

THE PRINCE'S TEACHING INSTITUTE
(An incorporated charity limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Registered Charity No. 1116224
Company No. 05910443

THE PRINCE'S TEACHING INSTITUTE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2018

CONTENTS	Page
Reference and Administrative Information	2
Trustees' Report	4 – 13
Independent Auditor's Report	14 – 15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Charity Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 - 31

THE PRINCE'S TEACHING INSTITUTE

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors and charity Trustees (The "Trustees") of The Prince's Teaching Institute (the "PTI") present their report together with the audited financial statements of the charity for the year to 30 September 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Charity's Memorandum and Articles of Association, applicable law and the requirements of the FRS 102 Charities SORP, the Companies Act 2006 and Charities Act 2011.

Company and Charity details:

The Prince's Teaching Institute

The Prince's Teaching Institute is a registered charity numbered 1116224 and a company limited by guarantee numbered 05910443. The company was incorporated on 18 August 2006 and effectively commenced its activities on 1 January 2007. The company is registered in England & Wales and its registered office is 40 Grosvenor Gardens, London SW1W 0EB.

President:	HRH the Prince of Wales KG KT GCB OM
Directors and charity Trustees who served during the year	Keith M Breslauer (Chairman) Jonathan A. Coles Professor E. Helen Cooper Sushil Saluja Peter I. Wallace Raj Kumar (appointed 18 December 2017)
Company Secretary	E. Julia Bagguley
Co-directors	Bernice A. McCabe Christopher N. H. Pope
PTI Education Ltd	The charity established a trading subsidiary, PTI Education Ltd on 31 August 2016. It is a company Limited by shares numbered 10353080 and is registered in England & Wales. Its registered office is 40 Grosvenor Gardens, London SW1W 0EB.
Accountants and auditor	haysmacintyre 10 Queen Street Place London EC4R 1AG
Legal advisors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH Penningtons Manches LLP 125 Wood Street London EC2V 7AW
Financial advisors	London & Capital Asset Managers Two Fitzroy Place 8 Mortimer Street London W1T 3JJ

THE PRINCE'S TEACHING INSTITUTE

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY
Principal address	40 Grosvenor Gardens London SW1W 0EB

The foregoing legal and administrative information is correct as at 31 January 2019.

Objectives, activities and public benefit

Objectives

The PTI is committed to improving the education of children in state schools in England and Wales. Working in partnership with the University of Cambridge, it aims to inspire teachers to give a child aspiration and a transformative subject experience.

The Trustees are pursuing this object by working with school teachers to:

- **Promote inspirational subject teaching:** Working with eminent academics and speakers, the PTI re-ignites teachers' passion for their subject and promotes the idea that subject rigour is essential for effective teaching to children of all abilities, as opposed to concentrating only on examination specifications. Through re-igniting teacher ambition, student aspirations are raised in turn.
- **Maintain standards of school subject provision:** The PTI works with schools to ensure that they make rigorous curriculum choices, avoiding "easy choices" that result in children not receiving a good grounding of knowledge for life. It encourages teachers to teach beyond the test, introduce more subject-based extra-curricular activities, increase the amount of subject-based training received by staff in departments and become involved in more subject-based networks outside school.

Activities

The PTI helps teachers to learn from the example of the best of their peers. It works with school leaders at secondary and primary levels and across the following subjects: English, History, Geography, Mathematics, Science, Modern Foreign Languages, Latin, Art and Music.

School Leadership Programme, Primary and Secondary Headteachers' Residential

The programme is a network of schools committed to promoting whole-school subject-focused leadership. The aim of the programme is to ask schools to consider which whole-school approaches to leadership, staffing and the curriculum help to develop the quality, rigour and challenge experienced by pupils of all abilities and backgrounds. Each school undertakes an action-based research project for the benefit of the network, developing a base of evidence that is of benefit to all participating schools, and meets once a year to share their experiences with participating schools. Those who demonstrate progress in their project are awarded a PTI School Leadership Programme Mark for display at school, use on school stationery and on their website.

Induction is via a school's Headteacher attending either the Primary or Secondary Heads' Residential. These are two day conferences for Head teachers and MAT system leaders that provide a forum for reflection on issues about school leadership. During the residential, they choose whether they wish to opt into the School Leadership Programme.

The Subject Leadership Programme and Subject Enrichment Residential

A membership scheme for school departments that are committed to challenging and extending all pupils, regardless of ability, with rich subject provision. All staff in Subject Leadership Programme departments can draw on the expertise of the Education Advisor and have access to the private Staffroom area of the website (www.ptieducation.org) which holds an expanding library of resources for teachers including academic lecture podcasts, lesson plans, and schemes of work for use on a daily basis in the classroom.

Those which make their departmental plans more ambitious than originally planned, and deliver on their increased objectives, are awarded a PTI Mark for display at school, use on school stationery and on their website at the end of their first year of membership. Induction is via a Head of Department, or delegated representative, attending a Subject Enrichment Residential.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Subject Enrichment Residentials are three-day residential events where top academics join teachers, typically Heads of Department, to re-inspire them and provide a stimulating introduction to the Subject Leadership Programme. During the Subject Enrichment Residential, delegates can choose whether they wish their departments to opt into the Subject Leadership Programme.

Continuing Professional Development ("CPD")

CPD consists of:

- **One-day Subject Days**, run by teachers, with administrative help from the PTI office, which bring delegates into contact with experts in a given topic and give them a forum to consider inspiring ways to bring the topic to life in their classrooms.
- **Online courses** consisting of two online seminars a week apart, typically held after school hours, led by teachers. Delegates are required to have listened to a pre-recorded lecture prior to the seminars, and the online seminars are used to discuss teaching approaches to the topics in hand.

New Teacher Subject Days

These courses of four Saturdays during the year are designed for school-based teacher trainees, Newly and Recently Qualified Teachers. Each Saturday considers a different topic in their subject and consists of a mixture of lectures and workshops run by PTI Teacher Leaders. During the course participants are required to develop a Learning Resource that will be of use not just for them but also for other members of their departments at school.

Public benefit

The PTI is committed to improving the education of children in state schools in England and Wales.

The Trustees considered the Charity Commission's guidance on Public Benefit, including the guidance "public benefit: running a charity (PB2)", when reviewing the charity's aims and objectives, in administering its activities during the year and in planning its future activities. They believe that the charity's activities demonstrate the benefit derived by the nation's children.

The PTI's activities are open to all teachers. For teachers from state schools, modest charges are made for Programmes affiliation and for PTI events which do not cover the costs of providing the services. These charges defray immediate costs and help incentivise teachers to not withdraw from the courses at short notice.

Achievements in 2017/18

2017/18 was a year in which we developed and piloted elements of a strategy for renewal to be implemented in 2018/19. The continuing excellent evaluations that we receive from teachers, combined with our financial stability, means that we are able to continue to offer schools valued and constant support. This is particularly essential at this time of considerable turbulence in state schools.

One aspect of this turbulence is that teachers are reported to be leaving the profession in record numbers. The PTI has a considerable impact on retention: for three years in a row, more than two thirds of teachers who had considered leaving the profession say they are now less likely to do so as a result of attending PTI courses.

Overall, we had a slight reduction in the number of teachers attending our events, down to 1228 from 1388, driven largely by Subject Leadership Programme members not attending their end of year day due to difficulties being released from school. 107 of these participated in pilots of online CPD courses that we ran in six subjects. The number of schools engaging in our activities during the year was 450, representing 10% of secondary schools in England and Wales.

School Leadership Programme, Primary and Secondary Headteachers' Residential

The governance of schools across England is evolving with the establishment of Multi-Academy Trusts, and with this change has appeared a new cadre of school manager – senior leaders without line management powers over headteachers but who are responsible for aspects of education across schools in the trust, for example Directors of School Improvement. Teachers are more used to hierarchical means of management, and a number of this new type of “System Leader” have come to the PTI to ask whether the charity could provide them with professional development. As a result, the PTI piloted a System Leaders' stream at the 2018 Secondary Leadership Residential, and this was deemed very useful by those present. As a result, the PTI will provide a System Leaders' stream at our secondary Leadership Residential going forward.

The Secondary and Primary Leadership Residentials were particularly well received this year, with 100% of delegates at both feeling that they were valuable and would have an impact on their school.

Attendance at these residentials makes the schools eligible to join the School Leadership Programme. At present we run separate days for our Primary Leadership and Secondary Leadership Programmes, but piloted having some of the primary headteachers join their secondary colleagues at their programme day. The result was very positive for both parties, who valued the additional perspectives on school leadership that the other half brought. This is also in line with changes in governance systems in schools in England, as many Multi Academy Trusts have both primary and secondary schools within the same group. As a result, from 2018/19 the PTI will run a single cross-phase Leadership Programme Day.

The Subject Leadership Programme and Subject Enrichment Residential

The Subject Leadership Programme continues to increase challenge in schools, with 91% of members saying that their membership of the Programme had resulted in a richer experience for their students, and 78% feeling that their pupils enjoyed their subject more as a result of the intervention. Furthermore, 88% confirmed that it had raised the aspirations and expectations of their pupils and 75% said that “the scheme has helped my students become more well-rounded people and helped them to develop character traits that will help them succeed in later life e.g. curiosity, confidence, optimism, resilience and ambition”. The programmes are particularly valuable at a time when many schools are focusing on teaching to the test to the detriment of encouraging these traits.

Due to the increased challenge for teachers to secure release from school, there was one residential last year in the summer, which took place over a weekend (and including a Monday). The Subject Enrichment Residential catered for four subjects – Modern Foreign Languages, History, Science and Mathematics - and was held for the first time in the beautiful surroundings of Downing College, in Cambridge.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Evaluations were very positive, with 100% of delegates saying that it was a valuable experience that would have an impact on their school.

Reflecting the increased pressure in schools, we received a number of particularly heartfelt thanks from delegates this year, including the following unsolicited e-mail from a Head of Department following our Subject Enrichment Residential at Downing College, Cambridge, which eloquently articulates what we are trying to achieve in schools:

"I was blown away by the quality and wealth of support on offer to me. I was challenged (boy, was I challenged), I was enthused, I was inspired to absolutely go back to brass tacks and remember why I became a teacher... I started to think about what I could do, rather than what I couldn't. And, as saccharine as it sounds, it truly was an epiphany.

So I've come back to school renewed and reinvigorated, which is what your aims are. I've come back ready for the challenge. I've come back to create the challenge and set the agenda. I've come back to dream the impossible. And then to make it happen.

So thank you, Prince's Teaching Institute. I don't think I'm going to get it right straight away. I'm sure many mistakes will be made. But I'm going to have a damn good go trying."

Continuing Professional Development ("CPD")

One Day Subject Days

These continued to receive very strong evaluations, with 92% of delegates saying that they will have an impact on their pupils and 88% saying that they have given them the knowledge and skills to be a better teacher.

Online courses

The 9 pilots run in 6 subjects were universally well received, with 95% of attendees saying that they found the discussions constructive and useful.

New Teacher Subject Days

Another strong year, with 91% of the new teachers attending the New Teacher Subject Days course saying that their attendance would have an impact on their pupils and 52% reporting an increase in confidence to teach.

Fundraising

We are registered with the Fundraising Regulator and commit to our fundraising being legal, transparent, respectful and meeting the standards set in the Fundraising Code of Practice. We also ensure that nobody who appears to be vulnerable is asked to commit to giving.

Fundraising is carried out by the Senior Philanthropy and Partnerships Manager, assisted by the Development Co-Ordinator and by the Development Committee, who report to the Board and who introduce potential donors to the work of the charity. The Development Committee currently consists of 18 senior individuals, meets six times a year, reviews fundraising progress and is chaired by the charity Chairman.

During the year under review Evi Kaplanis stepped down from the committee, and the Trustees would like to extend their thanks for her contribution to growing the charity's sources of voluntary income and her continuing financial support for the charity. We were delighted to welcome Anne Bos and Manon Lahham to the Committee. Although the fundraising environment remained challenging, the charity was pleased to welcome a number of new donors, and the Trustees extend their thanks to the loyal group of existing patrons who continue to support its work.

The charity is committed to continued impact. While the PTI has a complaints policy published on our website, in the year under review we received no complaints.

Financial commentary

Income, expenditure and movements in funds

Excluding endowment investment gains and losses on foreign exchange, total income during the period under review was £1,243k (2016/17: £1,209k) and total expenditure was £1,303k (2016/17: £1,271k). The Trustees chose to draw down £58k of capital from the Teacher Training Fund which, together with the £42k of income generated, represents the annual £100k allowance. The result after endowment investment gains and losses on foreign exchange was a decline of £62k in total funds, and a surplus on unrestricted funds of £18k.

Voluntary and sponsorship income rose 15% to £811k (2016/17: £709k) thanks to a continuing successful campaign to recruit additional donors. By contrast, income from charitable activities dropped 15% to £384k. Teacher attendance was down 8%; the greater income drop was as a result of price discounting, for example with early bird offers, in order to attract schools affected by budget cuts.

No further donations to the Teacher Training Fund were expected or received during the year under review. Taking into account income and losses on investments, management charges and gains on foreign exchange, the fund grew by 1.1% (2016/17: 1.4%) to £1,801k. Following the drawdown of £100k of income and capital, at the year end endowment funds totalled £1,701k.

Overall expenditure increased slightly by 3% to £1,303k (2016/17: £1,271k). Direct costs of charitable activities dropped 10% to £435k (2016/17: £483k) due to reduced delegate numbers. £40k of savings were achieved by running only one, larger, Subject Enrichment Residential during the year. Support costs of charitable activities, including general office and governance costs, increased 8% to £685k. General office costs in the year under review included exceptional expenditure of £26k relating to refreshing the brand, associated awareness marketing and legal costs associated with the future governance changes (see page 10).

Expenditure on raising funds increased by £29k to £183k (2016/17: £154k). The decline of £15k in direct costs of fundraising was offset by a rise of £36k in wages and related office costs, principally due to appointing an additional member of staff, our Development Co-ordinator. The increase in London & Capital fees for the management of the endowment fund to £18k (2016/17: £11k) was mainly due to a one-off rebate received in 2016/17.

At the year-end the Net Assets of the charity totalled £2,560k (2016/17: £2,622k). Unrestricted reserves increased from £841k to £859k.

The Trustees consider that the financial results represent a satisfactory out-turn.

Reserves and Investment policies

The PTI's minimum reserve policy is to have three months' normal operating expenditure as cash in hand (currently approximately £250k). However, the Trustees recommend having at the beginning of the financial year accounting reserves at a sufficient level to provide School and Subject Leadership Programme services for 12 months to schools affiliated to our programmes. This is approximately £650k, and with unrestricted reserves totalling £859k at the year end, this objective has been comfortably met. The Trustees consider it prudent to be in this position, in the light of the reduction in school budgets for continuing professional development and the challenging current fundraising environment. In addition, this level of reserves would cover liabilities in the event of the charity ceasing trading.

For the year under review, the Trustees formally adopted an investment policy that kept the charity's unrestricted funds on deposit, diversified across three AAA-rated deposit takers and one other.

With the Teacher Training Fund at £1.70m at the year end, and with a maximum draw-down of £100k per annum, the majority of the fund is for use in the medium and long term. At year end, £284k of the fund was held as cash on deposit, and the remaining £1.4m was invested in a diversified portfolio of medium investment risk to provide growth for the

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

medium and long term. The charity pursues an ethical investment policy and the portfolio is managed on a discretionary basis by investment managers London & Capital.

Funders and contributors

The Trustees record their thanks to all the PTI's donors and supporters - both large and small: the staff, consultants and volunteers who have worked extremely hard to achieve another successful year for the charity.

Future plans

During the year, we piloted the following changes that will take effect on a permanent basis from 2018/19:

- A System Leaders' stream in our School Leadership activities;
- A combined Leadership Programme day for secondary and primary school leaders;
- Running the Subject Enrichment Residential over a weekend; and
- Online CPD courses

Further, responding to requests from primary Headteachers, we will pilot one day CPD Subject Days that will aim to provide subject inspiration and rigour to primary teachers.

Additionally, with the change of name to The PTI (see page 10), since September 2018 the brand has been refreshed and online names (website URL, Twitter handles etc) changed to ptieducation.

Accompanying these changes, a new membership structure has been put in place:

- **Members** will be Headteachers, Senior School Leadership and Subject Leaders who engage in one of our Programmes and pursue more challenging objectives in their schools.
- **Affiliate members** will be members of staff in Programme Member departments as well as, for a year, all teachers who participate in PTI events. In addition, teachers in departments that do not wish to pursue Schools Programme membership can become Affiliate Members by paying a nominal annual £40 fee. This entitles them to free participation in the online courses and provides access to the online Staffroom resources.

In addition, a new tier of **PTI Unlimited** will be introduced for schools, allowing all teachers in a school to engage in all PTI activities for free in return for an annual flat fee.

To ensure awareness in the teaching community of these changes, a comprehensive marketing strategy has been developed that took effect from the beginning of the new academic year in September 2018.

Finally, in order to increase word of mouth and personal recommendation, and to help further develop the charity's academic strategy, the PTI has seconded one of our longstanding Teacher Leaders and Deputy Headteacher of one of the PTI's committed schools for the 18/19 academic year.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Structure, Governance and Management

Governing document and membership

The PTI is a registered company limited by guarantee not having a share capital. Its governing document is the company's Memorandum & Articles of Association. The company was incorporated on 18 August 2006 and effectively commenced trading on 1 January 2007. For the time being the members of the company are the Trustees, all of whom have signed a statement pledging to contribute £1 to the funds of the company in the event of it being wound up and there being an insufficiency of funds.

In 2018, HRH The Prince of Wales announced that he was reshaping the relationship with all of his charities, and as a result since the year end the charity is in the process of changing its Articles of Association. In common with other charities that used to form part of The Prince's Charities, HRH The Prince of Wales will become its Royal Founding Patron and will cease to be President.

In July 2017, Sir Harvey McGrath stepped down as Chairman after 9 years, having reached the maximum tenure allowed in the Articles of Association. In recognition of his contribution and his desire to continue to support the charity, His Royal Highness asked Sir Harvey if he would become Honorary President of the new legal entity, which Sir Harvey has accepted.

The charity will change its legal name to The Professional Teaching Institute, but use The PTI as its trading name. PTI Education Ltd remains unaffected by these changes.

Recruitment, appointment and induction of Trustees

The Trustees of the charity are also directors of the company for the purposes of company law. The number of Trustees may not be less than three or more than ten. The President (provided that he is HRH The Prince of Wales) may appoint a Prince's Trustee for such period as he sees fit. To date this appointment has not been filled.

All the other Trustees are Elected Trustees and are appointed by either the members of the company in a general meeting or by the Trustees themselves. No person may be appointed (or re-appointed) a Trustee unless he or she has been nominated by the President (after consultation with the Chairman).

As and when required, additional Trustees are appointed after an informal review of the skills and experience represented on the Trustee body and informal consultation with the President and other stakeholders.

Chairman

The governing document provides for the President (after consultation with the Trustees) to appoint a Chairman from among their number. K'theil (Keith) Breslauer was appointed unanimously as Chairman by his fellow Trustees. He previously served for many years as a member of the Development Committee.

Membership of the Trustee body

The current Trustees are listed on page 2 of this Report and have served for the year under review except where indicated.

Organisational structure and decision-making process

The President

The Trustees record with gratitude the continuing support of HRH The Prince of Wales and his staff.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Trustees

The Trustee body administers the PTI. It met four times during the period under review. With the exceptions listed in Note 13, at no time during the year did any Trustee have a beneficial interest in transactions with the charity.

The Trustees have the following standing committees:

- the Executive Committee whose purpose is to monitor the on-going business of the charity
- the Academic Steering Group (the "ASG") whose purpose is to direct the PTI's academic strategy
- the Development Committee, whose purpose is to help the charity with fundraising
- the Remuneration Committee whose purpose is to monitor staff salaries and consultants' fees

Organisation

The Trustees have appointed two Co-directors: Christopher Pope manages day-to-day operations of the PTI and Bernice McCabe leads academic policy through a part time consultancy agreement. Bernice McCabe is Director of International Schools and Education Strategy for North London Collegiate School Enterprises. They are assisted by nine full-time employees and two part-time employees. Academic activities are led by a group of practising teachers acting as consultants.

Julia Bagguley has acted as Company Secretary on a part time and voluntary basis, which the Trustees note and for which they record their thanks.

Key Management Personnel

Key management personnel consist of the:

- Full-time Co-Director
- Chief Operating Officer
- Senior Philanthropy and Partnerships Manager
- Senior Events Manager
- Senior Programmes Manager

In line with all PTI staff, their remuneration is reviewed twice a year by the Remuneration Committee.

Internal Controls

The Trustees are responsible for the management of the risks faced by the charity with particular reference to internal controls and the mitigation of risk. The Trustees actively review the risks faced by the charity on a regular basis and have put in place systems and procedures to identify and mitigate the major risks so far as is possible.

The key controls used include:

- Formal agendas and minutes for meetings of the Trustees and the Board committees
- A statement of matters reserved to the Trustees
- A formal Risk Register, reviewed on a regular basis
- Established organisational and governance structure and reporting lines

The Trustees recognise that systems can only provide reasonable, and not absolute, assurance that major risks are being adequately managed.

Risk and Mitigation

At each meeting, the Trustees review informally the risks to which the charity is exposed and they have put in place systems which minimise the exposure to these risks and mitigate the potential loss that might arise from them. Additionally, a formal Risk Register is in place, which is reviewed annually.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Currently, the Trustees have identified the following two most significant risks to the charity:

- **The widespread reorganisation of schools into Multi Academy Trusts (MATs).** In the year under review there has been a continuing trend of schools becoming academies and joining MATs. This presents two risks for the PTI:
 - Some MATs, faced with shrinking budgets, intend to conduct as much professional development internally as possible.
 - The lack of a universally adopted model of governance makes it more complex and for the PTI to ascertain who decision-makers are in MATs for adoption of PTI courses.

These risks are being mitigated by the PTI spending greater resource on communication and marketing to schools.

- **Reductions in school budgets.** Although the situation varies from school to school, schools are generally continuing to report real-term reductions in their budgets and therefore their capacity to invest in teacher professional development. Whilst the fees the PTI charges schools do not cover the cost of the PTI's charitable activities, they provide a mechanism which help ensure that the PTI's services are valued by schools, minimising no-shows and ensuring the engagement of senior school management, as well as providing some protection for PTI services to schools from the volatility of fundraising. The risk of lower bookings due to shrinking school budgets is mitigated by a relentless focus on the quality of the professional development provided, and by the close continuing relationship the charity maintains with school Headteachers as well as Senior Leadership and Heads of Department.

THE PRINCE'S TEACHING INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Audit Information

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of The Prince's Teaching Institute for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company and group 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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we 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 auditor is aware of that information.

Auditors

The charity's auditors, haysmacintyre, have expressed a willingness to continue in office and a resolution proposing their reappointment will be put to the members in accordance with the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities SORP 2015 (FRS 102) and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

By order of the Board of Trustees



K'theil (Keith) Breslauer
Chairman

Date: 30/1/2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRINCE'S TEACHING INSTITUTE

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Opinion

We have audited the financial statements of The Prince's Teaching Institute for the year ended 30 September 2018 which comprise Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 September 2018 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 13, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRINCE'S TEACHING INSTITUTE
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

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

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.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
Date: 30/1/2019

10 Queen Street Place
London
EC4R 1AG

THE PRINCE'S TEACHING INSTITUTE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income and endowments from:						
Grants and donations		575,122	191,340	-	766,462	659,129
Charitable activities:						
Affiliation Fees		160,011	-	-	160,011	171,387
Subject Enrichment Residentials		41,914	-	-	41,914	44,110
Primary Leadership Residential and Programme		25,325	-	-	25,325	22,705
Secondary Leadership Residential and Programme		13,738	-	-	13,738	17,840
New Teacher Subject Days		72,251	-	-	72,251	86,618
Other Continuing Professional Development		70,323	-	-	70,323	109,772
Other trading activities		45,000	-	-	45,000	49,500
Investments		6,329	-	41,571	47,900	48,046
Total Income		1,010,013	191,340	41,571	1,242,924	1,209,107
Expenditure on:						
Raising funds	3	163,457	-	19,751	183,208	154,005
Charitable activities:						
Subject Leadership Programme	2	124,626	139,365	-	263,991	269,633
Subject Enrichment Residentials		224,244	10,000	-	234,244	285,317
Primary Leadership Residential and Programme		66,637	16,975	-	83,612	60,560
Secondary Leadership Residential and Programme		106,686	25,000	-	131,686	113,612
New Teacher Subject Days		166,841	-	-	166,841	178,094
Other Continuing Professional Development		187,380	-	-	187,380	178,240
Website and CRM		52,130	-	-	52,130	31,758
Total Cost of Charitable Activities		928,544	191,340	-	1,119,884	1,117,214
Total Expenditure		1,092,001	191,340	19,751	1,303,092	1,271,219
Net income / (expenditure) before other recognised gains / (losses) and transfers		(81,988)	-	21,820	(60,168)	(62,112)
(Loss)/gain on foreign exchange		-	-	(10,658)	(10,658)	6,878
Net gain/(loss) on investments	7	-	-	9,149	9,149	(15,628)
Transfer between funds	10	100,000	-	(100,000)	-	-
Net income / (expenditure) for the year		18,012	-	(79,689)	(61,677)	(70,862)
Total funds at 1 October 2017		841,136	-	1,781,025	2,622,161	2,693,023
Total funds at 30 September 2018		859,148	-	1,701,336	2,560,484	2,622,161

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities. Details of comparative figures by fund are included in note 14.

The notes to the financial statements form part of these accounts.

CONSOLIDATED BALANCE SHEET

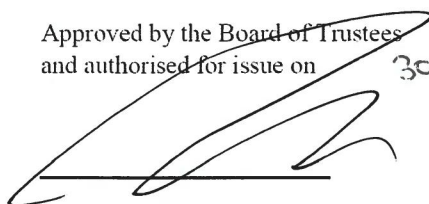
AT 30 SEPTEMBER 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	6		158		887
Investments	7		1,417,331		1,397,020
			<u>1,417,489</u>		<u>1,397,907</u>
Current assets					
Debtors	8	205,673		137,796	
Cash at bank and in hand		1,270,646		1,428,614	
		<u>1,476,319</u>		<u>1,566,410</u>	
Creditors					
Amounts falling due within one year	9	(333,324)		(342,156)	
Net current assets			<u>1,142,995</u>		<u>1,224,254</u>
Net assets			<u>2,560,484</u>		<u>2,622,161</u>
Funds					
Restricted funds	10		-		-
Endowment funds	10		1,701,336		1,781,025
Unrestricted funds	10		859,148		841,136
			<u>2,560,484</u>		<u>2,622,161</u>

These accounts have been prepared in line with the provisions applicable to the small companies regime.

Approved by the Board of Trustees
and authorised for issue on

30/1/2019



K'theil (Keith) Breslauer
Chairman

CHARITY BALANCE SHEET

AT 30 SEPTEMBER 2018

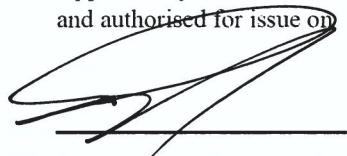
	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	6		158		887
Investments	7		1,417,332		1,397,021
			<u>1,417,490</u>		<u>1,397,908</u>
Current assets					
Debtors	8	320,759		483,931	
Cash at bank and in hand		<u>1,030,595</u>		<u>984,506</u>	
		<u>1,351,354</u>		<u>1,468,437</u>	
Creditors					
Amounts falling due within one year	9	<u>(208,360)</u>		<u>(244,184)</u>	
Net current assets			<u>1,142,994</u>		<u>1,224,253</u>
Net assets			<u>2,560,484</u>		<u>2,622,161</u>
Funds					
Restricted funds	10		-		-
Endowment funds	10		1,701,336		1,781,025
Unrestricted funds	10		<u>859,148</u>		<u>841,136</u>
			<u>2,560,484</u>		<u>2,622,161</u>

These accounts have been prepared in line with the provisions applicable to the small companies regime.

Approved by the Board of Trustees

and authorised for issue on

30/1/2019



K'theil (Keith) Breslauer
Chairman

THE PRINCE'S TEACHING INSTITUTE
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
Net cash (used in)/provided by operating activities	(i)	(184,047)	(136,867)
Cash flow from investing activities			
Investment income		47,900	45,095
Acquisition of fixed asset investments through investment manager		(901,275)	(1,217,221)
Proceeds from disposal of fixed asset investments through investment manager		830,619	1,169,120
Loss/(gain) on foreign exchange		(10,658)	6,878
Net cash provided by/(used in) investing activities		(33,414)	3,872
Change in cash and cash equivalents		(217,461)	(132,995)
Cash and cash equivalents at the end of the year	(ii)	1,570,403	1,703,398
Cash and cash equivalents at the end of the year		1,352,942	1,570,403
(i) Reconciliation of net income to net cash flow from operating activities			
		2018 £	2017 £
Net (expenditure)/income		(61,677)	(70,862)
Adjustments for:			
Depreciation charge		729	1,114
Dividend income		(25,122)	(22,376)
Interest received		(22,778)	(22,719)
Profit on sale of investments		(578)	(4,278)
Loss/(gain) on foreign exchange		10,658	(6,878)
Unrealised loss/(gain) on investments		(8,571)	19,906
Increase in debtors		(67,876)	(51,127)
(Decrease)/Increase in creditors		(8,832)	20,353
Net cash (used in)/provided by operating activities		(184,047)	(136,867)
(ii) Analysis of cash and cash equivalents			
		2018 £	2017 £
Cash at bank and in hand		1,270,646	1,428,614
Cash held on deposit		82,296	141,789
		1,352,942	1,570,403

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. Accounting policies

The charity is a company limited by guarantee, that was incorporated in England and Wales. Its registered office is 40 Grosvenor Gardens, London, SW1W 0EB. The registered company number is 05910443, and the registered charity number is 1116224.

The principal accounting policies, which have been applied consistently throughout the year, are as follows:

a) Basis of preparation of the financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Consolidated Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP published on 16 July 2014), the Companies Act 2006 and the Charities Act 2011.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable company's forecasts and projections have taken account of pressures on income. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue to operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

b) Basis of consolidation

The consolidated (group) financial statements comprise the charity and its wholly owned subsidiary PTI Education Limited.

The results of the trading subsidiary company are presented in the Consolidated Statement of Financial Activities by disclosing the income and expenditure derived from its non-charitable trading activities separately from those of the charity. A summary profit and loss account for the trading subsidiary is included in note 7. The charity has not prepared its own statement of financial activities, as permitted under the Companies Act 2006.

The subsidiary company's assets and liabilities are consolidated in the Balance Sheet on a line-by-line basis.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

The endowment fund represent a donation that is to be used as an expendable endowment for teacher professional development that is both capital and income and can be drawn down, to a maximum level of £100,000 per annum.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

THE PRINCE'S TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

d) Income

All income is included in the statement of financial activities when the charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Where the donor has specified that the donations or grants relate to future periods or that certain preconditions must be fulfilled before use, amounts received are recognized in the relevant period or when preconditions have been met.

Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognized at the time of the donation.

Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

e) Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Costs of raising funds comprise the expenditure on fundraising activities, including investment management fees, as well as an apportionment of relevant staff costs, whereas cost of charitable activities include all directly attributable costs with regards to the schools programme, summer school, continuing professional development courses and the development of the website, as well as an apportionment of other costs as detailed below.

Support costs are those costs incurred in support of expenditure on the objects of the charity and include project management and administration costs.

Overheads and other support costs not directly attributable to a particular activity are apportioned over the relevant activities on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time spent or ratio of the number of days of each type of activity, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the expenditure on governance of the charity including audit fees, legal advice for Trustees, costs of Trustee meetings and an apportionment of relevant staff costs to reflect time spent on governance-related matters. In accordance with FRS 102, these are now included within support costs above.

f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalized. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets less their estimated residual value, over their expected useful lives on the following basis:

Office fittings and equipment	20% on cost
Computer equipment and website development	33% on cost

g) Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

h) Pensions

The charitable company does not operate a pension scheme but contributes to employees' personal pension arrangements. Contributions are charged to the Consolidated Statement of Financial Activities on an accruals basis.

i) Operating leases

All payments under operating leases are charged to the statement of financial activities in the year in which they fall due.

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

i) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments. Financial instruments are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments are recognized at transaction value and subsequently adjusted for impairment with the exception of investment which are initially measured at transaction price and subsequently at fair value.

j) Critical accounting estimates and areas of judgement

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

The annual depreciation charge for fixed assets is sensitive to change in the estimated useful economic lives and residual value of assets. There are reassessed annually and amended where necessary to reflect current circumstances.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Cost of Charitable Activities

2018	Subject Leadership Programme £	Subject Enrichment Residentials £	Primary Leadership Residential And Programme £	Secondary Leadership Residential And Programme £	New Teacher Subject Days £	Other Continuing Professional Development £	Website And CRM £	Total Funds 2018 £
Activities direct costs	117,878	119,025	16,405	28,984	55,663	65,936	31,420	435,311
<i>Support costs</i>								
Wages and salaries	89,975	68,059	45,094	58,879	69,803	81,036	14,195	427,041
Consultancy	17,989	23,324	1,858	12,832	10,383	11,207	2,365	79,958
General office costs	33,927	21,005	17,772	27,465	27,466	25,850	3,231	156,716
Governance costs	4,222	2,831	2,483	3,526	3,526	3,351	919	20,858
	<u>146,113</u>	<u>115,219</u>	<u>67,207</u>	<u>102,702</u>	<u>111,178</u>	<u>121,444</u>	<u>20,710</u>	<u>684,573</u>
	<u>263,991</u>	<u>234,244</u>	<u>83,612</u>	<u>131,686</u>	<u>166,841</u>	<u>187,380</u>	<u>52,130</u>	<u>1,119,884</u>
2017	Subject Leadership Programme £	Subject Enrichment Residentials £	Primary Leadership Residential And Programme £	Secondary Leadership Residential And Programme £	New Teacher Subject Days £	Other Continuing Professional Development £	Website And CRM £	Total Funds 2017 £
Activities direct costs	127,081	159,004	12,207	28,221	57,999	82,948	15,050	482,510
<i>Support costs</i>								
Wages and salaries	89,565	79,169	35,550	57,595	76,905	72,743	12,599	424,126
Consultancy	18,600	17,850	1,500	4,500	11,500	3,750	300	58,000
General office costs	27,798	23,581	8,686	18,615	25,564	14,892	2,482	121,618
Governance costs	6,589	5,713	2,617	4,681	6,126	3,907	1,327	30,960
	<u>142,552</u>	<u>126,313</u>	<u>48,353</u>	<u>85,391</u>	<u>120,095</u>	<u>95,292</u>	<u>16,708</u>	<u>624,704</u>
	<u>269,633</u>	<u>285,317</u>	<u>60,560</u>	<u>113,612</u>	<u>178,094</u>	<u>178,240</u>	<u>31,758</u>	<u>1,117,214</u>

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

3. Cost of raising funds

	2018	2017
	£	£
Wages and salaries	80,822	52,059
General office costs	32,313	24,922
Direct fundraising costs	50,321	65,973
Investment management fees	19,752	11,051
	<u>183,208</u>	<u>154,005</u>

The increase in wages and salaries and associated general office costs is due to the creation of a new Development Co-Ordinator staff role.

4. Governance costs

	2018	2017
	£	£
Wages and salaries	13,941	12,962
General office costs	4,848	3,732
Auditor's remuneration – current year: The Prince's Teaching Institute	7,500	6,350
– current year: PTI Education Limited	3,000	2,750
– current year: Prior year (over)/under provision	(8,431)	700
– non-audit services	-	4,475
	<u>20,858</u>	<u>30,960</u>

5. Staff Costs

	2018	2017
	£	£
Wages and salaries	431,980	411,436
Social security costs	48,284	40,675
Contributions to personal pension schemes	41,540	37,035
	<u>521,805</u>	<u>489,146</u>

One employee received remuneration between £110,000 and £120,000 during the year (2017: one) and one employee received between £60,000 and £70,000 during the year (2017: one). Pension contributions of £17,820 (2016/17: £17,374) were paid on behalf of these individuals.

The average number of people employed by the charity during the year were as follows:

	2018	2017
	£	£
Charitable activities	12.8	11.8
Governance	0.2	0.2
	<u>13.0</u>	<u>12.0</u>

THE PRINCE'S TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

5. Staff Costs (continued)

No Trustee received remuneration from the charity during the year. No Trustees were reimbursed expenses during the year (2016/17: No Trustees were reimbursed expenses during the year).

Key management Personnel:

Key management personnel comprises the Full-time Co-Director, Chief Operating Officer, Senior Philanthropy and Partnerships Manager, Senior Events Manager and the Senior Programmes Manager. The total employment costs (including employers' national insurance and pension contributions) for these individuals was £365,715 (2017: £368,089).

6. Tangible Fixed Assets – Charity and Consolidated

	Website and Computer Equipment £	Office Fittings and Equipment £	Total £
Cost			
As at 1 October 2017 and at 30 September 2018	73,302	8,289	81,591
Depreciation			
At 1 October 2017	72,557	8,127	80,704
Charge during the year	597	132	729
At 30 September 2018	73,174	8,259	81,433
Net Book Value			
At 30 September 2018	128	30	158
At 30 September 2017	725	162	887

7. Fixed Asset Investments

Consolidated

	Listed 2018 £	Listed 2017 £
Market Value Brought Forward	1,255,230	1,222,757
Acquisitions at Cost	901,275	1,217,221
Less disposal Proceeds	(830,619)	(1,169,120)
Realised loss on Disposal	578	4,278
Unrealised gain on Revaluation	8,571	(19,906)
Market Value Carried Forward	1,335,035	1,255,230
Cash held	75,528	131,609
Accrued interest	6,768	10,181
Total value	1,417,331	1,397,020
<i>Historic cost of listed investments</i>	<i>1,393,764</i>	<i>1,234,151</i>

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

7. Fixed Asset Investments (continued)

Charity

The Institute owns PTI Education Limited, a company incorporated in the United Kingdom and registered in England, company number 10353080 and holds 100% of the £1 share capital.

The principal activity of the company is the provision of training and support services for secondary and primary school teachers. The company then "Gift Aids" its taxable profit to the Institute to provide resources to support the Institute's work.

The net profit of the company at 30 September 2018 is £71,132 (2017: £358,040) before the gift aid payment is made.

Its trading results, extracted from its audited accounts were as follows:

	2018	2017
	£	£
Turnover	1,269,608	1,481,932
Operating costs	(1,198,476)	(1,123,892)
	<u>71,132</u>	<u>358,040</u>
Operating profit	71,132	358,040
Gift Aid Payment	(71,132)	(358,040)
	<u>-</u>	<u>-</u>
Profit before taxation	-	-
	<u>-</u>	<u>-</u>
Tax on profit	-	-
	<u>-</u>	<u>-</u>
Profit for the financial period	-	-
	<u>-</u>	<u>-</u>
A summary of its assets are shown below:	2018	2017
	£	£
Debtors	87,545	78,454
Cash at bank and in hand	240,051	444,108
Creditors falling due within one year	(327,595)	(552,561)
	<u>1</u>	<u>1</u>
Net current assets	<u>1</u>	<u>1</u>

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

8. Debtors

	2018 Consolidated £	2017 Consolidated £	2018 Charity £	2017 Charity £
Trade debtors	135,022	76,289	59,750	16,945
Prepayments	45,098	29,243	34,015	32,849
Accrued income	5,662	1,184	5,410	4,184
VAT recoverable	14,565	25,754	13,627	12,838
Intercompany debtor	-	-	202,631	411,789
Rent deposit	5,326	5,326	5,326	5,326
	<u>205,673</u>	<u>137,796</u>	<u>320,759</u>	<u>483,931</u>

9. Creditors: Amounts falling due within one year

	2018 Consolidated £	2017 Consolidated £	2018 Charity £	2017 Charity £
Trade creditors	70,930	62,214	49,331	41,719
Deferred income	201,220	207,094	127,244	152,700
Other creditors	3,600	7,200	-	3,600
Accruals	57,574	65,648	31,785	46,165
	<u>333,324</u>	<u>342,156</u>	<u>208,360</u>	<u>244,184</u>

	2018 Consolidated £	2017 Consolidated £	2018 Charity £	2017 Charity £
Deferred income at 1 October 2017	207,094	177,162	152,700	177,162
Funds received in the year	149,721	207,094	75,745	42,116
Amount released to restricted and unrestricted funds in the SOFA	<u>(155,595)</u>	<u>(177,162)</u>	<u>(101,201)</u>	<u>(66,578)</u>
Deferred income at 30 September 2018	<u>201,220</u>	<u>207,094</u>	<u>127,244</u>	<u>152,700</u>

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. Movement in funds Group and charity	At 1 October 2017 £	Income / gains £	Expenditure / losses £	Transfers £	At 30 September 2018 £
Restricted Funds					
Subject Leadership Programme	-	139,365	(139,365)	-	-
Subject Enrichment Residentials	-	10,000	(10,000)	-	-
Primary Leadership Residential and Programme	-	16,975	(16,975)	-	-
Secondary Leadership Residential and Programme	-	25,000	(25,000)	-	-
<i>Total restricted funds</i>	-	191,340	(191,340)	-	-
Endowment Funds					
Teacher Training Fund	1,781,025	50,720	(30,409)	(100,000)	1,701,336
<i>Total endowment funds</i>	1,781,025	50,720	(30,409)	(100,000)	1,701,336
Unrestricted General Funds	841,136	1,010,013	(1,092,001)	100,000	859,148
<i>Total Funds</i>	2,622,161	1,252,073	(1,313,750)	-	2,560,484
Movement in funds – prior year comparative	At 1 October 2016 £	Income £	Expenditure £	Transfers £	At 30 September 2017 £
Restricted Funds					
Subject Leadership Programme	-	50,533	(50,533)	-	-
Subject Enrichment Residentials	-	1,775	(1,775)	-	-
<i>Total restricted funds</i>	-	52,308	(52,308)	-	-
Endowment Funds					
Teacher Training Fund	1,855,731	6,878	(26,679)	(54,905)	1,781,025
<i>Total endowment funds</i>	1,855,731	6,878	(26,679)	(54,905)	1,781,025
Unrestricted General Funds	837,292	1,156,799	(1,207,860)	54,905	841,136
<i>Total Funds</i>	2,693,023	1,215,985	(1,286,847)	-	2,622,161

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Teacher Training Fund represents a donation from the Prince of Wales US Foundation that is to be used as an Expendable Endowment for teacher professional development, that is both capital and income and can be drawn down to a maximum level of £100,000 per annum. A transfer of £100,000 was made in the year from the endowment funds.

	Fixed assets £	Investments £	Debtors £	Bank £	Creditors £	Total 2017 £
Unrestricted funds	887	-	137,796	1,044,609	(342,156)	841,136
Endowment funds	-	1,397,020	-	384,005	-	1,781,025
	<u>887</u>	<u>1,397,020</u>	<u>-</u>	<u>-</u>	<u>(342,156)</u>	<u>2,622,161</u>

During the year, the PTI was paid £nil (2017: £4,298) to provide professional development events for United Learning. Jon Coles, a director and charity Trustee of The Prince's Teaching Institute is Chief Executive of United Learning. The transaction was entered into on an arm's length basis.

THE PRINCE'S TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

13. Operating lease commitments

At 30 September 2018, the charity had total commitments under non-cancellable leases for buildings as follows:

	2018	2017
	£	£
Payable in less than one year	68,510	68,510
Payable within two to five years	79,928	148,438
	<u>148,438</u>	<u>216,948</u>
	<u><u>148,438</u></u>	<u><u>216,948</u></u>

THE PRINCE'S TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. Comparative Consolidated SOFA	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total Funds 2017 £
Income and endowments from:				
Grants and donations	606,821	52,308	-	659,129
Charitable activities:				
Affiliation Fees	171,387	-	-	171,387
Subject Enrichment Residentials	44,110	-	-	44,110
Primary Leadership Residential and Programme	22,705	-	-	22,705
Secondary Leadership Residential and Programme	17,840	-	-	17,840
New Teacher Subject Days	86,618	-	-	86,618
Other Continuing Professional Development	109,772	-	-	109,772
Other trading activities	49,500			49,500
Investments	48,046	-	-	48,046
Total Income	<u>1,156,799</u>	<u>52,308</u>	<u>-</u>	<u>1,209,107</u>
Expenditure on:				
Raising funds	142,954	-	11,051	154,005
Charitable activities:				
Subject Leadership Programme	267,858	1,775	-	269,633
Subject Enrichment Residentials	234,784	50,533	-	285,317
Primary Leadership Residential and Programme	60,560	-	-	60,560
Secondary Leadership Residential and Programme	113,612	-	-	113,612
New Teacher Subject Days	178,094	-	-	178,094
Other Continuing Professional Development	178,240	-	-	178,240
Website and CRM	31,758	-	-	31,758
Total Cost of Charitable Activities	<u>1,064,906</u>	<u>52,308</u>	<u>-</u>	<u>1,117,214</u>
Total Expenditure	<u>1,207,860</u>	<u>52,308</u>	<u>11,051</u>	<u>1,271,219</u>
Net income / (expenditure) before other recognised gains / (losses) and transfers	<u>(51,061)</u>	<u>-</u>	<u>(11,051)</u>	<u>(62,112)</u>
Gain on foreign exchange	-	-	6,878	6,878
Net loss on investments	-	-	(15,628)	(15,628)
Transfer between funds	54,905		(54,905)	-
Net expenditure for the year	<u>3,844</u>	<u>-</u>	<u>(74,706)</u>	<u>(70,862)</u>
Total funds at 1st October 2016	837,292	-	1,855,731	2,693,023
Total funds at 30th September 2017	<u>841,136</u>	<u>-</u>	<u>1,781,025</u>	<u>2,622,161</u>