

CIVIL LIST ACT 1972

**REPORT OF THE
ROYAL TRUSTEES**

*Presented in pursuance of Section 5(4)
of the Civil List Act 1972*

*Ordered by The House of Commons to be printed
4 July 2000*

**PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS
LONDON – THE STATIONERY OFFICE LIMITED**

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1. SUMMARY AND RECOMMENDATIONS

1.1 The Civil List

The Queen's Civil List is funding provided by Parliament to enable The Queen to discharge her duties as Head of State; it meets the central staff costs and running expenses of Her Majesty's official Household.

Section 5 of the Civil List Act 1972 requires the Royal Trustees to keep under review and report on Civil List expenditure and the sums available to meet it, with reports to be made not less frequently than once every ten years (as recommended by the 1971 Select Committee). Ten yearly, rather than annual, reporting is considered to be more consistent with the honour and dignity of the Crown. This Royal Trustees Report sets out Civil List expenditure since the last report on 5th October 1990 and makes recommendations for the amount of the Civil List and expenditure to be met from it for the next ten years.

The Royal Trustees are the Prime Minister (as First Commissioner of Her Majesty's Treasury), the Chancellor of the Exchequer and the Keeper of the Privy Purse (Civil List Act 1952, Section 10).

At the time of the last Royal Trustees Report, the fixed annual amount of the Civil List was set to exceed projected expenditure in the earlier years, with the surplus being accumulated to meet expected deficits, as expenditure increased as a result of inflation, in the later years. Rather than seek to forecast inflation for the ten year period, the Royal Trustees recommended £7.9 million as the fixed annual amount of the Civil List for the next ten years on the working assumption that average annual inflation during the 1990s would be the same as during the 1980s, that is 7.5 per cent.

In the event, annual underlying retail price inflation is only expected to average 3.2 per cent during the ten years to 31st December 2000. In addition, as a result of efficiency savings by the Royal Household, cumulative Civil List expenditure will have increased by approximately 10 per cent less than inflation and interest of £12.1 million will have been earned on the accumulating surplus during the ten year period.

As a result, a reserve of £35.3 million is expected to be available at 31st December 2000 for carry forward into the next ten year period.

In view of the substantial reserve, and the expectation that inflation will continue to remain low in the foreseeable future, the Royal Trustees do not recommend that the fixed annual amount of the Civil List should be increased for the next ten year period, but should remain at £7.9 million. Furthermore, at the suggestion of the Royal Household, they recommend that the following items of expenditure presently met from the Votes of Government Departments or from the Consolidated Fund should be met from the Civil List with effect from 1st April 2001. The figures are for projected expenditure for the year to 31st March 2002.

Proposal for additions to the Civil List Expenditure

	£'000
Consolidated Fund—Employer’s pension contributions for staff paid from the Civil List who are members of the Royal Household Pension Scheme*	990
Grant-in-aid from the Department for Culture, Media and Sport	
— Porters and non-domestic cleaners at Buckingham Palace and Windsor Castle	590
— Expenses of the Gentlemen-at-Arms and Yeomen of the Guard, of administering St. James’s Palace State Apartments, of furnishings and of stationery for congratulatory messages	220
Cabinet Office Vote – Information technology systems support	220
Ministry of Defence Vote – Services personnel seconded to The Queen’s Household and baggage transport	150
	<hr/> 2,170

* Costs of pensions have previously been met from the Consolidated Fund without employer’s contributions being paid.

These transfers will utilise a substantial part of the reserve during the next ten years and will facilitate cost efficiency by bringing together user and financial responsibility within the Household.

In addition, exceptional costs will be incurred in connection with The Queen’s Golden Jubilee in 2002, and investment is required to up-date the Royal Household’s information technology systems and to replace curtains and upholstery in the Buckingham Palace State Rooms.

It is also considered prudent to plan to have some reserve at 31st December 2010 for carry forward into the next ten year period, to provide contingency cover. The reserve is projected to amount to approximately one year’s expenditure.

1.2 Parliamentary Annuities for Members of the Royal Family

The Royal Trustees may also recommend (Civil List Act 1972 Section 5(3)) the fixed annual amounts for the next ten year period for the Parliamentary Annuities paid to other Members of the Royal Family, principally to meet costs incurred in carrying out a wide range of official engagements in the United Kingdom and overseas. All of these, except for the annuities for Queen Elizabeth The Queen Mother and The Duke of Edinburgh, are reimbursed to the Exchequer by The Queen.

The Royal Trustees recommend, at the suggestion of the Royal Household, that the Parliamentary Annuities paid to other Members of the Royal Family should not be increased for the next ten year period but should remain as set out below. Apart from an increase of £45,000 on the occasion of the marriage of The Earl of Wessex, these amounts remain as recommended in the 1990 Royal Trustees Report. The Duke of Edinburgh will have a reserve of approximately £335,000 available for carry forward at 31st December 2000. There are no other reserves available for carry forward.

The Royal Trustees are grateful to The Queen for confirming that Her Majesty will continue to reimburse all the annuities except for those for Queen Elizabeth The Queen Mother and The Duke of Edinburgh.

<i>Parliamentary Annuities</i>	£
HM Queen Elizabeth The Queen Mother	643,000
HRH The Prince Philip, Duke of Edinburgh	359,000
Reimbursed by The Queen:	
HRH The Duke of York	249,000
HRH The Earl of Wessex	141,000
HRH The Princess Royal	228,000
HRH The Princess Margaret, Countess of Snowdon	219,000
HRH Princess Alice, Duchess of Gloucester	87,000
Other Members of the Royal Family (HRH The Duke of Gloucester, HRH The Duke of Kent and HRH Princess Alexandra)*	636,000

* Paid under Section 3 of the 1972 Civil List Act.

3rd July 2000

Tony Blair
Gordon Brown
Michael Peat

2. EXPLANATORY AND BACKGROUND INFORMATION

2.1 Historic and legislative

Before 1760 the expenses incurred by the Sovereign and Royal Household to enable the Monarch to fulfil his or her official duties were met from the income from the Crown Estate and from other hereditary revenues, supplemented increasingly by customs and excise duties and general taxation voted by Parliament. As the supplementation provided by Parliament became larger and to reflect the transfer of executive power from the Sovereign to Parliament, the system was changed in 1760 on the accession of George III. Under the new arrangement the income from the Crown Estate and the other hereditary revenues was surrendered to Parliament by the Sovereign for the duration of the reign in return for the payment of a fixed annual Civil List.

This system continues to this day although, over the years, certain expenses incurred in support of the Sovereign's official duties have been transferred from the Civil List to be met from Government Departments' votes (this report reverses this process to some extent by recommending transfers to the Civil List).

The Queen surrenders the income from the Crown Estate and other hereditary revenues, under the terms of the Civil List Act 1952, in return for (a) the provision of an annual Civil List to meet Her Majesty's most immediate official expenses, (b) the provision of Parliamentary Annuities for other Members of the Royal Family, and (c) Government Departments meeting other expenditure incurred in support of the Monarchy directly from their annual votes.

The annual amount of the Civil List was set for Her Majesty's reign in the 1952 Civil List Act. However, as a result of high inflation at the time, the 1952 Act was amended in 1972 to require the Royal Trustees (the Prime Minister, the Chancellor of the Exchequer and the Keeper of the Privy Purse) to review the adequacy of the amount of the Civil List periodically and to report to the Treasury at least every ten years as to whether the amount of the Civil List remains adequate or should be increased. Most funding provided by Parliament is subject to annual review. However, it was the conclusion of the 1971 Select Committee, reflected in the 1972 Civil List Act, that annual review would not be commensurate with the honour and dignity of the Monarchy.

This is a ten yearly Royal Trustees Report as required by the 1972 Civil List Act. Its primary purposes are: (a) to give details of Civil List expenditure for the previous ten years, and (b) to recommend whether the amount of the Civil List should be increased for the next ten year period and, if so, to recommend the annual amount. The legislation does not provide for the Civil List or Parliamentary Annuities to be decreased, but instead for any excess provision to be carried forward and set against expenditure in subsequent periods. It will be for Parliament to determine the disposition of any surplus remaining at the end of the reign.

In order to allow for inflation, the 1972 Act provides for the amount of the Civil List to be higher than expenditure initially so that annual surpluses can be accumulated to cover deficits in later years or for carry forward into a subsequent ten year period. If there is a surplus carried forward, the Royal Trustees will take it into account when making their recommendation for the annual amount of the Civil List for the next ten years.

2.2 Costs incurred in connection with the Monarchy funded by Parliament

The Queen carries out the duties of Head of State. These include:

- undertaking constitutional duties, for example the State Opening of Parliament, regular audiences with the Prime Minister, meetings of the Privy Council, giving Royal Assent to legislation and approving many appointments;
- fulfilling constitutional responsibilities in relation to the Scottish Parliament and the Welsh and Northern Ireland Assemblies;
- carrying out State Visits overseas and receiving State and official visitors to the United Kingdom;
- receiving credentials from foreign ambassadors; and
- presenting honours at Investitures.

In addition, the role of The Queen, supported by Members of the Royal Family, extends more widely than these formal duties and includes:

- providing a focus for national identity, unity and pride (for example on Remembrance Sunday and at times of national celebration or tragedy);
- providing a sense of stability and continuity (for example by participating in traditional ceremonies such as Trooping the Colour);
- recognising success, achievement and excellence (for example through visits, receptions and awards); and
- contributing through public service and the voluntary sector to the life of the nation; this is an area in which The Queen is particularly supported by the work of other Members of the Royal Family (for example, The Prince's Trust and The Duke of Edinburgh's Award Scheme).

In carrying out these duties The Queen and Members of the Royal Family:

- undertake nearly 3,000 official engagements a year, which involve travel in the United Kingdom and overseas;
- entertain around 80,000 people to dinners, lunches, receptions and garden parties;
- maintain the Occupied Royal Palaces as prestigious locations in which to undertake state and other official entertaining, and as important parts of the national heritage, as well as office and workplaces for staff; and
- receive and reply to around 100,000 letters a year, and respond to a wide range of media enquiries and requests for information.

Costs incurred in undertaking these duties are met from the Civil List, from other funds provided by Parliament and from other sources.

A summary of the expenditure expected to be met from the Civil List and from other funds provided by Parliament during the current financial year to 31st March 2001 is set out below. A summary for the ten year period is given on pages 40 to 41. Costs funded from other sources are discussed in 2.3 below.

During the ten years to 31st March 2001 the publicly funded costs of the Monarchy are expected to have reduced from £83 million (expressed in current pounds) in 1991–92 to £37 million in 2000–01, a reduction of 55 per cent. The costs of Police and Army security and of Armed Services ceremonial are not included as figures are not available.

<i>Cost incurred in connection with the Monarchy funded by Parliament</i>	<i>Forecast</i>
<i>Year to 31st March</i>	<i>2001</i>
The Queen's Civil List (figures are for the calendar year 2000)	6,562
Parliamentary Annuities for Queen Elizabeth The Queen Mother and The Duke of Edinburgh	1,002
Notional pension contributions for members of the Royal Household Pension Scheme	1,078
Grant-in-aid funding for:	
Property Services (Department for Culture, Media and Sport)	15,000
Communications and Information (Department for Culture, Media and Sport)	515
Travel by Air and Rail (Department of the Environment, Transport and the Regions)	7,250
Expenditure met directly by Government Departments and the Crown Estate:	
HM Treasury – the administration of honours	247
Ministry of Defence – equerries and orderlies	990
Historic Scotland – the maintenance of the Palace of Holyroodhouse	1,315
Foreign Office – State Visits to and by The Queen and liaison with the Diplomatic Corps	699
Department for Culture, Media and Sport – stands and flags for State Visits	473
Post Office – postal services	1,208
Cabinet Office – information technology support	156
Wales, Scotland and Northern Ireland – communications support (provisional estimate)	30
Crown Estate – maintenance of the Home Park at Windsor Castle	592
	37,117

As noted on page 2, it is recommended that certain of the costs presently met from the Consolidated Fund or from Government Departments' Votes should be transferred to the Civil List with effect from 1st April 2001. It is also intended to transfer the cost of postal services, which are presently provided without charge by the Post Office, to the Grant-in-aid from the Department for Culture, Media and Sport. Annual reports are published for the Grants-in-aid.

2.3 Costs incurred in connection with the Monarchy funded from other sources

Costs incurred in support of the Monarchy met from other funding sources include (a) costs met by The Queen from the Privy Purse, including in particular the reimbursement of Royal Family Parliamentary Annuities, (b) the cost of The Prince of Wales' official duties, and (c) the cost of conserving and presenting the Royal Collection.

Income from the Duchy of Lancaster funds the Privy Purse and the income from the Duchy of Cornwall funds official duties of The Prince of Wales. Accounts for the Duchies of Lancaster and Cornwall are published and laid before Parliament annually.

The Royal Collection is held by The Queen on behalf of the nation. All costs, except for some building occupancy costs, are met by the Royal Collection Trust from the proceeds from visitor admissions to the Palaces and related activities. An annual report is published by the Royal Collection Trust.

3. CIVIL LIST FINANCIAL STATEMENTS

3.1 Summary of net expenditure for the 10 years to 31st December 2000

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
	£	£	£	£
Salaries	3,381,710	3,556,765	3,673,571	3,709,450
Other expenditure				
Food and kitchens	218,317	189,569	203,692	193,293
Wines and beverages	37,123	81,851	37,837	26,801
Garden Parties	242,016	256,994	263,673	295,819
Carriage processions	125,784	105,400	90,196	92,055
Cars	82,786	41,474	49,697	44,447
Housekeeping	185,385	146,670	159,706	183,677
Stationery	115,183	126,947	145,757	114,442
Furnishings and equipment	139,645	175,482	128,345	180,071
Computers and information technology	164,138	216,688	176,860	147,767
Legal advice and other professional services	18,615	60,079	24,703	28,086
Uniforms and protective clothing	66,847	67,700	75,090	97,481
Travel	34,238	44,945	47,789	48,986
Other	88,304	(38,271)	28,686	807
Interest on working capital	—	—	—	(61,915)
Net Civil List expenditure	4,900,091	5,032,293	5,105,602	5,101,267
Royal Bounty, Alms and Special Services	10,200	10,200	10,200	10,200
Transfer to reserve	2,989,709	2,857,507	2,784,198	2,788,533
Annual Civil List	7,900,000	7,900,000	7,900,000	7,900,000

- (i) The figures for 2000 are the forecast for the year as at 31st May 2000.
- (ii) Notes giving further information and analysis are set out on pages 12 to 25.
- (iii) The accounting policies are set out on page 28.
- (iv) Movements on the reserve are shown on pages 32 and 33.

1995	1996	1997	1998	1999	Forecast 2000
£	£	£	£	£	£
3,877,165	3,997,735	4,055,647	4,238,980	4,387,835	4,709,971
204,152	242,440	263,767	291,269	305,972	268,994
44,138	31,888	60,029	54,640	57,470	66,749
280,579	289,956	369,788	344,756	404,911	423,326
97,832	110,675	104,567	101,296	121,787	118,879
36,257	21,693	27,905	38,475	47,179	39,351
190,163	188,714	177,281	197,769	198,711	200,828
149,547	123,967	143,979	133,702	136,828	142,402
198,535	129,591	84,039	113,777	132,931	128,396
271,053	297,497	147,479	82,217	68,615	87,500
9,454	26,006	50,660	84,698	68,624	72,125
79,213	76,702	71,627	78,823	81,947	82,631
42,920	41,611	39,734	40,657	44,886	44,865
122,201	90,558	162,265	173,402	246,596	230,872
(89,760)	(77,459)	(77,064)	(82,311)	(52,815)	(55,000)
5,513,449	5,591,574	5,681,703	5,892,150	6,251,477	6,561,889
10,200	10,200	10,200	10,200	10,200	10,200
2,376,351	2,298,226	2,208,097	1,997,650	1,638,323	1,327,911
7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000

3.2 Statement of assets and liabilities as at 31st December for the 10 years

	<i>1991</i> £	<i>1992</i> £	<i>1993</i> £	<i>1994</i> £
Current assets				
Debtors and prepayments	502,678	294,965	236,438	265,898
Cash at bank and in hand	281,267	1,082,514	495,815	899,222
Total current assets	<u>783,945</u>	<u>1,377,479</u>	<u>732,253</u>	<u>1,165,120</u>
Creditors: amounts falling due within one year				
Suppliers and other creditors	457,605	862,132	92,263	198,435
PAYE and social security	273,333	287,667	297,115	328,476
Accruals	53,007	227,680	158,368	66,969
Total current liabilities	<u>(783,945)</u>	<u>(1,377,479)</u>	<u>(547,746)</u>	<u>(593,880)</u>
Total assets less current liabilities	<u>—</u>	<u>—</u>	<u>184,507</u>	<u>571,240</u>

- (i) The figures as at 31st December 2000 show the forecast position.
- (ii) The accounting policies are set out on page 28.
- (iii) For 1993, 1994 and 1995 the saving when Civil List net revenue expenditure was less than the budget for the year was carried forward by analogy with Civil Service End Year Flexibility arrangements to meet Civil List expenditure in the next year. For 1994 and 1995 similar End Year Flexibility was applied to capital underspends. From 1996, following further direction from the Treasury, savings have been transferred to the reserve.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast</i>
<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>2000</i>
					<i>£</i>
304,012	237,032	461,417	303,211	433,005	332,020
791,935	512,443	302,106	341,797	325,145	330,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,095,947	749,475	763,523	645,008	758,150	662,020
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
207,380	276,593	258,862	176,878	276,978	127,400
342,770	337,770	358,735	376,534	382,836	414,257
160,006	135,112	145,926	91,596	98,336	120,363
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(710,156)	(749,475)	(763,523)	(645,008)	(758,150)	(662,020)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
385,791	—	—	—	—	—
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

3.3 Notes to the summary of net expenditure

3.3.1 Salaries

Royal Household departmental responsibilities

A brief description of each Royal Household department's Civil List responsibilities is given below. The average annual establishment charged to the Civil List is set out on pages 14 and 15.

Lord Chamberlain

The Lord Chamberlain is responsible for overseeing the conduct of the business of the Household as a whole.

Private Secretary's Office

The Private Secretary's Office is responsible for informing and advising The Queen on constitutional, governmental and political matters, organising The Queen's domestic and overseas official programme, responding to correspondence from members of the public, organising and co-ordinating travel arrangements, and co-ordinating and initiating research to support engagements by Members of the Royal Family.

The Press Office, which reports to the Private Secretary, briefs the media on the official role of The Queen and issues relating to the Royal Family. The Office responds to media enquiries, arranges media facilities in the United Kingdom and overseas and prepares and disseminates information about the Monarchy and the Royal Family, by various means, including the Royal Website.

Treasurer's Department

The Treasurer's Department is responsible for budgetary control and the preparation of monthly and annual accounts, payment of invoices, payroll and recoveries from third parties and for the investment of reserve funds. It is also responsible for personnel matters and for information technology systems.

Master of the Household's Department

The Master of the Household's Department is responsible for the domestic staff and arrangements at Buckingham Palace, Windsor Castle and the Palace of Holyroodhouse and for The Queen's official entertaining, both at home and overseas. Specific responsibilities of the Department's branches are as follows:

- F Branch prepares food for official entertaining and for staff; all members of staff based at Buckingham Palace are provided with lunch and staff living-in in communal accommodation are provided with all meals;
- G Branch is responsible for pages, footmen and messengers;
- H Branch provides all housekeeping, cleaning and laundry services; and staff at Windsor and Holyroodhouse include housemaids, porters and administrators.

Lord Chamberlain's Office

The Lord Chamberlain's Office is responsible for the organisation of ceremonial engagements, including State Visits, the State Opening of Parliament, State Funerals, Investitures, the Presentation of Credentials by incoming High Commissioners and Ambassadors, and for Garden Parties.

It is also responsible for the Royal Mews which provides carriage processions and chauffeur driven cars, and co-ordinates travel and transport arrangements by road in respect of The Queen's official engagements.

Salary costs

Salary costs charged to the Civil List, which represent approximately 72 per cent of net Civil List expenditure, are analysed in the table on pages 16 and 17.

Higher paid employees

The salaries of higher paid employees paid from the Civil List (before any abatements or deductions in respect of official housing) are in the following bands:

	<i>Number of staff</i>	
	<u>1999</u>	<u>2000</u>
£40,001 – 50,000	3	2
£50,001 – 60,000	2	2
£60,001 – 70,000	4	6
£70,001 – 80,000	1	1
£80,001 – 90,000	1	1
£90,001 – 100,000	1	—
£100,001 – 110,000	1	1
£110,001 – 120,000	—	1

Pension arrangements

Employees who are paid primarily from the Civil List are entitled to be members of the Royal Household Pension Scheme (Amended) 1989, which has terms analogous to the Principal Civil Service Pension Scheme. For one employee, contributions are made to personal pension schemes. Pension benefits are based on final pay and are non-contributory except in respect of widow/widower's and invalidity benefits. The scheme is unfunded. Under Section 7(i) of the Civil List Act 1952, pensions are paid from the Consolidated Fund by HM Treasury. From 1st April 2001, payment will be made by the Household to the Treasury in respect of the pensions liability accruing for Civil List employees who are members of the Royal Household Pension Scheme.

Training

Considerable emphasis is placed on training and an average of 1.2 days external training was provided for all staff in 1999, increasing to an average of approximately 5 days if "on-the-job" training is included. This training covered the use of computer software and keyboard skills, fire, health and safety, kitchen and food hygiene, management and supervision and interpersonal skills.

Employment policies

The Royal Household is committed to equal opportunities (that is to say appointment and promotion are on ability without regard to gender, age, disability, ethnic origin or religion). The Household would endeavour to re-train any employee who developed a disability while in its employ. All staff receive an annual appraisal to assess performance and to identify career development opportunities and training requirements.

Average annual establishment charged to the Civil List

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
Lord Chamberlain (and secretary)	1.4	1.4	1.7	1.7
Private Secretary's Office				
Private Secretaries	16.4	17.0	19.0	19.0
Press Office	7.9	7.9	7.0	7.0
	24.3	24.9	26.0	26.0
Treasurer's Department				
Treasurer's Department	18.1	19.1	18.1	18.1
Personnel Office	2.4	2.4	2.4	2.4
	20.5	21.5	20.5	20.5
Master of the Household's Department				
Central	4.5	4.5	4.5	4.5
F Branch	57.5	57.5	56.7	55.7
G Branch	55.9	55.9	54.3	54.3
H Branch	60.2	60.2	58.3	54.5
Windsor	5.3	5.3	5.7	5.7
Holyroodhouse	1.1	1.1	1.1	1.1
	184.5	184.5	180.6	175.8
Lord Chamberlain's Office				
Central Office	13.0	13.0	11.3	11.3
Medical and ecclesiastic	5.1	5.1	5.1	5.1
Royal Mews central	11.2	11.2	11.2	11.2
Horses & carriages	30.0	30.0	30.5	30.5
Motor cars	10.0	10.0	10.0	10.0
	69.3	69.3	68.1	68.1
	300.0	301.6	296.9	292.1

- (i) Other staff in The Queen's Household are charged to the Property Services and Royal Travel Grants-in-aid, to the Royal Collection Trust and to the Privy Purse.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast 2000</i>
1.7	1.7	1.7	1.7	1.7	1.7
19.0	19.0	18.2	19.6	19.8	20.6
7.0	7.0	8.0	10.0	10.0	10.0
26.0	26.0	26.2	29.6	29.8	30.6
19.1	18.3	18.3	18.8	19.8	20.3
2.9	2.9	2.7	2.7	4.6	4.6
22.0	21.2	21.0	21.5	24.4	24.9
4.5	4.5	4.5	4.5	4.5	4.5
56.9	56.9	56.8	57.6	57.6	57.6
54.3	54.3	52.4	52.4	52.4	52.4
54.9	54.3	54.3	54.3	54.3	54.3
6.0	5.5	5.5	5.4	4.8	4.8
1.1	1.1	1.1	1.1	1.1	1.1
177.7	176.6	174.6	175.3	174.7	174.7
11.8	11.8	10.8	10.8	11.2	11.7
4.2	4.2	4.2	4.2	4.6	4.6
11.2	10.2	10.0	10.0	10.0	10.0
28.5	28.5	28.5	28.0	28.0	28.0
8.0	8.0	8.0	8.0	8.0	8.0
63.7	62.7	61.5	61.0	61.8	62.3
291.1	288.2	285.0	289.1	292.4	294.2

Analysis of salary costs

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
	£	£	£	£
Salaries	3,835,989	3,969,291	4,061,250	4,322,042
less: housing abatements and charges	(24,442)	(32,455)	(32,124)	(186,604)
	<hr/> 3,811,547	<hr/> 3,936,836	<hr/> 4,029,126	<hr/> 4,135,438
Temporary staff	99,014	108,328	92,482	84,554
Employer's National Insurance contributions (net of Statutory Maternity Pay)	229,021	290,808	312,061	320,023
less: service charges	(757,872)	(779,207)	(760,098)	(830,565)
	<hr/> 3,381,710	<hr/> 3,556,765	<hr/> 3,673,571	<hr/> 3,709,450

- (i) Housing abatements and charges are deductions from salaries in respect of the provision of residential accommodation. More comprehensive abatements and charges were introduced progressively from 1994, following the detailed review undertaken by the Household after it assumed responsibility for Property Services in 1991.
- (ii) Pension contributions of 17½% of salary are made to personal pension schemes for one employee. This cost is included in salaries. No other pension contributions are made because, as referred to on page 13, the Royal Household Pension Scheme has been non-contributory for both the employer and employee.
- (iii) Service charges are made to related organisations, such as other Royal Households, the Property Services and Royal Travel Grants-in-aid and the Royal Collection, and to Government Departments, to cover management, facilities and administrative support provided by staff charged to the Civil List. The service charges include the recovery of some non-salary costs.

<i>1995</i> £	<i>1996</i> £	<i>1997</i> £	<i>1998</i> £	<i>1999</i> £	<i>Forecast</i> <i>2000</i> £
4,583,180	4,759,251	4,878,792	5,130,347	5,430,216	5,789,818
(304,745)	(389,612)	(469,074)	(522,744)	(586,939)	(622,914)
<hr/> 4,278,435	<hr/> 4,369,639	<hr/> 4,409,718	<hr/> 4,607,603	<hr/> 4,843,277	<hr/> 5,166,904
59,111	83,387	95,826	97,489	106,870	83,822
 321,953	 315,483	 326,069	 329,598	 334,924	 356,664
(782,334)	(770,774)	(775,966)	(795,710)	(897,236)	(897,419)
<hr/> 3,877,165	<hr/> 3,997,735	<hr/> 4,055,647	<hr/> 4,238,980	<hr/> 4,387,835	<hr/> 4,709,971

3.3.2 Other expenditure

	<i>1991</i> £	<i>1992</i> £	<i>1993</i> £	<i>1994</i> £
<i>Food and kitchens</i>				
Food	284,513	275,171	308,864	306,276
Kitchen ancillaries	10,652	7,946	6,081	6,263
Crockery and cutlery	25,608	5,868	8,175	10,578
Recharges	(102,456)	(99,416)	(119,428)	(129,824)
	<hr/> 218,317	<hr/> 189,569	<hr/> 203,692	<hr/> 193,293

(i) Food costs vary from year to year in line with official entertaining.

<i>Wines and beverages</i>				
Wines and spirits	66,178	110,964	71,066	69,065
Other	4,927	3,082	12,028	6,159
Sales and recharges	(33,982)	(32,195)	(45,257)	(48,423)
	<hr/> 37,123	<hr/> 81,851	<hr/> 37,837	<hr/> 26,801

(i) Wines and beverages expenditure is for official entertaining. Wine purchases vary from year to year in line with the quality and size of vintages.

<i>Garden Parties</i>				
Hire of tents	74,912	78,158	79,964	86,781
Hire of equipment	1,364	1,438	1,522	1,554
Catering charges	135,032	142,982	145,401	167,732
Invitation administration	18,980	22,256	22,989	25,172
Stationery	11,728	12,160	13,797	14,580
	<hr/> 242,016	<hr/> 256,994	<hr/> 263,673	<hr/> 295,819

(i) Garden parties are held at Buckingham Palace and the Palace of Holyroodhouse and are attended by approximately 32,000 people a year.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast</i> <i>2000</i>
£	£	£	£	£	£
335,022	350,732	409,428	392,101	419,061	393,544
9,184	10,068	11,983	12,743	14,156	13,000
9,294	10,853	10,079	16,695	13,550	17,800
(149,348)	(129,213)	(167,723)	(130,270)	(140,795)	(155,350)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
204,152	242,440	263,767	291,269	305,972	268,994
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

- (ii) Approximately 118 staff live-in and have all meals provided. Staff are charged for this by means of the housing abatement referred to on page 16. Lunch is provided without charge to Civil List, Property Section, Royal Travel and Royal Collection staff based at Buckingham Palace. The cost of providing lunch for non-Civil List staff and private costs for The Queen and other Members of the Royal Family are recovered.

85,179	76,455	134,846	99,120	104,499	120,399
8,296	12,114	16,619	6,804	12,445	9,850
(49,337)	(56,681)	(91,436)	(51,284)	(59,474)	(63,500)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
44,138	31,888	60,029	54,640	57,470	66,749
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

- (ii) Surplus stock is sold. Recharges include recoveries in respect of Diplomatic Receptions and State Visits and for private (rather than official) consumption.

89,384	95,852	110,781	103,161	155,275	139,810
1,412	2,059	11,197	8,950	8,539	11,623
151,108	153,023	206,177	194,156	201,777	222,943
23,381	25,117	28,221	25,730	25,884	35,750
15,294	13,905	13,412	12,759	13,436	13,200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
280,579	289,956	369,788	344,756	404,911	423,326
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

3.3.2 Other expenditure (continued)

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
	£	£	£	£
<i>Carriage processions</i>				
Purchase of carriage horses	8,000	6,947	11,238	14,850
Carriage maintenance	54,597	45,700	22,075	33,892
Forage	41,340	37,520	43,689	46,813
Farriery	—	—	3,979	4,479
Veterinary	17,672	12,715	18,839	14,697
Harness and saddlery	7,280	8,678	12,031	6,454
Recharges	(3,105)	(6,160)	(21,655)	(29,130)
	<hr/> 125,784	<hr/> 105,400	<hr/> 90,196	<hr/> 92,055

- (i) There are approximately 30 carriage horses stabled in the Royal Mews at Buckingham Palace. The main carriage processions are for the State Opening of Parliament, State Visits, Trooping the Colour and Royal Ascot. Carriages are also used for the presentation of credentials by Ambassadors and High Commissioners.

<i>Cars</i>				
Hire of vehicles	37,711	26,333	31,403	26,857
Vehicle maintenance	27,310	6,442	6,337	3,839
Petrol	25,013	38,791	39,810	42,846
Recharges	(7,248)	(30,092)	(27,853)	(29,095)
	<hr/> 82,786	<hr/> 41,474	<hr/> 49,697	<hr/> 44,447

- (i) Vehicles are used for official travel by The Queen and Royal Household staff.

<i>Housekeeping</i>				
Contract cleaning	66,603	69,179	75,555	95,308
Cleaning materials	41,548	41,495	41,231	40,277
Laundry	60,265	46,310	46,775	50,249
Linen	16,969	6,138	12,597	14,623
Recharges	—	(16,452)	(16,452)	(16,780)
	<hr/> 185,385	<hr/> 146,670	<hr/> 159,706	<hr/> 183,677

- (i) Recharges are principally in respect of office cleaning for those Members of the Royal Family who have offices at Buckingham Palace and St. James's Palace and Royal Household branches funded directly by Government Departments.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast</i> <i>2000</i>
£	£	£	£	£	£
13,531	11,400	10,400	8,758	7,700	12,000
25,904	28,580	23,598	29,129	29,552	28,695
45,006	42,383	42,410	45,115	50,278	48,329
12,282	14,840	16,811	7,418	16,407	17,000
14,331	19,255	14,048	12,723	21,971	16,600
4,388	3,983	7,432	8,589	8,856	9,500
(17,610)	(9,766)	(10,132)	(10,436)	(12,977)	(13,245)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
97,832	110,675	104,567	101,296	121,787	118,879

(ii) Farriery was undertaken by an employee until 1994.

(iii) Recharges are in respect of the stabling of Police and Civil Service Riding Club horses and the provision of carriages at the Lord Mayor's Show.

24,767	19,248	33,277	36,455	46,291	39,566
6,773	6,535	6,804	11,074	9,513	8,000
39,494	43,005	35,668	37,857	43,537	43,150
(34,777)	(47,095)	(47,844)	(46,911)	(52,162)	(51,365)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
36,257	21,693	27,905	38,475	47,179	39,351

(ii) Recharges are in respect of the use of chauffeurs and cars by other Members of the Royal Family.

99,736	100,769	102,006	102,138	114,196	112,859
40,855	47,321	49,972	58,924	58,378	57,300
52,742	57,953	63,024	63,335	61,501	59,450
14,045	20,393	11,250	19,630	17,788	15,250
(17,215)	(37,722)	(48,971)	(46,258)	(53,152)	(44,031)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
190,163	188,714	177,281	197,769	198,711	200,828

3.3.2 Other expenditure (continued)

	<i>1991</i> £	<i>1992</i> £	<i>1993</i> £	<i>1994</i> £
<i>Stationery</i>				
Stationery	48,182	51,425	64,522	45,482
Printing and binding	19,607	17,420	31,662	17,623
Publications and books	9,019	11,821	11,381	9,721
Photocopiers	38,375	46,281	38,192	41,616
	115,183	126,947	145,757	114,442
<i>Furnishings and equipment</i>				
Furnishings	132,284	153,656	112,737	159,598
Equipment: purchase and repair	7,361	21,826	15,608	20,473
	139,645	175,482	128,345	180,071
 (i) Expenditure on furnishings is in respect of staff and official areas of the Occupied Royal Palaces.				
<i>Computers and information technology</i>				
Computer equipment	98,629	144,909	109,683	73,093
Computer maintenance	65,509	71,779	67,177	74,674
	164,138	216,688	176,860	147,767
 (i) Computer equipment comprises both hardware and software for all Royal Household departments funded from the Civil List. Computer equipment in 1998, 1999 and 2000 was largely funded by the Cabinet office.				
<i>Uniforms and protective clothing</i>				
Master of the Household's Department	33,199	33,384	35,157	46,158
Royal Mews	22,459	25,709	28,475	33,412
Other	11,189	8,607	11,458	17,911
	66,847	67,700	75,090	97,481

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast 2000</i>
£	£	£	£	£	£
61,471	50,345	64,378	52,999	65,170	59,487
30,270	10,241	11,947	16,990	17,543	17,525
9,686	10,402	9,245	9,012	7,167	10,330
48,120	52,979	58,409	54,701	46,948	55,060
<hr/> 149,547	<hr/> 123,967	<hr/> 143,979	<hr/> 133,702	<hr/> 136,828	<hr/> 142,402
<hr/> <hr/> 177,799	<hr/> <hr/> 110,584	<hr/> <hr/> 65,574	<hr/> <hr/> 86,880	<hr/> <hr/> 108,202	<hr/> <hr/> 102,884
20,736	19,007	18,465	26,897	24,729	25,512
<hr/> 198,535	<hr/> 129,591	<hr/> 84,039	<hr/> 113,777	<hr/> 132,931	<hr/> 128,396
<hr/> <hr/> <hr/> 203,956	<hr/> <hr/> <hr/> 229,670	<hr/> <hr/> <hr/> 75,660	<hr/> <hr/> <hr/> 12,592	<hr/> <hr/> <hr/> —	<hr/> <hr/> <hr/> —
67,097	67,827	71,819	69,625	68,615	87,500
<hr/> 271,053	<hr/> 297,497	<hr/> 147,479	<hr/> 82,217	<hr/> 68,615	<hr/> 87,500
<hr/> <hr/> <hr/> 34,582	<hr/> <hr/> <hr/> 38,439	<hr/> <hr/> <hr/> 36,029	<hr/> <hr/> <hr/> 43,659	<hr/> <hr/> <hr/> 43,849	<hr/> <hr/> <hr/> 45,350
33,572	26,609	26,170	25,468	29,697	27,200
11,059	11,654	9,428	9,696	8,401	10,081
<hr/> 79,213	<hr/> 76,702	<hr/> 71,627	<hr/> 78,823	<hr/> 81,947	<hr/> 82,631

3.3.2 Other expenditure (continued)

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
	£	£	£	£
<i>Other</i>				
Insurance	27,664	26,122	35,054	20,247
Flowers	23,250	5,274	6,338	19,673
Recruitment costs	9,270	14,786	9,154	3,793
Training	5,557	7,965	13,960	15,153
Official presents	466	16,931	18,118	14,970
Records management and Data Protection	—	—	—	—
Press cuttings services	—	—	—	—
Royalty income	(16,500)	(70,000)	(47,243)	(66,020)
Sundry	38,597	(39,349)	(6,695)	(7,009)
	<hr/>	<hr/>	<hr/>	<hr/>
	88,304	(38,271)	28,686	807
	<hr/>	<hr/>	<hr/>	<hr/>

- (i) Insurance is principally in respect of employer's and public liability cover and motor and horse drawn vehicles.
- (ii) Flowers are for the decoration of state rooms for official functions, including State Visits.

Interest on working capital

Interest on working capital	—	—	—	(61,915)
	<hr/>	<hr/>	<hr/>	<hr/>

- (i) Working capital cash balances are put on short term deposit. Between 1991 and 1993 interest earned on working capital was transferred to reserves.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast</i>
<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>2000</i>
					<i>£</i>
28,352	27,462	26,081	27,036	26,343	29,000
24,697	22,572	24,462	28,000	25,643	30,000
16,121	26,394	11,111	23,151	44,284	39,750
21,916	12,116	17,598	18,851	23,502	41,100
25,964	20,611	35,089	21,058	22,587	24,500
—	—	—	—	22,856	32,000
—	—	—	—	31,091	26,450
—	—	—	—	—	—
5,151	(18,597)	47,924	55,306	50,290	8,072
<u>122,201</u>	<u>90,558</u>	<u>162,265</u>	<u>173,402</u>	<u>246,596</u>	<u>230,872</u>

(iii) Official presents are given to visiting and visited Heads of State and to others, for example retiring officials.

(iv) Royalty income is fees received in respect of the “Elizabeth R” television film.

<u>(89,760)</u>	<u>(77,459)</u>	<u>(77,064)</u>	<u>(82,311)</u>	<u>(52,815)</u>	<u>(55,000)</u>
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3.4 Related party transactions

	<i>1991</i> <i>£'000</i>	<i>1992</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>	<i>1994</i> <i>£'000</i>
<i>Recoveries</i>				
Royal Collection Trust	320	272	300	360
Property Services Grant-in-aid	184	217	295	334
Royal Travel Grant-in-aid	—	—	—	—
Privy Purse	91	68	70	62
Other Royal Households	234	259	176	128
<i>Expenditure</i>				
Privy Purse	5	15	9	27

The Royal Collection Trust, the Grants-in-aid for Property Services and Royal Travel, the Privy Purse and other Royal Households are regarded as related parties. Material transactions with these related parties during the period are summarised above.

Recoveries are mainly management fees charged by the Civil List for various services including accountancy, payroll, personnel, catering, cleaning and the provision of press office services.

Expenditure relates to the purchase of horses and summer grazing and to the costs of cleaning for official staff at Balmoral and Sandringham.

None of the key staff employed by the Civil List has undertaken any material transaction with the Civil List during the 10 year period.

<i>1995</i> <i>£'000</i>	<i>1996</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>	<i>1998</i> <i>£'000</i>	<i>1999</i> <i>£'000</i>	<i>Forecast</i> <i>2000</i> <i>£'000</i>
330	329	338	349	307	307
307	291	293	282	291	289
—	—	6	23	33	33
47	75	77	77	81	111
149	152	127	113	99	108
36	39	33	44	30	39

3.5 Accounting policies

The accounts have been prepared in accordance with the direction given by the Treasury in pursuance of Section 9 of the Civil List Audit Act 1816 and reproduced on pages 30 and 31.

Expenditure on fixed assets is written off in the year in which it is incurred.

Expenditure on items acquired for stock is written off in the year in which it is incurred. Stocks of dry foods, wines, stationery and presents are maintained. Stock levels do not vary materially from year to year.

3.6 Internal financial control and audit

The Keeper of the Privy Purse is responsible for ensuring that an effective system of internal financial control is maintained and operated for the Civil List. Any system of internal financial control can only provide reasonable, rather than absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material irregularities are either prevented or would be detected in a timely manner. The key elements of the system of internal financial control are summarised as follows.

- **Financial reporting** – there is a comprehensive budgeting and variance analysis system and the detailed annual budget is submitted to HM Treasury in the month before the start of each year. Management accounts and reports explaining variances between expenditure and budget are produced monthly. Revised forecasts are prepared for the year as a whole at the end of June and September.
- **Operating controls** – written procedures detail controls over ordering and purchasing, payroll and the general ledger. Authority levels and segregation of duties are set out and compliance with the controls is monitored by management and checked by the internal auditors.

The Household has an internal audit function, with 2.2 full-time equivalent staff charged to the Civil List. The work of the internal audit function is informed by an analysis of the risk to which the Civil List is exposed and the annual audit plan is based on this analysis. The analysis of risk and the internal audit plan is approved by the Lord Chamberlain's Committee. The Internal Audit Manager reports annually to the Lord Chamberlain's Committee on the adequacy of the internal financial control system and on whether he has identified during his work any losses arising through misconduct, fraud or other irregularity. Copies of internal audit reports are made available to HM Treasury.

The Keeper of the Privy Purse's review of the effectiveness of the system of internal financial control is informed by the annual internal controls review undertaken by the Deputy Treasurer to The Queen, by the work of the internal audit function and by comments made by the external auditors in their management letter.

Under the Civil List Audit Act 1816 the financial statements are subject to annual external audit by HM Treasury.

3.7 Statement of the Keeper of the Privy Purse's financial responsibilities

The Keeper of the Privy Purse is responsible for ensuring that:

- the administration of the Civil List fully accords with the direction given by the Treasury in pursuance of Section 9 of the Civil List Audit Act 1816;
- the Civil List is applied only for the purposes set out in the Financial Memorandum between the Royal Household and the Treasury and in the Civil List Act 1972;
- the Household maintains books and records which are proper and necessary to enable it to discharge its responsibility for income and expenditure;
- the Civil List is used economically, efficiently and effectively to secure best value for money, in accordance with propriety and regularity;
- proper, effective and timely follow up action is taken to all internal and external audit reports.

The Keeper of the Privy Purse is also responsible for safeguarding the assets acquired from the Civil List and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

3.8 Civil List expenditure: Report of the Auditor to the Chancellor of the Exchequer

I have audited the financial statements for the Civil List for each of the years from 1991 to 1999, under the Civil List Audit Act 1816.

Respective responsibilities of the Royal Household and the Auditor

The Royal Household is responsible for the preparation of financial statements for each financial year in the form and on the basis approved by the Treasury. The Royal Household is also responsible for the regularity of financial transactions. It is my responsibility to form an independent opinion, based on my audit, on those statements and on the regularity of the financial transactions included in them and to report my opinion to you.

Basis of opinion

I conducted my audits in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Royal Household in the preparation of the financial statements.

I planned and performed my audits so as to obtain all the information and explanations which I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements were free from material misstatement, whether caused by error or any fraud, or other irregularity and that, in all material respects, the expenditure and income have been applied for the purposes intended by Parliament and conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements presented fairly the net assets at 31 December in each of the years 1991 to 1999 and the net expenditure, total recognised gains and losses and cash flows for the years then ended, and had been properly prepared in accordance with the Civil List Audit Act 1816 and directions made thereunder by the Treasury; and
- in all material respects the expenditure and income had been applied for the purposes intended by Parliament and the financial transactions conformed to the authorities which govern them.

30 June 2000

Andrew Turnbull
Civil List Auditor

3.9 Accounts direction given by the Treasury in accordance with Section 9 of the Civil List Audit Act 1816

1. The Royal Household shall prepare accounts for The Queen's Civil List (the Civil List) for the year ended 31 December 1995 and for subsequent financial years comprising:

- (a) an account of payments;
- (b) a net expenditure account;
- (c) a balance sheet;
- (d) a cashflow statement; and
- (e) a statement of total recognised gains and losses

including such notes as may be necessary for the purposes referred to in the following paragraphs. The account of payments and the net expenditure account shall follow the formats given in Schedules 2 and 3 attached to this Direction.

2. Income and expenditure shall be accounted for on an accruals basis. Expenditure on the creation acquisition or enhancement of fixed assets and the purchase of stocks and consumables shall be written off in the year in which it is incurred.

3. Subject to this requirement, the accounts shall be prepared in accordance with:

- (a) generally accepted practice in the United Kingdom (UK GAAP); and
- (b) the accounting and disclosure requirements of the Treasury's guidance paper "Executive Non-Departmental Public Bodies—Annual Reports and Accounts Guidance" (March 1996), as amended or augmented from time to time

insofar as these are appropriate to the Civil List and are in force for the financial year for which the accounts are to be prepared.

4. Clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards is given in Schedule 1 attached.

5. The accounts for the Civil List shall include a note giving details of Household expenses (excluding salaries) under the categories in Appendix III of the Report of the Royal Trustees dated 15 October 1990.

6. This direction (excluding Schedules 2 and 3) shall be reproduced as an appendix to the accounts.

N.M. Hansford
The Treasury Accountant

27 June 1996

Schedule 1

Application of the accounting and disclosure requirements of the Companies Act and Accounting Standards

Companies Act

1. The disclosure exemptions permitted by the Companies Act shall not apply to the Civil List accounts unless specifically approved by the Treasury.

2. When preparing the balance sheet for the Civil List, the Royal Household shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies Act. The balance sheet totals shall be struck at "Total assets less current liabilities".

3. The Civil List accounts are not required to provide the historical cost information prescribed in paragraph 33(3) of Schedule 4 to the Companies Act.

4. The balance sheet shall be signed by the Treasurer to The Queen and dated.

Accounting Standards

5. The Civil List accounts are not required to include a note showing historical cost profits and losses as described in FRS 3.

4. RESERVE HELD BY THE ROYAL TRUSTEES

4.1 Statement of reserves

	1991 £	1992 £	1993 £	1994 £
<i>Accumulated surplus</i>				
Opening balance	—	3,347,523	6,884,494	10,103,969
Transfer to reserves:				
Annual surplus	2,724,511	2,729,800	2,539,800	2,401,800
Saving compared with budget	265,198	127,707	59,891	—
	<u>2,989,709</u>	<u>2,857,507</u>	<u>2,599,691</u>	<u>2,401,800</u>
Interest	357,814	679,464	619,784	715,005
	<u>3,347,523</u>	<u>6,884,494</u>	<u>10,103,969</u>	<u>13,220,774</u>
 <i>Invested in:</i>				
Treasury Stock	—	—	—	5,029,675
Accrued interest	69,220	100,128	147,568	396,399
Term deposits	2,954,920	6,489,711	9,654,779	7,786,839
Cash at bank	323,383	294,655	301,622	7,861
	<u>3,347,523</u>	<u>6,884,494</u>	<u>10,103,969</u>	<u>13,220,774</u>

- (i) Accounting policies are set out on page 34.
- (ii) The annual surplus is the difference between the annuity of £7.9 million (less the Royal Bounty, Alms and Special Services deduction) and budgeted expenditure.
- (iii) Savings compared with budget is the difference between actual and budgeted expenditure.

<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>Forecast</i> <i>2000</i>
£	£	£	£	£	£
13,220,774	16,915,980	20,886,374	24,686,473	28,682,996	32,161,164
2,561,800	2,404,708	2,059,800	1,848,800	1,584,800	1,327,911
—	279,309	148,297	148,850	53,523	—
<hr/> 2,561,800	<hr/> 2,684,017	<hr/> 2,208,097	<hr/> 1,997,650	<hr/> 1,638,323	<hr/> 1,327,911
1,133,406	1,286,377	1,592,002	1,998,873	1,839,845	1,850,000
<hr/> 16,915,980	<hr/> 20,886,374	<hr/> 24,686,473	<hr/> 28,682,996	<hr/> 32,161,164	<hr/> 35,339,075
4,887,508	6,602,383	6,446,578	4,508,486	4,405,511	4,365,000
561,730	633,845	500,643	710,388	931,811	825,000
11,365,387	13,197,028	17,410,332	23,054,202	26,557,518	29,900,000
101,355	453,118	328,920	409,920	266,324	249,075
<hr/> 16,915,980	<hr/> 20,886,374	<hr/> 24,686,473	<hr/> 28,682,996	<hr/> 32,161,164	<hr/> 35,339,075

4.2 Accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

Treasury Stock is stated in the balance sheet at par value plus the unamortised premium. Any premium arising on purchase is amortised on a straight line basis from the date of purchase to maturity. Costs incurred on the purchase of Treasury Stock are written off to the Income and Expenditure account as incurred.

4.3 Notes to the statement of reserves

Treasury Stock and term deposits

As at 31 May 2000 the following Treasury Stock and term deposits were held.

Treasury Stock

	<i>8% 2000</i> £	<i>13% 2000</i> £	<i>Total</i> £
Par value	1,803,776	2,541,266	4,345,042
Premium on purchase	65,387	551,931	617,318
Purchase price	1,869,163	3,093,197	4,962,360
Amortisation of premium	58,288	541,406	599,694
Net book value	1,810,875	2,551,791	4,362,666

Money market deposits

	<i>Amount</i> £	<i>Rate</i> %	<i>Maturity date</i>
Barclays	4,845,374	5.4375	8 June 2000
Barclays	4,696,211	5.75	21 August 2000
Barclays	4,617,163	6.4225	8 November 2000
Barclays	6,172,136	6.38	20 December 2000
Barclays	5,635,220	6.4725	15 January 2001
Barclays	3,912,468	6.6275	29 March 2001
	29,878,572		

The Civil List Act 1972 provides that when the annuity payable under the Act exceeds Civil List expenditure for the year, the excess should be paid to the Royal Trustees to be accumulated by them and applied to meet deficiencies in future years. The Royal Household Investment Committee (RHIC) was established by a Treasury Minute of 30th December 1990 to invest such surpluses on behalf of the Royal Trustees.

A Civil List budget is prepared at the end of each year in order to establish the funding required for the following year. The difference between the annuity and the budget, which is referred to as the "annual surplus", is paid by the Treasury to the RHIC for investment.

The Treasury Minute of 30th December 1990 appointed the ex-officio members of the RHIC. This was amended by a supplementary Treasury Minute of 30th September 1996 under which the members are:

The Lord Chamberlain (Chairman)
The Keeper of the Privy Purse
The Deputy Treasurer to The Queen

The Chief Accountant and Paymaster acts as Secretary. An investment adviser and the Treasury Accountant also attend meetings.

The annual surpluses, together with net interest earned and savings arising when Civil List net expenditure is less than the budget for the year, are invested in money market deposits and Treasury Stock in accordance with the procedures and guidelines agreed with the Treasury in 1991.

For 1993, 1994 and 1995 the saving when Civil List net revenue expenditure was less than the budget for the year was carried forward by analogy with Civil Service End Year Flexibility arrangements to meet Civil List expenditure in the next year. For 1994 and 1995 similar End Year Flexibility was applied to capital underspends. From 1996, however, following further direction from the Treasury, all End Year Flexibility savings have been transferred to the RHIC.

The reserve at 31st December 2000 is expected to be £35.3 million.

The movement in the reserve during the 10 year period are set out on pages 32 and 33.

4.4 Statement of reserves: Report of the Auditor to the Chancellor of the Exchequer

I have audited the financial statements of the Royal Household Investment Committee for each of the years from 1991 to 1999, under the Civil List Audit Act 1816.

Respective responsibilities of the Royal Household Investment Committee and the Auditor

The Royal Household Investment Committee is responsible for the preparation of financial statements for each financial year in the form and on the basis approved by the Treasury. It is also responsible for the regularity of financial transactions. It is my responsibility to form an independent opinion, based on my audit, on those statements and on the regularity of the financial transactions included in them and to report my opinion to you.

Basis of opinion

I conducted my audits in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the judgements made by the Royal Household Investment Committee in the preparation of the financial statements.

I planned and performed my audits so as to obtain all the information and explanations which I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements were free from material misstatement, whether caused by error or any fraud, or other irregularity and that, in all material respects, the expenditure and income have been applied for the purposes intended by Parliament and conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the net assets at 31 December in each of the years 1991 to 1999 and the net expenditure, total recognised gains and losses and cash flows for the years then ended, and have been properly prepared in accordance with the Civil List Audit Act 1816 and directions made thereunder by the Treasury; and
- in all material respects the expenditure and income had been applied to the purposes intended by Parliament and the financial transactions conformed to the authorities which govern them.

30 June 2000

Andrew Turnbull
Civil List Auditor

4.5 Accounts direction given by the Treasury in accordance with Section 9 of the Civil List Audit Act 1816

1. The Royal Household Investment Committee (RHIC) shall prepare accounts for the year ended 31 December 1995 and for subsequent financial years comprising:

- (a) an annual report;
- (b) an income and expenditure account;
- (c) a balance sheet;
- (d) a cashflow statement; and
- (e) a statement of total recognised gains and losses

including such notes as may be necessary for the purposes referred to in the following paragraphs.

2. The accounts shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the end of the year.

3. Subject to this requirement, the accounts shall be prepared in accordance with:

- (a) generally accepted practice in the United Kingdom (UK GAAP); and
- (b) the accounting and disclosure requirements of the Treasury's guidance paper "Executive Non-Departmental Public Bodies—Annual Reports and Accounts Guidance" (March 1996), as amended or augmented from time to time

insofar as these are appropriate to the RHIC and are in force for the financial year for which the accounts are to be prepared.

4. Clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards is given in Schedule 1 attached. In addition the annual report shall inter alia:

(a) state that the accounts have been prepared in accordance with a direction given by the Treasury in accordance with Section 9 of the Civil List Audit Act 1816; and

(b) include a brief history of the RHIC and its statutory background.

5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention.

6. This direction shall be reproduced as an appendix to the accounts.

27 June 1996

N.M. Hansford
The Treasury Accountant

Schedule 1

Application of the accounting and disclosure requirements of the Companies Act and Accounting Standards

Companies Act

1. The disclosure exemptions permitted by the Companies Act shall not apply to the RHIC accounts unless specifically approved by the Treasury.

2. The Companies Act requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to the RHIC shall be contained in the annual report.

3. When preparing its income and expenditure account, the RHIC shall have regard to the profit and loss account format 1 prescribed in Schedule 4 to the Companies Act.

4. When preparing its balance sheet, the RHIC shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies Act. The balance sheet totals shall be struck at "Total assets less current liabilities".

5. The RHIC is not required to provide the historical cost information prescribed in paragraph 33(3) of Schedule 4 to the Companies Act.

6. The annual report and balance sheet shall be signed by the Lord Chamberlain and dated.

Accounting Standards

7. The RHIC is not required to include a note showing historical cost profits and losses as described in FRS 3.

5. 10 YEAR SUMMARY OF PARLIAMENTARY ANNUITIES FOR MEMBERS OF THE ROYAL FAMILY

	<i>1991</i> £	<i>1992</i> £	<i>1993</i> £	<i>1994</i> £
HM Queen Elizabeth The Queen Mother				
Annuity	643,000	643,000	643,000	643,000
	<u>643,000</u>	<u>643,000</u>	<u>643,000</u>	<u>643,000</u>
HRH The Duke of Edinburgh				
Annuity	359,000	359,000	359,000	359,000
	<u>359,000</u>	<u>359,000</u>	<u>359,000</u>	<u>359,000</u>
HRH The Duke of York				
Annuity	249,000	249,000	249,000	249,000
Refunded by HM The Queen	—	—	(186,750)	(249,000)
	<u>249,000</u>	<u>249,000</u>	<u>62,250</u>	<u>—</u>
HRH The Earl of Wessex				
Annuity	96,000	96,000	96,000	96,000
Refunded by HM The Queen	—	—	(72,000)	(96,000)
	<u>96,000</u>	<u>96,000</u>	<u>24,000</u>	<u>—</u>
HRH The Princess Royal				
Annuity	228,000	228,000	228,000	228,000
Refunded by HM The Queen	—	—	(171,000)	(228,000)
	<u>228,000</u>	<u>228,000</u>	<u>57,000</u>	<u>—</u>
HRH The Princess Margaret				
Annuity	219,000	219,000	219,000	219,000
Refunded by HM The Queen	—	—	(164,250)	(219,000)
	<u>219,000</u>	<u>219,000</u>	<u>54,750</u>	<u>—</u>
HRH Princess Alice Duchess of Gloucester				
Annuity	87,000	87,000	87,000	87,000
Refunded by HM The Queen	—	—	(65,250)	(87,000)
	<u>87,000</u>	<u>87,000</u>	<u>21,750</u>	<u>—</u>
Section 3 Annuitants (HRH The Duke of Gloucester, HRH The Duke of Kent and HRH Princess Alexandra)				
Annuity	636,000	636,000	636,000	636,000
Refunded by HM The Queen	(636,000)	(636,000)	(636,000)	(636,000)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>1,881,000</u>	<u>1,881,000</u>	<u>1,221,750</u>	<u>1,002,000</u>

<i>1995</i> £	<i>1996</i> £	<i>1997</i> £	<i>1998</i> £	<i>1999</i> £	<i>2000</i> £
643,000	643,000	643,000	643,000	643,000	643,000
643,000	643,000	643,000	643,000	643,000	643,000
359,000	359,000	359,000	359,000	359,000	359,000
359,000	359,000	359,000	359,000	359,000	359,000
249,000	249,000	249,000	249,000	249,000	249,000
(249,000)	(249,000)	(249,000)	(249,000)	(249,000)	(249,000)
—	—	—	—	—	—
96,000	96,000	96,000	96,000	120,000	141,000
(96,000)	(96,000)	(96,000)	(96,000)	(120,000)	(141,000)
—	—	—	—	—	—
228,000	228,000	228,000	228,000	228,000	228,000
(228,000)	(228,000)	(228,000)	(228,000)	(228,000)	(228,000)
—	—	—	—	—	—
219,000	219,000	219,000	219,000	219,000	219,000
(219,000)	(219,000)	(219,000)	(219,000)	(219,000)	(219,000)
—	—	—	—	—	—
87,000	87,000	87,000	87,000	87,000	87,000
(87,000)	(87,000)	(87,000)	(87,000)	(87,000)	(87,000)
—	—	—	—	—	—
636,000	636,000	636,000	636,000	636,000	636,000
(636,000)	(636,000)	(636,000)	(636,000)	(636,000)	(636,000)
—	—	—	—	—	—
1,002,000	1,002,000	1,002,000	1,002,000	1,002,000	1,002,000

6. 10 YEAR SUMMARY OF COSTS INCURRED IN CONNECTION WITH THE MONARCHY FUNDED BY PARLIAMENT

6.1 Summary of costs

	<i>Notes</i>	<i>1991-92</i> <i>£'000</i>	<i>1992-93</i> <i>£'000</i>	<i>1993-94</i> <i>£'000</i>
The Queen's Civil List	(a)	4,900	5,032	5,106
Notional pension contributions for members of the Royal Household Pension Scheme	(b)	736	762	780
Parliamentary Annuities for Queen Elizabeth The Queen Mother and The Duke of Edinburgh	(c)	1,002	1,002	1,002
Parliamentary Annuities for other Members of the Royal Family	(c)	879	879	220
Grant-in-aid funding for:				
Property Services	(d)	23,936	23,159	19,805
Communications and Information	(e)	—	—	—
Travel by Air and Rail	(p)	—	—	—
Expenditure met directly by Government Departments and the Crown Estate:				
HM Treasury—administration of honours	(f)	201	207	201
Ministry of Defence				
—equerries and orderlies	(g)	770	795	817
—the Royal Yacht	(p)	12,458	8,361	8,397
—The Queen's Flight/32 (The Royal) Squadron	(p)	13,085	13,809	15,552
—flights in civil aircraft	(p)	732	9	140
Department of Transport—travel by train including maintenance of the Royal Train	(p)	2,628	2,556	2,827
Historic Scotland—maintenance of the Palace of Holyroodhouse	(h)	988	1,023	1,051
Foreign and Commonwealth Office				
—State Visits to and by The Queen and liaison with the Diplomatic Corps	(i)	639	487	496
—official Royal overseas travel	(p)	165	171	175
Communications Support:				
Central Office of Information	(j)	358	361	308
Wales, Scotland and Northern Ireland (provisional estimate)	(k)	61	63	64
Cabinet Office—information technology support	(l)	—	132	134
Post Office—postal services	(m)	950	982	1,008
Department for Culture, Media and Sport—ceremonial occasions	(n)	417	430	240
Crown Estate—maintenance of the Home Park at Windsor Castle	(o)	622	609	596
		<u>65,527</u>	<u>60,829</u>	<u>58,919</u>

<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-00</i>	<i>Forecast</i> <i>2000-01</i>
<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
5,101	5,513	5,592	5,682	5,892	6,251	6,562
824	870	901	920	970	1,033	1,078
1,002	1,002	1,002	1,002	1,002	1,002	1,002
—	—	—	—	—	—	—
20,541	20,440	19,609	16,409	15,809	15,000	15,000
—	—	—	—	470	514	515
—	—	—	17,325	12,764	8,565	7,250
201	215	229	232	235	252	247
828	852	880	904	938	957	990
11,424	8,423	10,446	7,463	88	—	—
15,487	11,399	13,702	—	—	—	—
160	—	263	—	—	—	—
2,469	1,981	1,954	—	—	—	—
1,190	1,184	1,147	1,080	1,221	1,239	1,315
631	537	494	494	626	617	699
178	183	189	—	—	—	—
365	394	388	372	—	—	—
65	67	69	71	74	29	30
137	140	172	210	232	154	156
1,022	1,052	1,085	1,116	1,152	1,181	1,208
454	330	490	182	331	444	473
618	544	586	571	558	575	592
<u>62,697</u>	<u>55,126</u>	<u>59,198</u>	<u>54,033</u>	<u>42,362</u>	<u>37,813</u>	<u>37,117</u>

6.2 Notes to the summary of costs

Figures are presented on a consistent basis. They have been provided by Government Departments or the Royal Household. Where figures are not available for earlier years the first actual annual amount available has been deflated using the GDP deflator as explained, where applicable, below.

The figures for 2000–01 are forecasts prepared as at 31st May 2000.

The costs of Police and Army security and of Armed Services ceremonial are not included as figures are not available.

(a) The Queen's Civil List

Figures are for the calendar year ending in the financial year (e.g. the amount shown for 1991–92 is for the calendar year 1991).

(b) Notional pension contributions for members of the Royal Household Pension Scheme

Civil List and some other Royal Household employees are members of the Royal Household Pension Scheme (Amended) 1989 which has terms analogous to the Principal Civil Service Pension Scheme.

The scheme is unfunded and all benefits are paid by HM Treasury. A notional pension contribution cost has been included at 17.5% of salary following advice from the Government Actuaries Department. The costs are for calendar years (see (a) above).

(c) Parliamentary Annuities

Figures are for calendar years (see (a) above). The Queen has reimbursed the Parliamentary Annuities for The Duke of York, The Earl of Wessex, The Princess Royal, The Princess Margaret and Princess Alice since 1st April 1993, and for the Section 3 Annuitants since 1977 (see 5 above).

(d) Grant-in-Aid for Property Services

The Property Services Grant-in-aid is provided to the Royal Household by the Department for Culture, Media and Sport. It is to meet the cost of property maintenance, and utilities, telephone and related services at Buckingham Palace, St. James's Palace, Clarence House and Marlborough House Mews, the residential and office areas of Kensington Palace, the Royal Mews and Royal Paddocks at Hampton Court, and Windsor Castle and buildings in the Home and Great Parks at Windsor.

An annual report for the Grant-in-aid is published.

(e) Grant-in-Aid for Communications and Information

The Royal Household took on responsibility for expenditure on communications and information with effect from 1st April 1998. This cost had previously been met by the Central Office of Information. The expenditure is for communication and information services in connection with official royal functions and engagements in

England (and from 1st April 1999 in Scotland). The Grant-in-Aid was provided by the Central Office of Information in 1998-99 and by the Department for Culture, Media and Sport from 1999–2000 onwards.

An annual report for the Grant-in-aid is published.

(f) HM Treasury—administration of honours

This expenditure is to meet the cost of the Central Chancery of the Orders of Knighthood, which is responsible for the administration and maintenance of records for the Orders of Chivalry and for organising Investitures.

(g) Ministry of Defence—equerries and orderlies

Includes personnel, baggage transport and other services. Actual costs are available for recent years. The individual cost elements have been deflated using the GDP deflator to give the figures for the earlier years.

(h) Historic Scotland—maintenance of the Palace of Holyroodhouse

The Palace of Holyroodhouse is The Queen's official residence in Scotland and is maintained by Historic Scotland, an Agency of the Scottish Executive. Members of the Royal Family and nominated representatives of Her Majesty stay there while undertaking official duties.

The costs for 1993 onwards have been deflated back to 1991 using the GDP deflator. The figures from 1998 onwards reflect a more detailed apportionment of the wider range of services provided by Historic Scotland in support of the Palace's use as an official residence.

(i) Foreign and Commonwealth Office—State Visits to and by The Queen and liaison with the Diplomatic Corps

With the exception of travel, which is charged to the Royal Travel Grant-in-aid, all inward and outward State Visit costs are met by the Foreign and Commonwealth Office, except for visits by Her Majesty as Queen of Australia, Canada and New Zealand.

The Marshal of the Diplomatic Corps, a member of the Royal Household, is responsible on behalf of the Foreign Office for liaison with the Diplomatic Corps in London and an annual reception is held for the Diplomatic Corps at Buckingham Palace.

(j) Central Office of Information—communications support

This expenditure was met from a Grant-in-aid to the Household from 1st April 1998.

(k) Wales, Scotland and Northern Ireland—communications support

Communications support in Scotland was met by the Scottish Executive until 31st March 1999. A transfer of £45,000 was made to the Department for Culture, Media and Sport to fund an increase in the Grant-in-aid for Communications and Information for 1999-2000, to cover costs in Scotland. The £45,000 has been deflated using the GDP deflator to give the figures for the earlier years.

For completeness, an estimate by the Royal Household of the cost of providing communications support in Wales and Northern Ireland has been made for 2000–01. This estimate has been deflated using the GDP deflator to give the figures for the earlier years.

(l) Cabinet Office—information technology support

The Cabinet Office provide funding to purchase hardware and software as well as a secondee to manage the Household's information technology department.

(m) Post Office—postal services

The Post Office provides a postal service for official mail and despatches sent by the Royal Household. The cost for 1999–2000 is an actual figure provided by the Post Office. The figures for earlier years have been determined by reducing the 1999–2000 cost using the GDP deflator.

(n) Department for Culture, Media and Sport—ceremonial occasions

The costs are to provide stands, barriers, flags, diases and canopies for State Visits and State Funerals. The figures for the first three years are estimates made by the Department based on the number of state visits in those years.

(o) Crown Estate—maintenance of the Home Park at Windsor Castle

The Crown Estate is responsible for the maintenance of the Home Park at Windsor Castle and for its day-to-day security. The Home Park provides accommodation and sports grounds for staff. Part of it is farmed with a rent payable by the Privy Purse to the Crown Estate.

(p) Royal Travel by air and rail

Responsibility for expenditure on official royal travel by air and rail was transferred to the Royal Household with effect from 1st April 1997. Prior to this the cost had been met by the Ministry of Defence, the Department of Transport and the Foreign and Commonwealth Office. The Grant-in-aid is provided by the Department of the Environment, Transport and the Regions. An annual report for the Grant-in-aid is published.

Costs have been restated for the years 1991-92 to 1996-97 to take account of the costs of capital, depreciation and airfield overhead, which are charged to the Grant-in-Aid for Royal Travel in accordance with Resource Accounting and Budgeting. Prior to 1995 The Queen's Flight was based at RAF Benson. It has been assumed that the airfield overhead would have been the same in real terms as for RAF Northolt.

VAT became payable in 1997-98 when the Ministry of Defence started charging the Grant-in-Aid for Royal Travel for services provided.

The amounts for cost of capital, depreciation and the Northolt overhead were identified in 1997-98 and have been deflated using the GDP deflator to give the figures for the earlier years. The VAT element in 1997-98 was calculated as a percentage of total costs and this percentage used to give the amounts for the earlier years.

The way in which the costs of official travel by rail and air are funded has changed significantly during the 10 year period, with costs met by a number of Government Departments transferred to be met from the Royal Travel Grant-in-aid. In view of this, the figures for royal travel costs included under various headings above are shown together in the table overleaf.

	<i>1991-92</i> <i>£'000</i>	<i>1992-93</i> <i>£'000</i>	<i>1993-94</i> <i>£'000</i>	<i>1994-95</i> <i>£'000</i>
<i>Royal Travel costs</i>				
Department of Transport— travel and maintenance of the Royal train	2,628	2,556	2,827	2,469
Ministry of Defence— Royal Yacht	12,458	8,361	8,397	11,424
Ministry of Defence— Total for The Queen's Flight/32 (The Royal) Squadron	13,085	13,809	15,552	15,487
Of which: <i>Queen's Flight/32 (The Royal) Squadron</i>	<i>7,080</i>	<i>7,590</i>	<i>9,105</i>	<i>8,960</i>
<i>Cost of capital</i>	<i>1,767</i>	<i>1,826</i>	<i>1,874</i>	<i>1,901</i>
<i>Depreciation</i>	<i>1,994</i>	<i>2,060</i>	<i>2,114</i>	<i>2,145</i>
<i>Northolt Overhead</i>	<i>1,624</i>	<i>1,678</i>	<i>1,722</i>	<i>1,747</i>
<i>VAT</i>	<i>620</i>	<i>655</i>	<i>737</i>	<i>734</i>
Ministry of Defence— Royal flights in civil aircraft	732	9	140	160
Foreign and Commonwealth Office— Royal official overseas travel	165	171	175	178
Grant-in-aid for Royal Travel by air and rail	—	—	—	—
Total Royal Travel costs	29,068	24,906	27,091	29,718

<i>1995-96</i> <i>£'000</i>	<i>1996-97</i> <i>£'000</i>	<i>1997-98</i> <i>£'000</i>	<i>1998-99</i> <i>£'000</i>	<i>1999-00</i> <i>£'000</i>	<i>Forecast</i> <i>2000-01</i> <i>£'000</i>
1,981	1,954	—	—	—	—
8,423	10,446	7,463	88	—	—
11,399	13,702	—	—	—	—
4,900	6,900	—	—	—	—
1,956	2,019	—	—	—	—
2,206	2,278	—	—	—	—
1,797	1,855	—	—	—	—
540	650	—	—	—	—
—	263	—	—	—	—
183	189	—	—	—	—
—	—	17,325	12,764	8,565	7,250
<u>21,986</u>	<u>26,554</u>	<u>24,788</u>	<u>12,852</u>	<u>8,565</u>	<u>7,250</u>

7. CIVIL LIST EXPENDITURE FOR 1990

The Royal Trustees' Report in 1990 set out a forecast for Civil List expenditure for that year. The actual outturn was close to forecast, as shown below:

	<i>Estimate</i> £	<i>Actual</i> £
Civil List expenditure	5,050,500	5,067,000
Royal Bounty, Alms and Special Services	10,200	10,200
Total expenditure	5,060,700	5,077,200
Funded by:		
Grant	3,850,000	3,850,000
Supplement on Vote	1,210,700	1,227,200
Total Funding	5,060,700	5,077,200

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