

**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

<b>Trustees</b>	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)
<b>Director</b>	Lieutenant Colonel (Retired) GGE Stibbe, OBE
<b>Company Secretary and Secretary to the Trustees</b>	Lieutenant Colonel (Retired) RRD Griffin
<b>Principal office</b>	Headquarters Household Cavalry Horse Guards Whitehall London SW1A 2AX
<b>Charity registration number</b>	1151869
<b>Company registration number</b>	08236363 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Accountant</b>	CP Harmsworth FCCA Wick Meadows Wickford Essex SS12 9RP
<b>Bankers</b>	Royal Bank of Scotland plc Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR

## Reference and administrative details

<b>Investment managers</b>	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
<b>Solicitors</b>	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.

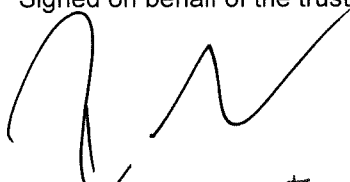
The charity occasionally engages third party fundraisers to approach individuals on its behalf. Where this occurs, contracts are drawn up with a clear and specific remit and the charity closely monitors any fundraising activity undertaken on its behalf.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

 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 £
<b>Income and expenditure</b>							
<b>Income from:</b>							
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
<b>Total income</b>		<b>328,674</b>	<b>168,676</b>	<b>497,350</b>	<b>470,301</b>	<b>110,303</b>	<b>580,604</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>445,685</b>	<b>100,350</b>	<b>546,035</b>	<b>388,876</b>	<b>124,854</b>	<b>513,730</b>
<b>Net (expenditure) income before investment gains (losses)</b>		<b>(117,011)</b>	<b>68,326</b>	<b>(48,685)</b>	<b>81,425</b>	<b>(14,551)</b>	<b>66,874</b>
Net gains (losses) on investments		170,604	157,838	328,442	(132,066)	(121,417)	(253,483)
<b>Net income (expenditure) for the year</b>		<b>53,593</b>	<b>226,164</b>	<b>279,757</b>	<b>(50,641)</b>	<b>(135,968)</b>	<b>(186,609)</b>
Transfers between funds	13	(2,000)	2,000	-	(2,000)	2,000	-
<b>Net movement in funds</b>		<b>51,593</b>	<b>228,164</b>	<b>279,757</b>	<b>(52,641)</b>	<b>(133,968)</b>	<b>(186,609)</b>
<b>Fund balances at 1 April</b>		<b>2,059,921</b>	<b>2,188,255</b>	<b>4,248,176</b>	<b>2,112,562</b>	<b>2,322,223</b>	<b>4,434,785</b>
<b>Fund balances at 31 March</b>		<b>2,111,514</b>	<b>2,416,419</b>	<b>4,527,933</b>	<b>2,059,921</b>	<b>2,188,255</b>	<b>4,248,176</b>

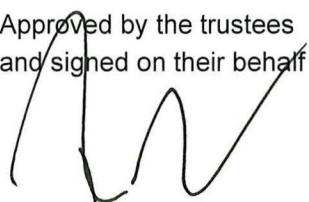
The charity has no recognised gains or losses other than those shown above. All the above results were derived from continuing operations.

**Balance sheet** 31 March 2024

		2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Investments	10		7,276,479		6,730,140
<b>Current assets</b>					
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	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(3,353,720)		(3,044,084)	
<b>Net current liabilities</b>			(2,748,546)		(2,481,964)
<b>Total assets less current liabilities</b>			4,527,933		4,248,176
<b>Total net assets</b>			4,527,933		4,248,176
<b>Represented by:</b>					
<b>The funds of the charity:</b>					
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 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	A	(96,484)	(685)
<b>Cash flows from investing activities:</b>			
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)
<b>Net cash provided by (used in) investing activities</b>		<b>92,266</b>	<b>(127,431)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(4,218)</b>	<b>(128,116)</b>
<b>Cash and cash equivalents at 1 April</b>	B	<b>513,422</b>	<b>641,538</b>
<b>Cash and cash equivalents at 31 March</b>	B	<b>509,204</b>	<b>513,422</b>

### 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 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>279,757</b>	<b>(186,609)</b>
<b>Adjustments for:</b>		
(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)
<b>Net cash (used in) operating activities</b>	<b>(96,484)</b>	<b>(685)</b>

#### B Analysis of changes in net debt

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

## **Principal accounting policies 31 March 2024**

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
<b>Total funds</b>	<b>239,299</b>	<b>92,522</b>	<b>331,821</b>	<b>393,382</b>	<b>41,972</b>	<b>435,354</b>

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
<b>Total funds</b>	<b>89,375</b>	<b>76,154</b>	<b>165,529</b>	<b>76,919</b>	<b>68,331</b>	<b>145,250</b>

## 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
<b>Total funds</b>	<b>108,295</b>	<b>9,573</b>	<b>117,868</b>	<b>130,768</b>	<b>9,279</b>	<b>140,047</b>

#### 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
<b>Total funds</b>	<b>337,390</b>	<b>90,777</b>	<b>428,167</b>	<b>258,108</b>	<b>115,575</b>	<b>373,683</b>

#### 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
<b>Total funds</b>	<b>196,672</b>	<b>79,368</b>	<b>276,040</b>	<b>121,226</b>	<b>104,463</b>	<b>225,689</b>

#### 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
	<b>64,469</b>	<b>59,684</b>
Contribution in respect to Regimental Adjutant	13,696	12,920
	<b>78,165</b>	<b>72,604</b>

The average number of employees during the year was:

	2024 No.	2023 No.
	<b>2</b>	<b>2</b>

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 £
<b>Listed investments</b>		
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
<b>Cash held for reinvestment</b>	75,384	54,776
	<b>7,276,479</b>	<b>6,730,140</b>
<b>Historical cost of listed investments as at 31 March</b>	<b>6,861,490</b>	<b>6,852,622</b>

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
<b>Total</b>	<b>7,201,096</b>	<b>6,675,364</b>

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
	<b>71,354</b>	<b>103,474</b>

# 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
	<b>3,353,720</b>	<b>3,044,084</b>

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:

	2024 £	2023 £
<b>Listed investments</b>		
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
	<b>3,185,677</b>	<b>2,947,154</b>

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

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

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	<b>18,088</b>	<b>18,000</b>

**13 Restricted funds**

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

	Operational Casualties Fund 2024 £	Children's Fund 2024 £	Serving Officers Trust Fund 2024 £	Total 2024 £
<b>Year ended 31 March 2024</b>				
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	<b>1,899,743</b>	<b>109,055</b>	<b>407,621</b>	<b>2,416,419</b>

	Operational Casualties Fund 2023 £	Children's Fund 2023 £	Serving Officers Trust Fund 2023 £	Total 2023 £
<b>Year ended 31 March 2023</b>				
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	<b>1,678,877</b>	<b>98,632</b>	<b>410,746</b>	<b>2,188,255</b>

### 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 Cavalry 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 £
<b>Fund balances at 31 March 2024 are represented by:</b>						
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)
<b>Total net assets</b>	<b>2,111,514</b>	<b>2,416,419</b>	<b>4,527,933</b>	<b>2,059,921</b>	<b>2,188,255</b>	<b>4,248,176</b>

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

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).