavalry as the trustees in their absolute discretion think fit.

The charity's operational stakeholders include the following:

- Headquarters Household Cavalry;

- Household Division;

- Unit Welfare Officers;

- Household Cavalry Museum Trust Limited; and

- The Life Guards' Regimental Association; and

- The Blues & Royals' Regimental Association.

Trustees

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

Trustees
Colonel C A Lockhart, MBE, ADC (Chairman)
Lieutenant Colonel (Retired) J P Eyre (Deputy Chairman)
Colonel (retired) J D A Gaselee
E D J Goodchild, Esq.
Lady J M Grosvenor

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustee recruitment and appointment

The charity regularly reviews the skills necessary at board level and identifies where there are gaps. Proposed trustees individually meet all existing trustees in advance and are invited to attend a trustees' meeting prior to being appointed, so that they may be assessed by the trustees for suitability and, where appropriate, relevant professional qualifications, diversity and experience. New trustees also sign a declaration confirming that they are not ineligible to be charity trustees. The trustees each serve for at least three years and are deliberately chosen to represent all aspects of Household Cavalry life and provide relevant governance expertise.

The Foundation's Articles of Association dated 3 November 2016 state:

- "No Trustee may serve for a period longer than six consecutive years without retiring for at least one complete year... Trustees shall always aspire to, but not be obliged to, achieve a majority of serving or retired officers of the Household Cavalry on the board of Trustees" and…

- "No Trustee may serve for a period longer than six consecutive years without retiring for at least one complete year. Where a majority of the other Trustees agree it would assist with the work of the charity, this rule may be disapplied in respect of a particular Trustee …"

Trustee induction and training

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

Trustees' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

- make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis are considered to be the trustees of the charity and the Director. All strategic and other key decisions are made by them. None of the trustees are remunerated for their role as trustees nor in their role as a member of the key management team. The Director's salary is set by the trustees and is reviewed annually with consideration given to charity sector salaries and pay indices.

Organisational structure and management reporting

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

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

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

A new generic risk continued throughout this financial year: **The Coronavirus (Covid-19) pandemic.** This has had an unprecedented social and economic effect across the world on a scale not seen for at least 75 years. The Foundation continues to face three immediate and ongoing challenges and risks, which have been exacerbated by the pandemic:

- **Latent Staff resilience.** Inherent strength-in-depth is proved despite the fact that there is only one full-time employee, the Director, with a primary financial budgetary and fundraising role. The Chairman of the Trustees is the alternate director. Formal authorisation for invoice payment is electronic. The management accounts are formally checked on a monthly basis by representatives of the trustees. The transparency of these documents facilitates review and oversight of the Director's role by any of the trustees.

- **Lack of investment income.** This year, the charity undertook a periodic Review of Fund Managers. This resulted in an amount equal to The Life Guards' Association's stake in a fund managed by Waverton Investment Management being transferred to Waverton's direct management with the balance continuing to be managed by Cazenove Capital Management by being invested in Cazenove's Charity Multi-asset Fund. The result of this Periodic Review of Fund Managers was considered a risk-reducing measure. Stakes held in both funds remain proportionate to original and subsequent investments.

As a result of this Periodic Review the trustees are content that they have a resilient management strategy in respect to the charity's investments, and that they monitor the performance of the current manager regularly especially in these unprecedented times which are inherently dynamic.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- **Lack of income from donors.** Possible donor fatigue, which is exacerbated by an unpredictable economy, is mitigated by the trustees' focus on building enduring relationships with regular donors, who, so far, have proved to be less affected by the prevailing economic situation. State ceremonial duties naturally keep the Household Cavalry in the "public eye" and organised visits to both our regiments (service and ceremonial) ensure that our donors can meet our soldiers. This is a proven and effective strategy because extant and potential donors meet soldiers who have deployed on war-fighting operations and ceremonial duties which demonstrates the scope of our work.

The trustees aim always to match demand for assistance from the charity with their ability to raise follow-on funding in order to meet other priority needs that arise. This prioritisation underpins the support for all members of the Household Cavalry "family" that the charity offers to our operational casualties, our serving soldiers, our veterans and their dependents but also, when applicable, to our heritage and the welfare of our retired horses.

Our risk management framework encourages smaller targeted fundraising events which do not bear significant up-front capital outlay. Our usual fundraising events' programme has been compromised by Covid-19 restrictions. Therefore, it is reassuring to record resilient and loyal support both to and from our Household Cavalry "family" by Donors and family members as all four of our antecedent regiments mark their 360th anniversaries.

ACTIVITIES AND PUBLIC BENEFIT

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

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

This assistance enables Regimental personnel to develop and maintain teamwork, skills, fitness, confidence, character and morale. This is especially important after operational tours as they face the consequences of their military service, particularly Post-Traumatic Stress Disorder (PTSD).

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

The funds to support the above activities are generated in part from investments, encouraging donations to the charity, and also from events.

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

ACHIEVEMENTS FOR THE YEAR

Direction

This reporting period's experience of lockdown confirms the "Donors before Events" policy since 2016 is resilient. Our donors' loyalty and generosity has ensured financial resilience during this reporting period as our planet's nations faced peacetime challenges unprecedented for at least a century, if not throughout recorded history. It has been especially reassuring to continue to receive funds and pledges from both our serving and veteran communities.

Both show an increasing awareness of HCF's two key priorities, which remain:

1. To prepare for the gradual emergence of latent Post-Traumatic Stress Disorder (PTSD). Research by King's College, London University claims 88/1,000 (9%) of service personnel deployed will suffer future PTSD. During this reporting period, the charity helped five Household Cavalrymen; all of them had been on operations during the past thirty years.

2. To ensure the continual quality of prosthetics for our Wounded, Injured and Sick (WIS). The charity helped two operational casualty amputees during this reporting period.

Fundraising

As noted above, the periods of lockdown during this reporting period confirm a "Donors first" policy is resilient.

The charity is especially grateful to new institutional and personal donors, and Ascot's War Horse Memorial Charity; their first "Scholar" is an Operational Casualty, and we are helping with their wooden horse project at The Guards' Chapel.

This Foundation's key fundraising message remains "every little helps". 2019's CastleTrek fundraiser set a superb example and it is wonderful to see new initiatives, such as StrengthWorks and Head Up, linked to both serving soldiers and veterans.

Examples, by Serving Soldiers include "Charlie's Challenge", Strengthworks, Twisted Barbell, Carwash and "3 Bar"; and, by Veterans, Head Up and The Guards' Veterans' Mountaineering Club. This new venture is pioneered by former Household Cavalrymen. One of them climbed Mont Blanc in September 2020 to raise funds for the Charity and other causes.

ACHIEVEMENTS FOR THE YEAR (continued)

Fundraising (continued)
All these projects have been enhanced by two more factors: the Stock Market's recovery and donations. Every month during the successive Lockdowns since March 2020, our Donors have been updated on the Household Cavalry's current and historic achievements. Carefully targeted fundraising events are planned to enhance serving Household Cavalrymen's lives and donors are invited to events run by our regiments.

Welfare
Despite Covid-19, this reporting period saw continuing progress in helping our beneficiaries, namely our operational casualties, serving soldiers, veterans and their dependants by securing donors to support our regimental "family" of c.10,000 people.

Our regimental "family" exemplifies this in London, Bulford (for its first financial year) and Windsor, and also via our annual regimental dinners matched by an increasing number of similar regional events; and, above all, by our "mission critical" nationwide postcode-based network of Old Comrade volunteers who are our welfare frontline. Their invaluable work usefully links to other Household Cavalry veteran volunteers working for the Soldiers, Sailors, Airmen and Families Association (SSAFA) or the Royal British Legion. For example, a recent Operational Casualty living in Wales was supported by a Household Cavalry veteran who is a SSAFA volunteer. This has resulted in this Operational Casualty starting a university course that will enhance his proposed future career.

Support is also often immeasurably enhanced by Household Cavalrymen working in the Ministry of Defence Recovery Capability's nationwide network of Personnel Recovery Centres (PRC). There serving and veteran soldiers mentor each other and boost morale as they face the challenges associated with the transition from military to civilian life. PRC have been partially funded by tri-service Help for Heroes where this Foundation has proven and successful links.

These are exemplified by the triumphs of operational casualty double-amputee Corie Mapp. He is the first Briton to claim a European Para-bobsleigh title. Now a policeman, Corie featured on the cover of the February 2021 edition of The Royal British Legion's Journal and, following the charity's year end, its centenary celebrations in May 2021.

Moreover, established Household Cavalry links have confirmed their tenacity to other tri-service charities such as The Royal British Legion, Haig Homes and SSAFA, the single service Army Benevolent Fund, and specialist charities BLESMA and Blind Veterans UK.

Serving soldiers
Annual per capita payments were maintained for our operational and ceremonial regiments, our recruits, our Band and pan-Household Cavalry activities.

The charity's deliberately short Welfare and Educational Support Guides (respectively two pages with a one-page pictorial flow chart, and one-page) have proved to be user-friendly. Both Guides are deliberately unclassified to ensure the widest possible distribution.

ACHIEVEMENTS FOR THE YEAR (continued)

Serving soldiers (continued)
Both Guides also link to Operation Gideon – this is "the Household Cavalry's new programme to help, educate, reiterate and express the importance of mental health." Its founders are a Regimental Corporal-Major and a Regimental Administration Officer who state:

> *"This encompasses all our soldiers and officers in the HCav no matter their position in the regiment or in the world. We are after all a family. Why Gideon? Well much like the 300 Spartans at Thermopylae, Gideon has become symbolic of military success of a small elite force against overwhelming numerical odds. This basically sums up the Household Cavalry in one sentence. As we are a small family which sits firmly on a high pedestal within the military and country. Whether it's tactically on operations or ceremonially on horseback, we are well regarded on the international stage."*

Current and past digital editions of the Operation Gideon newsletter can be found on the Defence Gateway.

Our education support initiative tops up Personal Learning Credits and contributions. These credits are helpfully flexible because they can be used by all serving soldiers and veterans who are eligible. Most recently Household Cavalry versatility has been proved by a young sniper who has started a degree to help towards his proposed second career.

It was extremely kind of our Band to continue to donate royalties from the sale of their superb first recording as a joint band: Shining Sword. We also hope to renew our work via our Band with joint ventures involving the Orion Youth Orchestra and Rick Wakeman.

Other popular activities include Lockdown Physical Training, Fun Runs on Armistice Day and during the festive season through Bulford's Married Quarters, marathons planned in London, Northampton, Lulworth and Bexhill, as well as runs throughout the year by a Household Cavalry wife and mother.

Heritage
The charity jointly donated, with both Household Cavalry Regimental Associations, to The Guards' Parachute Association's new memorial at the National Memorial Arboretum. With its Foot Guard equivalents, this Foundation is funding The Guards' Chapel Organ repairs. This Foundation also supported the restoration of the monument to a former Gold Stick of the Royal Horse Guards (The Blues) Earl Haig, at Montreuil, France, and continues to pay for our Zandvoorde Memorial's annual maintenance by the Commonwealth War Graves Commission.

Funding continues for Gate Guardians such as the Falklands' War trophy Panhard that is being restored for the 40th anniversary of that conflict.

ACHIEVEMENTS FOR THE YEAR (continued)

Heritage (continued)
The Serving Officers' Trust (a restricted fund within the charity since 2016) is rationalising and conserving its pictures, silver and albums.

The charity has offered similar conservation support to both Warrant Officers' and Non-Commissioned Officers' Messes.

Horses
Key links remain to the Defence Animal Centre, World Horse Welfare, the Stirling Trust, the Horse Trust and Raystede Horse Sanctuary; and welfare was quickly coordinated on the two occasions during this reporting period when help was sought.

Finance and administration

- This charity's two staff remain one full-time Director, and one part-time Finance Administrator
- Annual reviews ensure this Foundation's audit, banking and insurance costs remain competitive.
- Gift Aid is applied whenever possible.
- The majority of The One Day's Pay Scheme (paid voluntarily by serving officers and soldiers) is paid to The Life Guards' and The Blues & Royals' Regimental Associations.
- The fundraising process for this Foundation and both Regimental Associations remains user-friendly and easy: entry fees and kit are subsidised.
- Serving soldiers apply via their Chain-of-Command, and Veterans either directly or via the Home HQ of their Regimental Associations.
- All retail activities remain coordinated by the Household Cavalry Museum's shop. The only exceptions are some specific uniform items supplied by Quartermasters, and cards and diaries marketed by Home Headquarters Household Cavalry.
- Only The Life Guards' Regimental Association remains outside the charity's investment portfolio, but it is included in all relevant welfare case considerations.
- This Foundation and The Life Guards' and The Blues & Royals' Regimental Associations all pay similar annual amounts on welfare.

FINANCIAL REVIEW

Results for the year and financial position

Total income for the year amounted to £342,977 (2020 – £498,754). Expenditure totalled £308,166 (2020 – £378,636). Of the total expenditure, £65,196 (2020 – £105,426) was spent on raising funds, £26,211 (2020 – £27,250) being in respect to investment manager's fees and the balance generating donations of £193,949 (2020 – £173,183). Net realised and unrealised investment gains for the year totalled £609,835 (2020 – net losses of £379,641) following the recovery of the global stock markets from the crash after the initial impact of the Covid-19 pandemic.

Therefore, the net movement in funds for the year was an increase of £644,646 (2020 – a decrease of £259,523).

Total funds at 31 March 2021 amounted to £4,249,932 (2020 – £3,605,286) of which £2,164,161 were restricted (2020 – £1,787,851) and £2,085,271 were unrestricted or general funds (2020 – £1,817,435). Included within unrestricted funds is a designated fund of £120,000 (2020 – £90,000) which has been set aside to help towards the cost of the next Standards Parade where the Monarch, as Colonel in Chief of the Household Cavalry, will present new Standards. The Parade is anticipated to take place in 2024. Free reserves at 31 March 2021 therefore amounted to £1,965,271 (2020 – £1,727,435).

Investment policy

The portfolio has benefited from the recovery of global stockmarkets following the onset of the pandemic. The charity's investments are managed by professional investment managers who were reviewed formally during the year. There are no restrictions on the charity's power to invest.

The investment strategy is set by the trustees with advice from their investment managers. The strategy takes into account the charity's income requirements for the year, the appropriate risk profile and the investment managers' view of the market prospects in the medium term.

The policy is to maximise total return through a diversified portfolio whilst providing a level of income as advised by the trustees from time to time. The performance of the portfolios and the charity's investment strategy are reviewed by the trustees whose representatives meet with the investment managers every six months.

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

FINANCIAL REVIEW (continued)

Reserves policy

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

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

The reserves policy is, and will continue to be, reviewed annually by the Trustee. The total value of free reserves at 31 March 2021 of £1,965,271 (2020 – £1,727,435) is in excess of this policy at the current time. The trustees are conscious of the fact that income generation in the current climate is difficult, yet the need for the charity's support remains as high as ever.

Therefore, for the time being the trustees consider the charity's free reserves to be adequate but not excessive and at a level appropriate to cover the charity's commitments and guard against any reasonably foreseeable downturn in income.

Fundraising policy

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

- From its investment portfolio, as administered by professional investment managers;
- Donations from individuals;
- Holding occasional fundraising events; and
- Through applications to grant-giving trusts.

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

The charity occasionally engages third party fund raisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

From time-to-time, individuals may independently undertake to raise funds on our behalf, for example sponsored sports activities. Such activities are undertaken independently of the HCF. The charity has not received any complaints about its fundraising activity.

FUTURE PLANS

The charity is planning a period of consolidation and re-invigoration post-Pandemic and after withdrawal from Afghanistan, especially given the long-identified risk of a possible increase in latent PTSD. It will focus on adapting a proven fundraising process of carefully targeted events and new and extant donors. This will exploit suitably innovative opportunities such as more cooperation with similar mutually supporting charities as exemplified by annual support for our operational casualty and world para-bobsleigh champion Corie Mapp.

Signed on behalf of the trustees

Colonel Crispin A. Lockhart

Trustee

Approved on: 2 December 2021

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

Opinion

We have audited the financial statements of the Household Cavalry Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements.

Other information (continued)
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 course of 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 the audit:

- the information given in the trustees' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing risks the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- performed substantive testing of expenditure including the authorisation thereof;

- tested journals to identify unusual transactions; and

- assessed whether the judgements and the assumptions made in determining the probability of the receipt of legacy income and the value of the listed investments payable to other organisations on demand were indicative of potential bias

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and

- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Francis (Senior Statutory Auditor) 16 December 2021
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 March 2021
(Including an income and expenditure account)

	Notes	**Un-restricted funds 2021 £**	**Restricted funds 2021 £**	**Total funds 2021 £**	Un-restricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income and expenditure							
Income from:							
Donations and legacies	1	**167,096**	**103,237**	**270,333**	372,765	10,037	382,802
Investments and interest receivable	2	**37,630**	**35,014**	**72,644**	60,161	55,791	115,952
Total income		**204,726**	**138,251**	**342,977**	432,926	65,828	498,754
Expenditure on:							
Raising funds	3	**52,542**	**12,654**	**65,196**	92,271	13,155	105,426
Charitable activities							
. Assisting service personnel and dependants	4	**196,809**	**46,161**	**242,970**	255,566	17,644	273,210
Total expenditure		**249,351**	**58,815**	**308,166**	347,837	30,799	378,636
Net (expenditure) income before investment gains (losses)		**(44,625)**	**79,436**	**34,811**	85,089	35,029	120,118
Net gains (losses) on investments		**315,461**	**294,374**	**609,835**	(196,365)	(183,276)	(379,641)
Net income (expenditure) for the year		**270,836**	**373,810**	**644,646**	(111,276)	(148,247)	(259,523)
Transfers between funds	14	**(3,000)**	**3,000**	**—**	(1,000)	1,000	—
Net movement in funds	5	**267,836**	**376,810**	**644,646**	(112,276)	(147,247)	(259,523)
Fund balances at 1 April 2020		**1,817,435**	**1,787,851**	**3,605,286**	1,929,711	1,935,098	3,864,809
Fund balances at 31 March 2021		**2,085,271**	**2,164,661**	**4,249,932**	1,817,435	1,787,851	3,605,286

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

Balance sheet 31 March 2021

		2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	10		**6,726,893**		5,654,521
Current assets					
Debtors	11	**60,488**		135,881	
Cash at bank and in hand		**410,964**		255,922	
		471,452		391,803	
Liabilities					
Creditors: amounts falling due within one year	12	**(2,943,413)**		(2,431,038)	
Net current liabilities			**(2,471,961)**		(2,039,235)
Total assets less current liabilities			**4,254,932**		3,615,286
Creditors: amounts falling due in more than one year	13		**(5,000)**		(10,000)
Total net assets			**4,249,932**		3,605,286
Represented by:					
The funds of the charity:					
Restricted funds	14		**2,164,661**		1,787,851
Unrestricted funds					
- General funds			**1,965,271**		1,727,435
- Designated funds	15		**120,000**		90,000
			4,249,932		3,605,286

Approved by the trustees
and signed on their behalf by:

Colonel Crispin A. Lockhart

Trustee

Approved on: 2 December 2021

The Household Cavalry Foundation:
Charity Registration Number 1151869, Company Registration Number 08236363 (England and Wales)

Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**104,566**	(71,896)
Cash flows from investing activities:			
Investment income and interest received		**72,644**	115,952
Proceeds from the disposal of investments		**7,700,894**	1,256,080
Purchase of investments		**(7,743,812)**	(1,351,924)
Net cash provided by investing activities		**29,726**	20,108
Change in cash and cash equivalents in the year		**134,292**	(51,788)
Cash and cash equivalents at 1 April 2020	B	**289,507**	341,295
Cash and cash equivalents at 31 March 2021	B	**432,799**	289,507

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	**644,646**	(259,523)
Adjustments for:		
(Gains) losses on investments	**(1,050,204)**	651,541
Investment income and interest receivable	**(72,644)**	(115,952)
Decrease (increase) in debtors	**75,393**	(56,652)
Increase (decrease) in creditors	**507,375**	(291,310)
Net cash provided by (used in) operating activities	**104,566**	(71,896)

B Analysis of changes in net debt

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	255,922	155,042	**410,964**
Cash held by investment managers	33,585	(20,750)	**12,835**
Total cash and cash equivalents	289,507	134,292	**423,799**

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021 with comparative information provided in respect to the year to 31 March 2020.

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

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

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

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

Critical accounting estimates and areas of judgement

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

The principal areas in the financial statements where these judgements and estimates have been made relate to:

- the allocation of support costs between expenditure headings;
- determining the value of listed investments held on behalf of associated Household Cavalry organisations;
- assessing the probability of the receipt of legacy income; and
- estimating future income and expenditure flows for the purpose of assessing going concern.

As set out in these accounting policies under the going concern section, below, the trustees have considered the continuing impact of the Covid-19 pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

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

The challenges presented by the Coronavirus (Covid-19) pandemic have been met due partly to the three resilient risk-mitigation measures described in the risk management section of the trustees' report and the recovery of international stock markets during the latter half of the year. The charity's free reserves are currently in excess of its reserves policy (standing at over five years' worth of total expenditure).

As a result of the above, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The key areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (please see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

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

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

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income from fundraising events is measured at fair value and accounted for on an accruals basis.

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

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

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

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

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

Expenditure recognition (continued)

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Heritage assets

Certain assets owned by the charity meet the definition of heritage assets in the Charities SORP FRS 102 and are not valued for the purposes of these financial statements. Further details are provided in note 9 to these financial statements.

Investments

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

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

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

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

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

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

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

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

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

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

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

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

1 Income from: Donations and legacies

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	**90,712**	**103,237**	**193,949**	113,146	10,037	123,183
Legacies	**20,845**	**—**	**20,845**	110,000	—	110,000
Income from events	**17,142**	**—**	**17,142**	112,216	—	112,216
The Day's Pay Scheme	**38,397**	**—**	**38,397**	37,403	—	37,403
Total funds	**167,096**	**103,237**	**270,333**	372,765	10,037	382,802

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

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

2 Income from: Investment income and interest receivable

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment income	**37,509**	**35,009**	**72,518**	59,738	55,755	115,493
Interest receivable	**121**	**5**	**126**	423	36	459
Total funds	**37,630**	**35,014**	**72,644**	60,161	55,791	115,952

3 Expenditure on: Raising funds

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Staff costs	**24,105**	**—**	**24,105**	23,894	—	23,894
Events and fundraising costs	**13,221**	**—**	**13,221**	41,135	—	41,135
Website costs	**948**	**—**	**948**	1,173	—	1,173
Investment management fees	**13,557**	**12,654**	**26,211**	14,095	13,155	27,250
UK entertainment	**711**	**—**	**711**	11,974	—	11,974
Total funds	**52,542**	**12,654**	**65,196**	92,271	13,155	105,426

4 Expenditure on: Assisting service personnel and their dependants

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Grants and donations	**68,050**	**36,467**	**104,517**	129,374	9,276	138,650
Staff costs and honoraria	**59,828**	**—**	**59,828**	56,777	—	56,777
Promotion of military efficiency	**19,629**	**—**	**19,629**	21,385	—	21,385
Accountancy	**9,407**	**—**	**9,407**	14,920	—	14,920
Publishing costs – Household Cavalry Journal (2021)[a]	**8,633**	**—**	**8,633**	—	—	—
Publishing costs – Household Cavalry Journal (prior years)[a]	**21,084**	**—**	**21,084**	12,703	—	12,703
Website development	**947**	**—**	**947**	1,174	—	1,174
Professional fees	**—**	**—**	**—**	1,056	—	1,056
Office and administration costs	**1,376**	**—**	**1,376**	1,851	—	1,851
Insurance	**—**	**9,694**	**9,694**	602	8,168	8,770
Governance costs: auditor's remuneration	**7,278**	**—**	**7,278**	6,477	—	6,477
Other costs	**577**	**—**	**577**	9,247	200	9,447
Total funds	**196,809**	**46,161**	**242,970**	255,566	17,644	273,210

[a] There have previously been immaterial inconsistencies in the recognition of the costs of producing the Household Cavalry Journal. Following the agreement that costs would be recognised in the year of production of the journal from 2020/21 onwards, this has led to a small distorting effect in the expenditure recognised in 2020/21.

5 Net movement in funds

This is stated after charging

	2021 £	2020 £
Staff costs, excluding honoraria (note 6)	**72,314**	71,682
Auditor's remuneration		
. Current year	**6,690**	6,477
. Non-audit services	**588**	**—**

6 Staff costs

Staff costs, excluding honoraria, are as follows:

	Total funds 2021 £	Total funds 2020 £
Wages and salaries	**52,572**	52,620
Social security costs	**5,639**	5,659
Employer's pension contribution	**1,743**	1,403
	59,954	59,682
Contribution in respect to Regimental Adjutant	**12,360**	12,000
	72,314	71,682

6 Staff costs (continued)

The average number of employees during the year was:

	2021 No.	2020 No.
	2	2

No employee earned more than £60,000 per annum during the year, including taxable benefits but excluding pension contributions (2020 – none).

7 Trustees' expenses and remuneration and transactions with trustees

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Director. The total cost to the charity of employing key management was £52,205 (2020 – £52,409).

No trustee received any remuneration or reimbursement of expenses in connection with their duties as trustees or members of key management (2020 – none).

8 Taxation

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

9 Heritage assets

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

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

10 Investments

	Total funds 2021 £	Total funds 2020 £
Listed investments		
Market value as at 1 April 2020	**5,620,936**	6,176,633
Additions at cost	**7,743,812**	1,351,924
Disposals at opening market value (proceeds £7,700,894; losses £19,888)	**(7,720,782)**	(1,247,542)
Net unrealised investment gains (losses)	**1,070,092**	(660,079)
Market value as at 31 March 2021	**6,714,058**	5,620,936
Cash held for reinvestment	**12,835**	33,585
	6,726,893	5,654,521
Historical cost of listed investments as at 31 March 2021	**6,585,455**	5,252,678

During the year, the charity's investment portfolio was restructured and investments are now managed by two investment managers compared to once previously. At 31 March 2021 listed investments comprised the following:

	Total funds 2021 £	Total funds 2020 £
UK equities	**—**	1,450,569
Overseas equities	**—**	2,107,697
Fixed interest	**—**	362,739
Unitised funds	**5,690,655**	548,376
Alternatives	**1,023,403**	1,151,555
Total	**6,714,058**	5,620,936

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

At 31 March 2020, listed investments included investments with a market value of £2,855,035 (2020 – £2,379,785) representing amounts due to the Household Cavalry regiments and associated funds (note 12). Included within these investments are total net unrealised gains of £1,070,093 and realised losses of £19,888 which arose during the year ended 31 March 2021. Those losses and gains which relate to the investments which represent part of the amount due to the Household Cavalry regiments and associated funds are not reflected through the statement of financial activities.

10 Investments (continued)

The following individual investment holdings as at 31 March 2021 were deemed material in the context of the market value of the portfolio as at that date:

Holding	**2021 Market Value £**	**2021 Percentage %**
Cazenove Charity Multi-Asset Fund	**4,336,750**	**64.6%**
Waverton Charity Growth and Income Fund	**1,343,903**	**20.0%**
Savills Investment Management – Charities Property Fund	**763,690**	**11.4%**

Holding	2020 Market Value £	2020 Percentage %
Trojan Investment Fund	310,830	5.5%
ASI UK All Share Tracker Fund	388,454	6.9%
Vanguard S&P 500 UCITS ETF	404,357	7.2%
Trojan Income Fund	432,609	7.7%
Savills Investment Management – Charities Property Fund	782,574	13.9%

11 Debtors

	Total funds 2021 £	Total funds 2020 £
Other debtors	**4,854**	4,154
Legacies receivable	**30,000**	60,000
Accrued investment income	**24,174**	56,297
Prepayments	**1,460**	15,430
	60,488	135,881

12 Creditors: amounts falling due within one year

	Total funds 2021 £	Total funds 2020 £
Amounts due to the Household Cavalry Regiments and associated funds (see below)		
. Listed investments	**2,855,035**	2,379,785
. Investment income payable	**29,823**	11,351
Grants payable	**10,000**	5,000
Tax and Social Security	**—**	6,653
Accruals	**31,555**	11,249
Deferred income	**17,000**	17,000
	2,943,413	2,431,038

12 Creditors: amounts falling due within one year (continued)

Included above are monies advanced to the charity by the Household Cavalry Regiments and associated funds. Income and gains (or losses) accruing from these monies are added (or deducted) from these funds and the balances due are reflected in the creditors figures above. At 31 March 2021, the amounts owed were as follows:

Listed investments	**2021 £**	2020 £
The Blues and Royals Association	**1,335,668**	1,101,620
Oliver Montague Fund	**1,237,729**	1,037,371
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**146,013**	124,838
Household Cavalry Mounted Regiment (Knightsbridge)	**135,625**	115,956
	2,855,035	2,379,785

Investment income payable	**2021 £**	2020 £
The Blues and Royals Association	**12,060**	5,846
Oliver Montague Fund	**11,175**	5,505
Household Cavalry Regiment (Bulford Camp, Salisbury Plain)	**3,416**	**—**
Household Cavalry Mounted Regiment (Knightsbridge)	**3,173**	**—**
	29,823	11,351

Deferred income relates to monies received in advance of an event taking place following the year end:

	2021 £	2020 £
At 1 April 2020	**17,000**	16,000
Amount released to income from charitable activities	**(17,000)**	(16,000)
Amount deferred in year	**17,000**	17,000
At 31 March 2021	**17,000**	17,000

13 Creditors: amounts falling due in more than one year

	Total funds 2021 £	Total funds 2020 £
Grants payable	**5,000**	10,000

14 Restricted funds

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

Year ended 31 March 2021	**Operational Casualties Fund 2021 £**	**Children's Fund 2021 £**	**Serving Officers Trust Fund 2021 £**	**Total 2021 £**
At 1 April 2020	**1,384,211**	**99,100**	**304,540**	**1,787,851**
Income	**29,058**	**3,999**	**105,194**	**138,251**
Expenditure	**(22,726)**	**(361)**	**(35,728)**	**(58,815)**
Net investment gains	**244,333**	**8,400**	**41,641**	**294,374**
Transfer from unrestricted funds	—	**3,000**	—	**3,000**
At 31 March 2021	**1,634,876**	**114,138**	**415,647**	**2,164,661**

Year ended 31 March 2020	Operational Casualties Fund 2020 £	Children's Fund 2020 £	Serving Officers Trust Fund 2020 £	Total 2020 £
At 1 April 2019	1,509,375	101,114	324,609	1,935,098
Income	46,277	2,591	16,960	65,828
Expenditure	(19,320)	(375)	(11,104)	(30,799)
Net investment losses	(152,121)	(5,230)	(25,925)	(183,276)
Transfer from unrestricted funds	—	1,000	—	1,000
At 31 March 2020	1,384,211	99,100	304,540	1,787,851

Operational Casualties Fund

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

Children's Fund

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

Serving Officers Trust Fund

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

15 Designated funds

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

	1 April 2020 £	New design-ations £	Utilised £	31 March 2021 £
Standards Parade Fund	**90,000**	**30,000**	**—**	**120,000**

	1 April 2019 £	New design-ations £	Utilised £	31 March 2020 £
Standards Parade Fund	60,000	30,000	—	90,000

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

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £
Fund balances at 31 March 2021 are represented by:						
Investments	**4,852,773**	**1,874,120**	**6,726,893**	4,062,280	1,592,241	5,654,521
Net current (liabilities) assets	**(2,762,502)**	**290,541**	**(2,471,961)**	(2,234,845)	195,610	(2,039,235)
Creditors: amounts falling due in more than one year	**(5,000)**	**—**	**(5,000)**	(10,000)	—	(10,000)
Total net assets	**2,085,271**	**2,164,661**	**4,249,932**	1,817,435	1,787,851	3,605,286

	Total 2021 £	Total 2020 £
Unrealised gains included above		
On investment assets	**128,603**	368,258
Reconciliation of movements in unrealised gains:		
Total unrealised gains at 1 April 2020	**368,258**	1,242,484
Movement in respect of disposals in the year	**(1,309,747)**	(214,147)
Net gains (losses) arising on revaluations in the year	**1,070,092**	(660,079)
Total unrealised gains at 31 March 2021	**128,603**	368,258

The total unrealised gains as at 31 March 2021 constitute movements on the revaluation of listed investments.

17 Related parties

One trustee is a serving Household Cavalryman (2020 – two trustees were serving members) and so may have benefitted indirectly from grants made during both 2021 and 2020. No trustees received grants directly as individual beneficiaries (2020 – on trustee received a direct grant of £275).

During the year ended 31 March 2020, a total of £178 was paid to Household Cavalry Museum Enterprises Limited in relation to guidebooks and literature for distribution to prospective donors to the Foundation. Colonel J. D. A. Gaselee, a trustee, is a director of Household Cavalry Museum Enterprises Limited. No such amounts were paid during the year ended 31 March 2021.

Donations amounting to £1,000 were received from trustees during the year (2020 – £nil). The trustee who is a serving member of the Household Cavalry contributed to the Day's Pay Scheme, which made payments to the charity during the year.