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

**Registered Charity No. 1116224**

**Company No. 05910443**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2017**

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
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# **The Prince's Teaching Institute**

## **Trustees' Report for the year ended 30 September 2017**

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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 2017. 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 FRS102 Charities SORP, the Companies Act 2006 and Charities Act 2011.

### **Reference and administrative information**

#### 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 (appointed Chairman from 26 June 2017)

Jonathan A. Coles

Professor E. Helen Cooper

Alan H.M. Kelsey (resigned 6 November 2016)

Sir Harvey A. McGrath (resigned as Trustee and Chairman 26 June 2017)

Sushil Saluja

Peter I. Wallace

In addition, Raj Kumar was appointed on 14 December 2017

##### *Company Secretary*

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

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

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### Legal advisers

Farrer & Co  
66 Lincoln's Inn Fields  
London WC2A 3LH

Penningtons Manches LLP  
125 Wood Street  
London EC2V 7AW

### 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 31st January 2018



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### **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.

#### 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. Sir Harvey McGrath served as Chairman until Jun 2017 after nine years as a Trustee, eight as Chairman. He was knighted in the New Year Honours, 2016.

Keith Breslauer was appointed unanimously as Chairman by his fellow Trustees. He has served as a member of the Development Committee since 2008 and is Managing Director and Senior Partner of Patron Capital Partners.

#### Membership of the Trustee body

The current Trustees are listed on page 2 of this Report and have served for the year under review, unless otherwise stated.

#### 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 2017**

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### *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 assist 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; she was Headmistress of North London Collegiate School until 1 September of the year under review, when she became Director of International Schools and Education Strategy for North London Collegiate School Enterprises. They are assisted by eight full-time employees and two part-time employees (the Education Advisor and Finance Assistant). 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
- The Chief Operating Officer
- The Senior Philanthropy and Partnerships Manager
- The Senior Events Manager
- The Senior Programmes Manager

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

### *The Prince of Wales's Charitable Foundation ('PWCF')*

The PTI is one of the group of more than 10 charities that enjoy the direct patronage of HRH The Prince of Wales. The chief executives and senior staff of this group meet with members of the PWCF on a regular basis in order to discuss matters of common interest.

### Internal controls and the mitigation of risk.

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 Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2017

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

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

- **The widespread reorganisation of schools into Multi Academy Trusts (MATs).** In the year under review there has been a significant acceleration of schools becoming MATs. This presents two risks for the PTI:
  1. Some MATs, faced with shrinking budgets, intend to conduct as much professional development internally as possible.
  2. The lack of a universally adopted model of governance makes it more complex 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 reporting continued reductions in their budgets and therefore their capacity to invest in professional development for teachers. 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.

## 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:** Whereas doctors, lawyers and other professionals have a legal requirement to stay up to date with their knowledge, this is not so with teachers. Despite research confirming that a teacher's knowledge of their subject is the most important factor in effective teaching, most teacher training is concentrated on examination specifications and generic responsibilities such as safeguarding. Working with Cambridge University and many other British universities, as well as Britain's most eminent speakers, the PTI re-ignites teachers' passion for their subject, updates their subject knowledge, and promotes the idea that enthusiasm for good knowledge and subject rigour are essential requirements for effective teaching to children of all abilities. Through re-igniting teachers' ambition, the aspiration of the children is raised.
- **Maintain standards of school subject provision:** The PTI works with state 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.
  - Increase teaching beyond the test and subject-based extra-curricular activities
  - Increase subject-based networks outside school
  - Increase the amount of subject-based training received by staff in departments

# **The Prince's Teaching Institute**

## **Trustees' Report for the year ended 30 September 2017**

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### Activities

With these objectives in mind, the PTI helps teachers to learn from the example of the best of their peers re-inspiring them to give their best in the classroom. It works in the following subjects: English, History, Geography, Mathematics, Science, Modern Foreign Languages, Latin, Art and Music. It also works with schools leaders at secondary and primary level to promote inspiring and rigorous subject teaching in schools.

***The Schools Programme and Summer Schools;*** a membership scheme for state school departments that are committed to challenging and extending all pupils, regardless of ability, with rich subject provision. As well as benefitting from priority booking and discounts to PTI events, all staff in Schools Programme departments received the PTI Yearbook, can draw on the expertise of the Education Advisor and have access to the private Staffroom area of the website ([www.princes-ti.org.uk](http://www.princes-ti.org.uk)) 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 their website at the end of their first year of membership. Induction is via a Head of Department, or delegated representative, attending a Summer School.

The Summer Schools 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 Schools Programme. During the Summer School, delegates can choose whether they wish their departments to opt into the Schools Programme or not.

***Schools Leadership Programme and Headteachers' Residential;*** analogous to the Schools Programme, but conducted at school Senior Team level, 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 at a day which allows participating schools to share their experiences. Those who demonstrate progress in their project are awarded a PTI Schools Leadership Programme Mark for display at school, use on school stationery and their website.

Induction is via a school's Headteacher attending the Heads' Residential. This is a two day conference for head teachers and policy-makers that provides a forum for reflection on issues about school leadership. During the residential, they choose whether they wish to opt into the Schools Leadership Programme.

***Primary Leadership Programme and Primary Headteachers' Residential;*** analogous to the secondary Schools Leadership Programme, the programme is a network of primary schools committed to promoting more inspiring subject teaching in primary schools. The aim of the programme is to ask schools to consider approaches to leadership, staffing and the curriculum within their walls as well as consider inter-school collaboration that will help to develop the quality, rigour and challenge experienced by pupils of all abilities and backgrounds. As with the secondary programme, 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. The group meet twice a year, once visiting a school in the network and once at a day which allows participating schools to share their experiences. At this day, those who demonstrate progress in their project are awarded a PTI Schools Leadership Programme Mark for display at school, use on school stationery and their website.

## **The Prince's Teaching Institute**

### **Trustees' Report for the year ended 30 September 2017**

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Induction is via a school's Headteacher attending the Primary Headteachers' Residential. This is a two day conference for head teachers and policy-makers that provides a forum for reflection on issues about school leadership. During the residential, they choose whether they wish to opt into the Primary Leadership Programme.

**Continuing Professional Development ("CPD")**; one-day subject-based training courses, run by teachers, with administrative help from the PTI office, which introduce the latest thinking in specific areas of the curriculum. They are an important way to reach teachers who tell us that they feel starved of the kind of high quality subject-based professional development that the PTI provides.

**New Teacher Subject Days**; courses for newly qualified, second and third year teachers, as well as school-based teacher trainees run in English, History, Geography, Mathematics, Physics, Chemistry, Biology, French and Spanish. Participants are required to attend four Saturdays during the year, each of which 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. The courses are run at Pimlico Academy in London.

#### Public benefit

The PTI's aim is to improve the education of children in state schools in England and Wales. 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 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 in the United Kingdom from state schools. Modest charges are made for Schools Programme affiliation and for PTI events which do not cover the costs of providing the services. As well as defraying immediate costs, the charges discourage people from withdrawing at short notice.

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## **Trustees' Report for the year ended 30 September 2017**

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### **Achievements in 2016/17**

The Prince's Teaching Institute ended 2016/17 with a stable result financially, despite the discontinuation of funding of over £500,000 per annum that it had been receiving for the past four years from the National College for Teaching and Leadership for its New Teacher Subject Days. (The organisation has now been discontinued by the Department for Education.) However, our teacher reach during the year suffered.

In addition to the discontinuation of National College funding there was a further tightening of school budgets, resulting in reluctance to spend and release teachers from school for professional development.

In response, we established a trading company in September 2016, PTI Education Ltd, to take advantage of sponsorship and commercial income opportunities. Nevertheless we were obliged to increase our (highly subsidised) fees to schools for the first time since the charity's inception. The lack of funding for the New Teacher Subject Days resulted in our having to discontinue these courses in Manchester and Birmingham, and reduce the scope of the courses from six days to four in London. As a result, teachers attending New Teacher Subject Days courses dropped from 518 to 180.

The higher fees combined with tightening school budgets also had an impact on our other activities, with the overall number of teachers attending courses (excluding Subject Days) dropping from 1576 to 1162. As a result, the number of schools engaging in our activities was reduced to 486, which represents 11% of secondary schools in the country, compared to 14% in 2015/16.

However, the impact that we have on teachers attending our courses remains as high as ever. At a time of concern about the number of teachers leaving the profession, we are pleased that over 67% of teachers who had considered leaving the profession, be they Heads of Department or New Teachers, are less likely to do so as a result of attending PTI courses. The following quote – unprompted - from a Summer School delegate proves the point:

*"Three days ago, I was ready to chuck in the towel after a decade in teaching. Today, I leave this course reinvigorated and enthused to embark on another decade in a career I love. Thank you!"*

### Heads of Department: The Schools Programme and Summer Schools

2016/17 saw a decline in the number of departments participating in our Schools Programme, from 691 to 615 departments. The majority of those leaving the programme cited our increased affiliation fee and budget cuts, as well as their lacking the capacity in school to go the extra mile to accomplish their Schools Programme objectives, given cuts in staff and the introduction of new curricula at both GCSE and A Level.

However, the challenge of the work done within the Programme was as high as ever, with 90% reporting a more challenging departmental plan as a result of the Schools programme. We ran six annual Schools Programme Days once again, during which The Prince's Teaching Institute offers a one-to-one consultation for all participants, with a Teacher Leader peer. At this consultation, progress towards departmental objectives is discussed, and departments who have achieved their objectives are awarded a PTI Mark. Challenging objectives for the year ahead are then agreed.

At this time of such pressure in schools, Schools Programme members particularly value the opportunity to connect with their peers in other schools in the country. This is illustrated in the following quotes from members:

*"It is very important to my department to belong to the PTI. It supports us and upholds our beliefs in what it means to be teachers"*



## **The Prince's Teaching Institute**

### **Trustees' Report for the year ended 30 September 2017**

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*"Essential periods of reflection are afforded by being a member of the PTI and this is so integral to the continued well-being of teachers. Meaningful ideas and practices can be formulated in stimulating environments and constructively critiqued as part of an ongoing professional dialogue"*

We asked participating departments whether "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". 72% responded that it did, with 88% confirming that it had raised the aspirations and expectations of their pupils. 89% felt that their membership of the Schools Programme had resulted in a richer experience for their students, and 74% felt that their pupils enjoyed their subject more as a result of the intervention.

We held two Residentials for Heads of Department in the year under review. The autumn Residential was held at Crewe Hall in Cheshire for Heads of Mathematics and Science and in the summer we returned to Homerton College, Cambridge, and held the Residential for Heads of English, Geography, Music and Art.

As usual, we had an impressive roster of speakers who engaged and re-inspired the Heads of Department. In Crewe, the mathematics teachers were pleased to have the eminent mathematician Professor Marcus du Sautoy OBE join them, and Professor Anu Ojha OBE, Director of the National Space Academy, enthused the delegates with some of the latest developments in the study of space. Additionally, the Royal Photographic Society enhanced the delegates' experience through an exhibition of scientific photographs from their Images for Science 2016 competition. In Cambridge, there was the usual rich offer for the delegates, including a visit to the Fitzwilliam Museum for the Art teachers, a composition workshop with members of the Glyndebourne education team for the musicians, a detailed fieldwork afternoon for the geographers, and a Royal Shakespeare Company workshop for the Heads of English.

We received extremely strong evaluations from the delegates once again, with 92% of delegates saying that the Summer School will make them a better teacher. The following quotes from the teachers illustrating their feelings after the course:

*"I felt very strongly about the importance of teaching art & design before attending the course but as a small department we were feeling increasingly isolated in school. We were feeling as if our subject was being demoted alongside the core subjects. The course has given me a stronger voice to take back to school and argue why our subject is so important."*

*"I have always passionately believed in the power of English teaching and how it is essential for all aspects of life within school and beyond. This course has allowed me to strengthen my belief as well as draw upon interesting and inspirational lectures and seminars."*

#### School Leaders: Primary and Secondary Leadership Residential and Leadership Programmes

We are pleased that our Primary Headteachers' Residential continues to be successful, challenging the orthodoxy that in primary schools, each class should have one teacher who teaches their pupils most of the subjects. Once again, another group of Heads attending the Primary Headteachers' Residential left with a commitment to explore ways of introducing some subject specialism in their schools through their membership of the Primary Leadership Programme. The residential continues to receive extraordinarily strong evaluations from delegates attending. For the third year in a row 100% of delegates have stated that "Attending this Residential has been a valuable experience", "Attending the Residential will have an impact on my school" and "I will develop subject-rich initiatives in my school".

The Primary Leadership Programme projects are now in their second year, and although the cohort is still small, there is a sense of the impact that the projects are making: 90% of members state that their "participation in the Primary Leadership Programme has had a positive impact on the quality, rigour and challenge experienced by pupils".

## **The Prince's Teaching Institute**

### **Trustees' Report for the year ended 30 September 2017**

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We held a Secondary Leadership Residential at Madingley Hall in Cambridge in February which was well received again too, with 100% of delegates once again stating that the course was well designed, and that it would have an impact on the pupils in their schools. The following quote is typical:

*"I thoroughly enjoyed the conference. It provided me with a wealth of ideas and strategies that I can use to implement change and improvement in my school. It was enormously beneficial for me to talk to experienced heads about a range of issues from building strong teams to improving teaching and learning to embedding successfully culture and ethos."*

Attendance at this residential makes the schools eligible to join the Schools Leadership Programme, and the members of the programme, who are alumni from previous years' residentials, continue to value the programme, with 97% of members stating that membership of the Programme is helping to increase the focus on teaching and learning in the school, and 98% stating that it is helping to develop the leadership skills in their schools.

As in previous years, summaries of the Schools Leadership Programme research projects are published along with the subject department Associate Department projects in the PTI Yearbook, available from the PTI website.

The Schools Leadership Programme currently has 102 school members.

#### Teachers and New Teachers: One-Day and New Teacher Subject Days courses

As is customary, our one day CPD courses were very highly rated once again by delegates last year. Highlights included an exceptional day on composition for the music teachers, led by the renowned composer Howard Goodall. In geography, we had a day on water and carbon cycles, where the geography teachers learnt about the latest thinking from Professor Martin Evans (University of Manchester), Professor Mark Mulligan (King's College London) and Prof Mark Maslin (University College, London) and a day on Romantic Poetry with by Dr Fred Parker (University of Cambridge) and Dr Gregory Dart (University College, London). 91% of delegates reported that the days have given them the knowledge and skills to be a better teacher and 91% believed the days would have an impact on their pupils.

Since the first pilot in 2012, our New Teacher Subject Days courses have benefitted from public funding, but with the National College's decision to withdraw funding last year, we were obliged to stop running the courses in Manchester and Birmingham. After due consideration, the Trustees decided that we should continue to run the courses in London, but due to their cost of delivery, we would need to reduce the course length from six to four days and increase the fee to schools. However, despite the shorter course, it remained well received, with over 94% stating that the course was valuable and would have an impact on their students. 92% of their Headteachers and Heads of Department reported that they had noticed an increase in confidence in the teachers they have sent on the course, and that the course will have an impact on the quality of teaching and the students' learning.

#### Fundraising

The PTI's Development Committee was established in 2009, and its members play a vital role in the execution of our fundraising strategy. The Committee currently has 19 members. During the year we were delighted to welcome to the Committee Muge Ponte and Sharon Buscemi Shultz. The Trustees would like to express their thanks to William Drake, but who is stepping back from his role in the Development Committee.



# **The Prince's Teaching Institute**

## **Trustees' Report for the year ended 30 September 2017**

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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.

### **Financial commentary**

#### Income, Expenditure and movements in funds

Excluding movements in endowment funds, total income during the period under review was £1,209k (2015/16: £1,745k) and total expenditure was £1,260k (2015/16: £1,740k). The Trustees chose to draw down £55k of capital from the Teacher Training Fund which, together with the £45k of income generated, total the annual £100k allowance. The result was a surplus of unrestricted funds of £4k for the year under review.

Voluntary income rose 11% to £709k (2015/16: £639k), excluding the prior year £586k grant from the National College for Teaching and Leadership, thanks to a successful campaign to recruit additional donors. Income from charitable activities dropped £46k at £452k (2015/16: £497k), driven by a £57k drop in New Teacher Subject Days income as the courses in Manchester and Birmingham ceased. Summer School income was also down £6k, as the Crewe Hall residential delegate fee for Heads of Mathematics and Science was reduced from £495 to £195 as part of a sponsorship agreement with Siemens plc. These decreases were offset by increases in Primary Programme, Secondary Leadership programme and Schools Programme affiliation fees, due to the increased fees charged to schools and continuing demand for the leadership programmes in particular.

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 1.4% from £1,856k to £1,881k. Following the drawdown of £100k of income and capital, at the year end endowment funds totalled £1,781k.

Overall expenditure decreased by 27% to £1,271k (2015/16: £1,740k). Direct costs of charitable activities fell £399k to £483k (2015/16: £882k). £286k of this decrease is due to the discontinuation, compared to the prior year, of the New Subject Days in Birmingham and Manchester. There were reductions across the board in all other areas, except for the growing primary programme, thanks to effective cost control. Support costs of charitable activities, including general office and governance costs, decreased from £663k to £634k, principally due to there being no one-off costs related to the establishment of the trading subsidiary PTI Education Limited.

Expenditure on raising funds decreased by £41k to £154k (2015/16: £195k), as compared to the prior year there were no additional costs relating to the maternity of the Senior Development Manager. London & Capital fees for the management of the endowment fund increased to £11k (2015/16: £8k) as this was their first full year managing the funds.

At the year-end the Net Assets of the charity totalled £2,622k (2015/16: £2,693k). Unrestricted reserves increased from £837k to £841k.

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

#### Risk

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 2017**

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### 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 Schools Programme and Schools Leadership Programme services for 12 months to schools affiliated to the Schools Programme. This is approximately £650k, and with unrestricted reserves totalling £841k 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.

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 £1.78m 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, £384k 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 medium and long term. This 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 a successful year for the charity.

## **Future plans**

During the year, the charity received a number of enquiries from British schools overseas, and in response welcomed three overseas delegates to our Homerton residential. They found the course valuable, and we were very pleased that these teachers were very well received by their peers from state schools in England, enriching the workshop discussions. As a result, we will be opening the residential to overseas and independent schools from 2017/18. We will be charging full fees so that these delegates will help us support their colleagues in the state school sector.

In response to the challenges that teachers are having being released from school to attend our events, we ran a pilot online seminar on teaching poetry in the summer term. Although webinars are becoming increasingly common, many teachers have reported that their experience of them has been unsatisfactory. We were therefore extremely pleased that our online pilot received a very enthusiastic response from those taking part, with 83% feeling that it was a valuable experience. We feel that there is room for improvement in our model, but given this good initial response, we will be piloting further online activities in 2017/18, allowing teachers to engage with our work without having to seek release from school, and allowing us to refine an offer that we will ensure is of the same quality as our current work.

# **The Prince's Teaching Institute**

## **Trustees' Report for the year ended 30 September 2017**

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### **Audit information**

So far as the Trustees are aware, at the time this Trustees' report is approved,

- a) there is no relevant information of which the auditors are unaware; and
- b) they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

### Auditors

Kingston Smith LLP have indicated their willingness to continue in office as auditors. In common with good governance practices, the Trustees have sought proposals from three parties in connection with the external audit. The process is ongoing and the Trustees will make a recommendation to the forthcoming AGM on its completion.

### Statement of Trustees' responsibilities in relation to the Financial Statements

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 applicable and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and 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 departures which have been disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006.

This report was approved by the directors and charity Trustees on 8 February 2018 and signed on their behalf by:



**Keith Breslauer**  
Chairman

# **Independent Auditor's Report to the Members of The Prince's Teaching Institute**

We have audited the financial statements of The Prince's Teaching Institute for the year ended 30 September 2017 which comprise the 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2017 and of the group's 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.

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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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 and 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.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

# **Independent Auditor's Report to the Members of The Prince's Teaching Institute (continued)**

## **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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

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

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

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

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

## **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 14, 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 and 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 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**

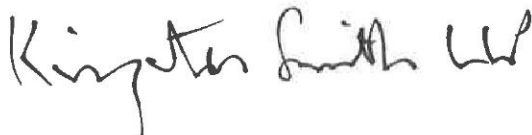
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

## Independent Auditor's Report to the Members of The Prince's Teaching Institute (continued)

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**James Cross, Kingston Smith LLP**  
Statutory auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date 20 March 2018



**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Consolidated Statement of Financial Activities**  
**(incorporating an Income and Expenditure Account)**  
**For the year ended 30th September 2017**

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
<b>Income and endowments from:</b>						
<b>Grants and donations</b>		656,321	52,308	-	708,629	1,668,341
<b>Charitable activities:</b>						
Schools Programme Affiliation Fees		171,387	-	-	171,387	166,130
Summer Schools		44,110	-	-	44,110	50,490
Continuing Professional Development events		109,772	-	-	109,772	112,206
Heads' Residential and Schools Leadership Programme		17,840	-	-	17,840	11,552
New Teacher Subject Days		86,618	-	-	86,618	143,370
Primary Heads Residential and Leadership Programme		22,705	-	-	22,705	13,200
<b>Investments</b>	2	48,046	-	-	48,046	22,737
<b>Total Income</b>		<u>1,156,799</u>	<u>52,308</u>	<u>-</u>	<u>1,209,107</u>	<u>2,188,026</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>	4	142,954	-	11,051	154,005	195,036
<b>Charitable activities:</b>						
Schools Programme	3	267,858	1,775	-	269,633	279,008
Summer Schools		234,784	50,533	-	285,317	285,585
Continuing Professional Development		178,240	-	-	178,240	177,861
Heads' Residential and Schools Leadership Programme		113,612	-	-	113,612	109,414
Primary Heads Residential and Leadership Programme		60,560	-	-	60,560	35,544
New Teacher Subject Days		178,094	-	-	178,094	621,744
Website and CRM		31,758	-	-	31,758	35,824
<b>Total Cost of Charitable Activities</b>		<u>1,064,906</u>	<u>52,308</u>	<u>-</u>	<u>1,117,214</u>	<u>1,544,980</u>
<b>Total Expenditure</b>		<u>1,207,860</u>	<u>52,308</u>	<u>11,051</u>	<u>1,271,219</u>	<u>1,740,016</u>
<b>Net (expenditure)/ income before other recognised gains/ (losses) and transfers</b>		(51,061)	-	(11,051)	(62,112)	448,010
Gain/(loss) on foreign exchange		-	-	6,878	6,878	(43,532)
Net (loss)/gain on investments	8	-	-	(15,628)	(15,628)	85,607
Transfer between funds		54,905	-	(54,905)	-	-
<b>Net income/(expenditure) for the year</b>		<u>3,844</u>	<u>-</u>	<u>(74,706)</u>	<u>(70,862)</u>	<u>490,085</u>
Total funds at 1st October 2016		837,292	-	1,855,731	2,693,023	2,202,938
<b>Total funds at 30th September 2017</b>		<u>841,136</u>	<u>-</u>	<u>1,781,025</u>	<u>2,622,161</u>	<u>2,693,023</u>

For 2016 comparative of Statement of Financial Activities please see note 15.

Income for the charity only is £1,704,465 (including £1,006,040 intercompany) and expenditure of £1,775,327 (including £980,000 intercompany) giving a deficit of £70,862

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Consolidated Balance Sheet at 30th September 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible assets	7		887		2,001
Investments	8		<u>1,397,020</u>		<u>1,374,272</u>
			1,397,907		1,376,273
<b>Current assets</b>					
Debtors	9	137,796		86,669	
Cash at bank and in hand		<u>1,428,614</u>		<u>1,551,884</u>	
		1,566,410		1,638,553	
<b>Creditors</b>					
Amounts falling due within one year	10	<u>(342,156)</u>		<u>(321,803)</u>	
<b>Net current assets</b>			<u>1,224,254</u>		<u>1,316,750</u>
<b>Net assets</b>			<u><u>2,622,161</u></u>		<u><u>2,693,023</u></u>
<b>Funds</b>					
Restricted funds	11		-		-
Endowment funds	11		1,781,025		1,855,731
Unrestricted funds	11		841,136		837,292
			<u><u>2,622,161</u></u>		<u><u>2,693,023</u></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 **8 FEBRUARY 2018**

  
 Keith Breslafer, Chairman

Companies House no: 05910443



**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Charity Balance Sheet at 30th September 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	7		887		2,001
Investments	8		<u>1,397,021</u>		<u>1,374,272</u>
			1,397,908		1,376,273
<b>Current assets</b>					
Debtors	9	483,931		86,669	
Cash at bank and in hand		<u>984,506</u>		<u>1,551,884</u>	
		1,468,437		1,638,553	
<b>Creditors</b>					
Amounts falling due within one year	10	<u>(244,184)</u>		<u>(321,803)</u>	
<b>Net current assets</b>			<u>1,224,253</u>		<u>1,316,750</u>
<b>Net assets</b>			<u>2,622,161</u>		<u>2,693,023</u>
<b>Funds</b>					
Restricted funds	11		-		-
Endowment funds	11		1,781,025		1,855,731
Unrestricted funds	11		841,136		837,292
			<u>2,622,161</u>		<u>2,693,023</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

8 FEBRUARY 2018

  
 Keith Breslauer, Chairman

Companies House no: 05910443

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Consolidated Statement of Cashflows for the year ended 30th**  
**September 2017**

	Note	2017 £	2016 £
<b>Cash flow from operating activities</b>			
Net cash (used in)/provided by operating activities	(i)	<u>(123,111)</u>	<u>564,397</u>
<b>Cash flow from investing activities</b>			
Investment income		45,095	17,385
Acquisition of fixed asset investments through investment manager		(1,217,221)	(1,224,376)
Proceeds from disposal of fixed asset investments through investment manager		1,169,120	87,226
Loss/(Profit) on foreign exchange		(6,878)	(43,532)
Purchase of tangible fixed assets		<u>-</u>	<u>(1,054)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>(9,884)</u>	<u>(1,164,351)</u>
<b>Change in cash and cash equivalents</b>		(132,995)	(599,954)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>1,703,398</u>	<u>2,303,352</u>
<b>Cash and cash equivalents at the end of the year</b>	(ii)	<u>1,570,403</u>	<u>1,703,398</u>

**(i) Reconciliation of net income to net cash flow from operating activities**

	2017 £	2016 £
<b>Net (expenditure)/income</b>	(70,862)	490,085
<b>Adjustments for:</b>		
Depreciation charge	1,114	1,719
Dividend income	(22,376)	(7,013)
Interest received	(22,719)	(10,372)
Profit on sale of investments	(4,278)	(1,226)
Loss on foreign exchange	6,878	43,532
Unrealised loss/(profit) on investments	19,906	(84,381)
Increase in debtors	(51,127)	(12,736)
Increase in creditors	<u>20,353</u>	<u>144,789</u>
<b>Net cash (used in)/provided by operating activities</b>	<u>(123,111)</u>	<u>564,397</u>

**(ii) Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	1,428,614	1,551,884
Cash held on deposit	<u>141,789</u>	<u>151,514</u>
	<u>1,570,403</u>	<u>1,703,398</u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

**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 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 and 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 in 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 Institute. A summary profit and loss account for the trading subsidiary is included in note 8. The Institute 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 represents 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 subjected to restrictions on their expenditure imposed by the donor.

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

**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 donations or grants relate to future periods or that certain preconditions must be fulfilled before use, amounts received are recognised 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 recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised 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 capitalised. 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 bases:

Office Fittings and Equipment	20% on cost
Computer Equipment and website development	33% on cost

**g) Pensions**

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

**h) Operating leases**

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

**i) Investments**

Listed 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.

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

**j) Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company 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 recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Changes in the fair value of derivatives are recognised in the SOFA in finance costs or finance income as appropriate.

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

**k) Critical accounting estimates and areas of judgement**

In the application of the company'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 recognised in the period in which the estimate is revised where the revision affects only that period, or in 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. These are reassessed annually and amended where necessary to reflect current circumstances.

**l) 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.

**2 Investment income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Dividend income - endowment	22,376	7,013
Interest on cash deposits - endowment	22,719	10,372
Interest on cash deposits - unrestricted	2,951	5,352
	<u>48,046</u>	<u>22,737</u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

**3 Cost of Charitable Activities**

**2017**

	Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme	Primary Heads' Residential and Leadership Programme	New Teacher Subject Days	Website and CRM	Total Funds 2017
	£	£	£	£	£	£	£	£
Activities direct costs								
Schools Programme	127,081	-	-	-	-	-	-	127,081
Summer Schools	-	159,004	-	-	-	-	-	159,004
Continuing Professional Development (CPD)	-	-	82,948	-	-	-	-	82,948
Heads' Residential and Schools Leadership Programme	-	-	-	28,221	-	-	-	28,221
Primary Heads' Residential and Leadership Programme	-	-	-	-	12,207	-	-	12,207
New Teacher Subject Days	-	-	-	-	-	57,999	-	57,999
Website and CRM	-	-	-	-	-	-	15,050	15,050
Support costs								
Wages and salaries	127,081	159,004	82,948	28,221	12,207	57,999	15,050	482,510
Consultancy	89,565	79,169	72,743	57,595	35,550	76,905	12,599	424,126
General office costs	18,600	17,850	3,750	4,500	1,500	11,500	300	58,000
Governance costs	27,798	23,581	14,892	18,615	8,686	25,564	2,482	121,618
	6,589	5,713	3,907	4,681	2,617	6,126	1,327	30,960
	142,552	126,313	95,292	85,391	48,353	120,095	16,708	634,704
	269,633	285,317	178,240	113,612	60,560	178,094	31,758	1,117,214

**5**

# The Prince's Teaching Institute

## (An incorporated charity limited by Guarantee)

### Notes to the Financial Statements For the year ended 30th September 2017

#### 3 Cost of Charitable Activities (continued)

2016

	Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme	Primary Heads' Residential and Leadership Programme	New Teacher Subject Days	Website and CRM	Total Funds 2016 £
Activities direct costs	£	£	£	£	£	£	£	£
Schools Programme	153,596	-	-	-	-	-	-	153,596
Summer Schools	-	199,961	-	-	-	-	-	199,961
Continuing Professional Development (CPD)	-	-	121,975	-	-	-	-	121,975
Heads' Residential and Schools Leadership Programme	-	-	-	36,779	-	-	-	36,779
Primary Heads' Residential and Leadership Programme	-	-	-	-	8,355	-	-	8,355
New Teacher Subject Days	-	-	-	-	-	344,071	-	344,071
Website and CRM	-	-	-	-	-	-	16,868	16,868
Support costs	153,596	199,961	121,975	36,779	8,355	344,071	16,868	881,605
Wages and salaries	75,442	53,422	39,696	42,101	14,903	169,308	12,017	406,889
Consultancy	18,394	17,512	1,500	4,588	5,100	17,500	2,381	66,975
General office costs	26,563	11,986	11,986	21,703	5,508	77,747	3,239	158,732
Governance costs	5,013	2,704	2,704	4,243	1,678	13,118	1,319	30,779
	125,412	85,624	55,886	72,635	27,189	277,673	18,956	663,375
	279,008	285,585	177,861	109,414	35,544	621,744	35,824	1,544,980

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**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

<b>4 Cost of raising funds</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	52,059	35,199
General office costs	24,922	94,433
Direct fundraising costs	65,973	57,619
Investment management fees	11,051	7,785
	<u>154,005</u>	<u>195,036</u>

The £69,511 decrease in general office costs is due to a decrease in consultancy costs which occurred because these costs were no longer needed to cover the maternity leave of the Senior Development Manager.

<b>5 Governance Costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,962	12,159
General office costs	3,723	4,161
Auditor's remuneration: - current year: The Prince's Teaching Institute	6,350	6,675
- current year: PTI Education Limited	2,750	-
- prior year under provision	700	4,260
- non-audit services	4,475	3,523
	<u>30,960</u>	<u>30,779</u>

<b>6 Staff Costs (including directors' emoluments)</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	411,436	381,234
Social security costs	40,675	38,437
Contributions to personal pension schemes	37,035	34,578
	<u>489,146</u>	<u>454,249</u>

One employee received remuneration between £110,000 and £120,000 during the year (2015/16: one), and one employee received between £60,000 and £70,000 during the year (2015/16: one). Pension contributions of £17,374 (2015/16: £17,151) were paid on behalf of those individuals.

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

	<b>2017</b>	<b>2016</b>
Charitable activities	11.8	12.8
Governance	0.2	0.2
	<u>12.0</u>	<u>13.0</u>

No Trustee received remuneration from the charity during the year.

No Trustees were reimbursed expenses during the year (2015/16: one Trustee a total of £120).

**Key Management Personnel:**

Key management personnel comprises the Co-Directors, 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 £368,089 (2016: £305,257).



**The Prince's Teaching Institute**  
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**For the year ended 30th September 2017**

7 Tangible Fixed Assets - Charity and Consolidated	Website and Computer Equipment £	Office Fittings and Equipment £	Total £
<b>Cost</b>			
As at 1 October 2016 and at 30 September 2017	73,302	8,289	81,591
<b>Depreciation</b>			
At 1st October 2016	71,595	7,995	79,590
Charge during the year	982	132	1,114
At 30th September 2017	72,577	8,127	80,704
<b>Net Book Value</b>			
At 30th September 2017	725	162	887
At 30th September 2016	1,707	294	2,001

**8 Fixed Asset Investments - Charity and Consolidated**

	Listed 2017 £	Listed 2016 £
<b>Consolidated</b>		
Market Value Brought Forward	1,222,757	-
Acquisitions at Cost	1,217,221	1,224,376
Less Disposal Proceeds	(1,169,120)	(87,226)
Realised gains on Disposal	4,278	1,226
Unrealised loss on Revaluation	(19,906)	84,381
<b>Market Value Carried Forward</b>	1,255,230	1,222,757
Cash held	131,609	141,300
Accrued interest	10,181	10,215
<b>Total value</b>	1,397,020	1,374,272
<b>Geographical Analysis</b>		
United Kingdom investments	599,325	1,010,376
Overseas investments	655,905	212,381
	1,255,230	1,222,757
<i>Historic cost of listed investments</i>	1,234,151	1,138,363

There were no investments held that are considered to be material in the context of the total portfolio value (2016: none).

**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 Prince's Teaching Institute**  
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**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

The net profit of the company at 30 September 2017 is £358,040 before the gift aid payment is made.

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

	<b>2017</b> <b>£</b>
<b>Turnover</b>	1,481,932
<b>Operating costs</b>	<u>1,123,892</u>
<b>Operating profit</b>	358,040
<b>Gift Aid Payment</b>	(358,040)
<b>Profit before taxation</b>	-
<b>Tax on profit</b>	-
<b>Profit for the financial period</b>	<u><u>-</u></u>

A summary of its assets are shown below:

	<b>2017</b> <b>£</b>
<b>Debtors</b>	78,454
<b>Cash at bank and in hand</b>	444,108
<b>Creditors falling due within one year</b>	(522,561)
<b>Net current assets</b>	<u><u>1</u></u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

9	Debtors	2017		2016
		Consolidated £	Charity £	Charity £
	Trade debtors	76,289	16,945	42,111
	Prepayments	29,243	32,849	25,306
	Accrued Income	1,184	4,184	6,141
	VAT recoverable	25,754	12,838	7,785
	Intercompany Debtor	-	411,789	-
	Rent deposit	5,326	5,326	5,326
		<u>137,796</u>	<u>483,931</u>	<u>86,669</u>
10	Creditors: Amounts falling due within one year	2017		2016
		Consolidated £	Charity £	Charity £
	Trade creditors	62,214	41,719	64,627
	Deferred income	207,094	152,700	177,162
	Other creditors	7,200	3,600	7,200
	Accruals	65,648	46,165	71,464
	Pensions contributions payable	-	-	1,350
		<u>342,156</u>	<u>244,184</u>	<u>321,803</u>
		2017		2016
		Consolidated £	Charity £	Charity £
	Deferred income at 1 October 2016	177,162	177,162	26,947
	Funds received in the year	207,094	42,116	177,162
	Amount released to restricted and unrestricted funds in the SOFA	(177,162)	(66,578)	(26,947)
	Deferred income at 30 September 2017	<u>207,094</u>	<u>152,700</u>	<u>177,162</u>

Deferred income relates to donations received that are to be spread over multiple periods and event income related to activities in the following financial year.

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

11	Movements in funds	at 1st October 2016 £	Income £	Expenditure £	Transfers £	at 30th September 2017 £
	<b>Restricted Funds</b>					
	Summer School	-	1,775	(1,775)	-	-
	Schools Programme	-	50,533	(50,533)	-	-
	Subject Days	-	-	-	-	-
	Vocational Education	-	-	-	-	-
	<i>Total restricted funds</i>	<u>-</u>	<u>52,308</u>	<u>(52,308)</u>	<u>-</u>	<u>-</u>
	<b>Endowment Funds</b>					
	Teacher Training Fund	1,855,731	6,878	(26,679)	(54,905)	1,781,025
	<i>Total endowment funds</i>	<u>1,855,731</u>	<u>6,878</u>	<u>(26,679)</u>	<u>(54,905)</u>	<u>1,781,025</u>
	<b>Unrestricted General Funds</b>	<u>837,292</u>	<u>1,156,799</u>	<u>(1,207,860)</u>	<u>54,905</u>	<u>841,136</u>
	<b>Total Funds</b>	<u>2,693,023</u>	<u>1,215,985</u>	<u>(1,286,847)</u>	<u>-</u>	<u>2,622,161</u>
	<b>Movements in funds</b>	<b>at 1st October 2015 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>at 30th September 2016 £</b>
	<b>Restricted Funds</b>					
	Summer School	-	66,533	(66,533)	-	-
	Schools Programme	-	26,465	(26,465)	-	-
	Subject Days	-	585,798	(585,798)	-	-
	Vocational Education	-	16,384	(16,384)	-	-
	<i>Total restricted funds</i>	<u>-</u>	<u>695,180</u>	<u>(695,180)</u>	<u>-</u>	<u>-</u>
	<b>Endowment Funds</b>					
	Teacher Training Fund	1,378,585	528,463	(51,317)	-	1,855,731
	<i>Total endowment funds</i>	<u>1,378,585</u>	<u>528,463</u>	<u>(51,317)</u>	<u>-</u>	<u>1,855,731</u>
	<b>Unrestricted General</b>	<u>824,353</u>	<u>1,049,990</u>	<u>(1,037,051)</u>	<u>-</u>	<u>837,292</u>
	<b>Total Funds</b>	<u>2,202,938</u>	<u>2,273,633</u>	<u>(1,783,548)</u>	<u>-</u>	<u>2,693,023</u>

The Summer School restricted fund relates to funding received specifically for the June 2016 Summer school.

The Schools Programme restricted fund relates to funding received specifically for Schools Programme activities.

The Subject days restricted fund relates to the funding of specific subject training classes.

The Vocational Education restricted fund relates to funding received specifically for activities exploring ways in which The Prince's Charities may work together to promote effective vocational education.

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. £100,000 was drawn down this year, comprising of £45,095 unrestricted investment income (see note 2) and £54,905 of capital represented by the transfer above.

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2017**

**12 Analysis of net assets between 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>137,796</u>	<u>1,428,614</u>	<u>(342,156)</u>	<u>2,622,161</u>

	Fixed assets £	Investments £	Debtors £	Bank £	Creditors £	Total 2016 £
Unrestricted funds	2,001	-	86,669	1,070,425	(321,803)	837,292
Endowment funds	-	1,374,272	-	481,459	-	1,855,731
	<u>2,001</u>	<u>1,374,272</u>	<u>86,669</u>	<u>1,551,884</u>	<u>(321,803)</u>	<u>2,693,023</u>

**13 Transactions involving Trustees and related parties**

During the year, Harvey McGrath, a director and charity Trustee of The Prince's Teaching Institute, made unrestricted donations to the Institute totalling £50,000 (2015/16: £nil).

Bernice McCabe, Co-Director of The Prince's Teaching Institute (but not a Companies Act director or charity Trustee), invoiced the Institute £30,000 (2015/16: £30,000) for her services as a consultant during the year, £7,500 (2015/16: £7,500) of which was owed to her at the year end. These transactions were entered into on an arm's length basis.

During the year, the PTI was paid £4,298 (2015/16: £11,672) to provide professional development events for United Learning. Jon Coles is a charity Trustee of The Prince's Teaching Institute and Chief Executive of United Learning. The transaction was entered into on an arm's length basis.

**14 Operating lease commitments**

At 30th September 2017, the charity had total commitments under non-cancellable leases for buildings as follows:

	2017 £	2016 £
Payable in less than one year	68,510	68,510
Payable within two to five years	148,438	216,948
	<u>216,948</u>	<u>285,458</u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Statement of Financial Activities**  
**(incorporating an Income and Expenditure Account)**  
**For the year ended 30th September 2017**

15 Prior year's SOFA - Charity	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total Funds 2016 £
<b>Income and endowments from:</b>				
<b>Grants and donations</b>	530,305	695,180	442,856	1,668,341
<b>Income from charitable activities</b>				
Schools Programme Affiliation Fees	166,130	-	-	166,130
Summer Schools	50,490	-	-	50,490
Continuing Professional Development events	112,206	-	-	112,206
Heads' Residential and Schools Leadership Programme	11,552	-	-	11,552
Subject Days	143,370	-	-	143,370
Primary Heads Residential and Leadership Programme	13,200	-	-	13,200
<b>Investments</b>	22,737	-	-	22,737
<b>Total Income</b>	1,049,990	695,180	442,856	2,188,026
<b>Expenditure on:</b>				
<b>Raising funds</b>	187,251	-	7,785	195,036
<b>Charitable activities</b>				
Schools Programme	252,543	26,465	-	279,008
Summer Schools	219,052	66,533	-	285,585
Continuing Professional Development	161,477	16,384	-	177,861
Heads' Residential and Schools Leadership Programme	109,414	-	-	109,414
Primary Heads Residential and Leadership Programme	35,543	-	-	35,543
Subject Days	35,946	585,798	-	621,744
Website	35,825	-	-	35,825
<b>Total Cost of Charitable Activities</b>	849,800	695,180	-	1,544,980
<b>Total Resources Expended</b>	1,037,051	695,180	7,785	1,740,016
<b>Net (expenditure)/income</b>	12,939	-	435,071	448,010
(Losses) on foreign exchange	-	-	(43,532)	(43,532)
Net gains on investments	-	-	85,607	85,607
<b>Net income for the year</b>	12,939	-	477,146	490,085
Balance brought forward at 1st October 2015	824,353	-	1,378,585	2,202,938
<b>Balance carried forward at 30th September 2016</b>	837,292	-	1,855,731	2,693,023