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

Registered Charity No. 1116224

Company No. 05910443

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2014

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
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Trustees' Report for the year ended 30 September 2014

Reference and administrative information

Company and charity details

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

Jonathan A. Coles

Professor E. Helen Cooper

Alan H.M. Kelsey - reappointed for a further 3 years from 6 November 2013

Harvey A. McGrath - Chairman

Dr. Katharine B. Pretty FSA CBE

Peter I. Wallace reappointed for a further 3 years from 7 March 2014

Company Secretary

Julia Bagguley

Co-directors

Bernice McCabe

Christopher Pope

Accountants and auditors

Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

Legal advisers

Farrer & Co

66 Lincoln's Inn Fields

London WC2A 3LH

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 9th February 2015

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Trustees' Report for the year ended 30 September 2014

The directors and charity trustees (the "Trustees") of The Prince's Teaching Institute (the "PTI") present their eighth report together with the audited financial statements of the charity for the year to 30 September 2014. The financial statements are prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities ("SORP 2005") published by the Charity Commission in 2005 and with the Financial Reporting Standard for Smaller Entities published by the Accounting Standards Board in April 2008.

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 all 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 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 amongst their number. Mr Harvey McGrath has served as Chairman throughout the financial year. He is the Co-Chairman of the London Enterprise Panel, Chairman of Governors of Birkbeck College, University of London and former chairman of Prudential plc and from January 2014 is Chairman of Big Society Capital.

Membership of the Trustee body

The current Trustees are listed at the beginning of this Report and have served for the year under review. During the year Alan Kelsey was re-appointed for a further term of 3 years from 6 November 2013 and Peter Wallace was also re-appointed for a further three years from 7 March 2014, both under Article 3.5 of the charity's Articles of Association.

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.

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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 11, 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 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; she is Headmistress of North London Collegiate School. 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 record their thanks.

The Prince of Wales's Charitable Foundation ('PCF')

The PTI is one of the group of more than 15 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 PCF 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 Trustees recognise that systems can only provide reasonable, and not absolute, assurance that major risks are being adequately managed.

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Trustees' Report for the year ended 30 September 2014

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 believes that all children, regardless of background or ability, are entitled to be taught by teachers who are passionate and knowledgeable about their subject.

The Trustees are pursuing this object by working with secondary 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, there is little such training available to teachers. Working with Cambridge University and many other British universities, as well as Britain's most eminent speakers, the PTI updates teachers' 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.
- **Maintain standards of school subject provision:** The PTI works with secondary state school departments 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 PTI also provides a channel of communication from teachers to education policy-makers.

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.

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) 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 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 Heads' Residential; analogous to the Schools Programme, but conducted at school Senior Team level, the programme is a network of schools committed to

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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.

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.

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; part of a three year agreement with the National College for Teaching and Leadership, these courses for newly qualified, second and third year teachers, as well as school-based teacher trainees are being run in English, History, Geography, Maths, Physics, Chemistry, Biology, French, German and Spanish. Participants are required to attend six 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. These are run at Pimlico Academy (London), Altrincham Grammar School for Girls (Manchester) and for the first time in 2013/14, Bishop Challoner Catholic College (Birmingham).

Public benefit

The PTI's aim is to improve the education of children in state schools in England and Wales. The Trustees of the charity believe that all children, regardless of background or ability, are entitled to be taught by teachers who are passionate and knowledgeable about their subject.

The Trustees have referred to the Charity Commission's general guidance on Public Benefit 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 2014

Achievements in 2013/14

The PTI is very pleased to have posted another year of extremely successful growth, whilst maintaining quality. Over 1,625 teachers attended our events (1,280 in 12/13) which represents growth of 27%.

583 schools sent at least one teacher to a PTI event in 2013/14, which represents about 13% of England and Wales's secondary schools. We estimate that our activities now reach over 330,000 children.

For the first time, we ran New Teacher Subject Days in Birmingham, and published a Yearbook summarising the impact of the first cohort of complete Schools Leadership and Associate Department projects.

Headteachers' Residential and Schools Leadership Programme

The Headteachers' Residential was held in February 2014 at Madingley Hall, Cambridge, and in January we held in London the Schools Leadership Programme Day which welcomed back alumni Heads and their senior colleagues. Both activities were highly evaluated, with 100% of participants of the Headteachers' Residential finding it a valuable experience and 100% of the participants of the Schools Leadership Programme Day reporting that it had increased the focus of teaching and learning their schools.

Headteachers attending the residential consider how to develop an effective whole school culture that nurtures staff and encourages rigorous and inspiring teaching. In consultation with a PTI Headteacher Leader (themselves a practising Head), they are given the option to devise a multi-year project that will enhance subject-based leadership in their school, and which will be of interest to other Heads.

2013/14 saw the completion of the first cohort of School Leadership Programme projects which were initiated in 2011, and these were shared and discussed at the Schools Leadership Programme Day. To share the experiences of the projects further, we published for the first time a Yearbook, available to all Schools Programme schools. The Yearbook also included the first cohort of completing subject Associate Department projects (see below).

The Schools Programme and Summer Schools

This programme has grown rapidly, from a first group of 88 English, History and Science departments in 08/09, to 690 departments of English, History, Geography, Science, Mathematics Modern Foreign Languages, Art and Music from 305 schools in July 2014.

The Schools Programme continues to be a powerful model for school improvement, with Heads of Department confirming for the fifth year in a row that their membership of the Schools Programme has increased the coherence and quality of challenge within their curriculum (89%), increased the level of extra-curricular provision (81%) and subject-based training undertaken by staff (73%). Overall, 87% of participating departments demonstrated additional challenge in their departmental work, and were therefore awarded the PTI Mark in July 2014. In January, eight out of a total ten participating departments chosen at random for a survey, reported that their GCSE examination performance had increased.

Starting in 2011, the Schools Programme Associate Department scheme was developed, whereby departments who had completed three years of Schools Programme membership would "graduate" to become specialists in just one of the four areas of the Programme (rigorous curriculum choices, teaching beyond the test and subject-based extra-curricular activities, subject-based networks outside school, and staff subject-based training). They would investigate one specialist area by devising a

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multi-year project in the department, which would be reported on and shared with other Schools Programme departments.

In 2013/14 the first cohort of these Associate Department projects were completed, and summaries of the projects, together with the completing Schools Leadership Programme projects, were published in the PTI's first Yearbook. Full details of the projects are available to Schools Programme members in the Staffroom area of the website.

The PTI ran two residentials during the year, in November 2013 and in July 2014. The November residential was run at Crewe Hall for Heads of Mathematics and Science, and the July residential for Heads of English, History and – for the second time – Music and Art. We were pleased to welcome a strong line-up of speakers once again, including academics from Cambridge and other universities, and eminent speakers including Prof Marcus du Sautoy, Prof Heinz Wolff, Howard Goodall, Kazuo Ishiguro and Jeremy Irons. Both residentials were highly successful, with 99% of delegates choosing to join the Schools Programme.

New Teacher Subject Days

As a result of the positive outcome of a pilot in 2011/12, the National College for Teaching and Leadership (now part of the Department for Education) commissioned the PTI to increase the scale of the courses between 2012 and 2015. 2013/14 was the second year of this agreement, and the PTI opened a third centre in Birmingham, at Bishop Challoner Catholic College, in addition to the centres at Altrincham Grammar School for Girls (Manchester) and Pimlico Academy (London). The number of new teachers attending these courses grew by 60% – from 290 in 2012/13 to 465 in 2013/14.

Despite the opening of a third centre and the increased scale of activities, the courses were exceptionally well received by the participants, with 98% saying that they have made them a better teacher and 98% reporting that they would have an impact on their pupils. 87% of their Headteachers and 95% of their Head of Departments have noticed an increase in confidence in the new teachers, and 92% of Headteachers and 94% of Heads of Department believe that the course will have an impact on the new teachers' quality of teaching and students' learning.

Continuing Professional Development

The PTI continued its one-day Continuing Professional Development courses in 2013/14, with evaluations continuing to be very strong. 92% of participants felt the days were well designed, 87% said that the speakers were good and 92% thought that attending will have an impact on their pupils.

Despite the continuing good reception of the events by teachers, the environment for one day CPD courses continues to be challenging, with many teachers quoting difficulty being released from school and reducing school budgets for CPD. As a result, we ran two fewer events than the previous year (16 in total), and had a corresponding reduction in total attendance for one day events, down to 276 from 289 in 2012/13.

However, the reduction in PTI one day events was more than compensated for by requests from two third parties to organise and deliver one day CPD events for them. We were commissioned by the Southwark Schools Partnership to help them launch departmental projects by providing inspiring one day events, along the lines of PTI one day CPD events, in English, Physics, Chemistry and Modern Foreign Languages.

In addition, we were commissioned by Haringey Local Authority and Alexandra Park School to provide courses of six events in Maths and in English, again modelled on our one day events, as part of their RATU project to encourage more young people from Haringey to aspire to take these subjects to A-Level and eventually to university. Both of these courses were well received by delegates.

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Trustees' Report for the year ended 30 September 2014

In addition, we were asked to help United Learning source subject speakers for an extraordinary meeting of all teachers in the group that was held in London on 4th October 2013.

The Annual Summer School Lecture was given by Bill Bryson to an appreciative sell-out audience of over 300 teachers and students at the Royal Institution lecture theatre.

Leading the education community to explore the establishment of a new, member-driven College of Teaching

In September 2012, the PTI held a workshop with 30 leading members of the education community, that included all five of the trade unions (three of which were represented by their General Secretaries), Headteachers of secondary and primary schools, representatives from Higher Education, Subject Associations, the existing College of Teachers and school employers. Its purpose was to explore the idea of a new member-driven College of Teaching, which had been raised both at the PTI Headteachers' Residential and, separately, recommended by the all-party Education Select Committee of MPs.

At the end of the meeting, there was a request that the PTI act as "honest broker" to continue to explore the idea, and as a result, it established a Commission, chaired by Chris Pope, and a Teacher Committee, chaired by Gareth Davies, English teacher from Sawtry Community College.

With pro-bono assistance from McKinsey & Company, in June 2013 these groups authored a Discussion Document and associated online Teacher and Headteacher surveys that set out a blueprint for a new, member-driven College of Teaching. These were designed to elicit a meaningful response from teachers, school leaders and the education community to the idea. 1,200 teachers and Headteachers responded to the survey over the summer, and the PTI received 40 written responses to the Discussion Document.

In the autumn of 2013 a series of consultations were held, and in February 2014 we published a Blueprint, which was presented at an event at Merchant Taylor's Hall attended by over 250 people.

We were encouraged by the continuing interest in the idea to develop an implementation plan and associated business plan for a new College of Teaching. We are grateful for the assistance of Accenture, who generously seconded a project manager and provided considerable additional support in July. The work has continued into the autumn of 2014.

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 14 members. During the year 2013/14 we were delighted to welcome to the Committee, Claire Fitzalan Howard (née von Mallinckrodt), a Trustee of The Schroder Foundation.

The charity was delighted to receive a donation from the Prince of Wales US Foundation for £891k to create an expendable endowment fund.

The group of Patrons and 2012 Club members, who have pledged multi-year support for the charity continues to grow, and we now have 55 Individual Patrons and 2012 Club members, who have collectively pledged over £3.0m in funding over a 5-year period.

The PTI continues to diversify its income and is pleased to have launched its Investing in Ambition strategy to engage more corporate support. The PTI also successfully held its first Charity Clay Shoot fundraising event, which brought in over £30,000 additional monies.

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Organisational growth

As a result of the increasing scale of activities, in December 2013 Angela Clark was appointed to a new full-time staff post of Communications Officer and Administrator, and Diana Woodward was appointed to a new part-time role as Finance Assistant in January 2014. In addition, Danielle Mayoss was recruited in August 2014 on a fixed-term contract as Administration Assistant in order to prepare for the greater scale of New Teacher Subject Days from September 2014.

Website and IT systems

The PTI's website dates from the charity's launch in 2007, and despite regular upgrades is now showing its age. In addition, the growth of the charity's activities and size is putting the existing database and customer relations management systems under more strain than they are designed to cope with. We continued to receive negative feedback from delegates about the website in 2013/14, with 16% of new teachers on the London and Manchester subject days courses saying that they found the website "poor", and 51% not using the extensive high quality resources on the staffroom.

As a result, the Trustees recommended that the charity invest in a new IT system, including building a new website, creating a single database for teachers as well as donors, and upgrading the customer relationship management (CRM) functions. To deliver this project successfully, the charity has employed two IT consultants, both on a part-time basis, to manage the design, tendering, implementation, testing and deployment of the new systems. A competitive tender for the CRM software and web design was undertaken, and the new systems will be in full time use in the Spring of 2015.

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Financial commentary

Income and resources expended

During the period under review, there were Total Incoming Resources of £2,937k and Net Income of £1,098k. £891k of these are a donation from Trustees of the Prince of Wales Foundation (US), together with £4k of interest, that is to be used as an expendable endowment fund. Excluding this donation and interest, Net Income was £203k, compared to Net Income of £247k in 2012/13. Comparable total Incoming Resources amounted to £2,043k (2012/13: £1,756k), and costs increased to £1,840k (2012/13 £1,509k). The Trustees consider this to be a satisfactory out-turn.

Income from Charitable Activities remains strong, rising to £402k (2012/13: £285k). £59k of this increase is from organising and delivering subject-specific Continuing Professional Development days for the Southwark Schools Partnership and for Haringey Local Authority. This accounts for the majority of the increase in Continuing Professional Development event income to £111k (2012/13: £47k), with income from PTI regional events remaining flat. Booking fees from Subject Days have increased, reflecting the new Birmingham centre coming on-stream.

Total fees from Summer Schools, Headteachers' Residential and the Affiliation Fee continue to grow, with a total of £195k (2012/13: £181k). However, the Affiliation Fee has grown by 42% compared to declining receipts from the Summer School and Headteachers' Residential, reflecting the increasing size of the Schools Programme and the number of free Summer School and Headteachers' Residential places offered to incoming Heads of Department and Headteachers due to staff changes. Summer School receipts were further reduced because we received support from a charitable trust who wished to support the Art and Music Summer School specifically, and make places at the June residential in Art and Music available for a reduced rate of £195 rather than the customary £495.

Voluntary income, excluding the Prince of Wales US Foundation donation, increased to £1,632k (2012/13: £1,462k). £736k was from the National College for Teaching and Leadership in relation to the New Teacher Subject Days courses. The charity was in receipt of £71k from the London Schools Excellence Fund to fund 20 London Heads of Maths to attend the November Maths residential, and support them, together with 20 London Heads of English to participate in the Schools Programme for 2013/14.

The charity received a donation from Prince of Wales US Foundation of £891k. This 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. The Trustees have decided not to draw down from the fund for the 2013/14 year.

Voluntary income excluding funding from public bodies has fallen by £77k to £840k (2012/13: £917k). However, this has been more than offset by the reduction in costs of generating funds, which have fallen by £142k to £142k (2012/13: £284k) due to the PTI not holding a fundraising dinner in 2013/14.

Costs have, in general, increased due to the increased scale of activities. The increase in scale of the new teacher Subject Days, taking place in Birmingham as well as Manchester and London resulted in costs increasing to £848k (2012/13: £528k), and the Schools Programme rose to £258k (2012/13: £185k). Despite stable numbers of delegates, Summer School costs were reduced to £208k (2012/13: £272k) as only six subjects were offered rather than seven the year before, and a larger number of places were funded in 2013/14 by the Subject Days project as compared to 2012/13, and allocated accordingly.

The principal additional cost relates to the rebuilding of the charity's website and IT systems. In addition to ongoing IT costs, to date £103k has been spent on this two year project. A further £57k of direct costs are expected to be spent in 2014/15.

At year end, the PTI had £370k of deferred income, of which £227k related to 2014/15 Subject Days

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activities and £3k consisted of booking fees from schools for 2014/15 events. The remaining £140k consisted of voluntary income received relating to pledges for the charity's activities in 2014/15 and beyond.

Governance costs and General Office Costs were broadly stable at £24k (2012/13: £25k) and £141k (2012/13: £147k) respectively.

At the year-end the Net Assets of the charity totalled £1,828k. Unrestricted reserves rose from £726k to £933k.

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.

Reserves and Investment policies

The PTI's minimum reserve policy is to have three months' normal operating expenditure as cash in hand (currently approximately £222k). 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 £600k, and with reserves totalling £933k 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 need for an upgrade of the charity's IT systems, continuing growth of the organisation and the challenging current fundraising environment.

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

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. The Trustees wish to record particular gratitude to the Prince of Wales US Foundation for their generous support of the work of the charity.

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Future plans

With membership of the Schools Programme now reaching 10% of state schools in the country, and with the quality of the PTI's activities continuing to remain very high, the focus of the next year will be to consolidate on that success. The charity will therefore continue to extend its reach by:

- Continuing to expand New Teacher Subject Days, opening three satellite centres in Harrogate, Cambridge and Ivybridge (near Plymouth) which will offer three subjects each, to complement the offer in London, Birmingham and Manchester
- Running residentials for Heads of Modern Foreign Languages in November, using Oxford as its base for the first time, and Maths and Science in Cambridge in June

The charity is now at a size where more robust database and customer relationship management systems are needed. In addition, the website is 7 years old and showing its age. A significant IT renewal project will therefore be undertaken.

In addition, the PTI has been approached by many primary school Heads and teachers, asking about whether we might begin activities in the primary sector. In response, pilot activities for primary school Headteachers are planned.

Our activities would not take place were it not for the generous support of our donors, who continue to support us in a challenging financial environment. We are grateful for their generosity and we look forward to continuing to build a network of exemplar schools across the country that is currently improving the teaching available to over 300,000 children.

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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 and in accordance with the provisions of the Companies Act, the Trustees propose their re-appointment for a further period.

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 9 February 2015 and signed on their behalf by:



Harvey McGrath
Chairman

Independent Auditors' 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 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008), United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. 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.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page xiv, the Trustees' (who are 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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:

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



James Cross, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 8 April 2015

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 2014

	Note	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Endowment Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income						
Grants from institutions and charitable trusts		275,856	944,927	890,985	2,111,768	1,019,383
Other grants and donations		347,332	64,600	-	411,932	442,585
Investment income - bank interest		8,587	-	3,763	12,350	8,835
Incoming resources from charitable activities						
Schools Programme Affiliation Fees		119,540	-	-	119,540	82,003
Summer Schools		57,310	-	-	57,310	77,805
Continuing Professional Development events		110,892	-	-	110,892	47,120
Heads' Residential and Schools Leadership Programme		18,325	-	-	18,325	21,175
Subject Days		95,757	-	-	95,757	56,900
Total Incoming Resources		1,033,599	1,009,527	894,748	2,937,874	1,755,806
Resources Expended						
Cost of generating funds	3	141,835	-	-	141,835	283,892
Cost of charitable activities	2					
Schools Programme		167,466	89,992	-	257,458	184,827
Summer Schools		18,936	188,964	-	207,900	271,509
Continuing Professional Development		131,234	-	-	131,234	109,688
Heads' Residential and Schools Leadership Programme		108,794	-	-	108,794	94,562
Subject Days		113,869	734,571	-	848,440	527,363
Website		119,922	-	-	119,922	11,648
Total Cost of Charitable Activities		660,221	1,013,527	-	1,673,748	1,199,597
Governance costs	4	24,434	-	-	24,434	25,146
Total Resources Expended		826,490	1,013,527	-	1,840,017	1,508,635
Net Income for the year		207,109	(4,000)	894,748	1,097,857	247,171
Balance brought forward at 1st October 2013		725,899	4,000	-	729,899	482,728
Balance carried forward at 30th September 2014		933,008	-	894,748	1,827,756	729,899

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Balance Sheet at 30th September 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	6		<u>2,939</u>		<u>2,819</u>
			2,939		2,819
Current assets					
Debtors	7	69,014		39,964	
Cash at bank and in hand		<u>2,265,260</u>		<u>1,480,768</u>	
		2,334,274		1,520,732	
Creditors					
Amounts falling due within one year	8	<u>(509,457)</u>		<u>(793,652)</u>	
Net current assets			<u>1,824,817</u>		<u>727,080</u>
Net assets			<u><u>1,827,756</u></u>		<u><u>729,899</u></u>
Funds					
Restricted funds	9		-		4,000
Endowment funds	9		894,748		-
Unrestricted funds	9		933,008		725,899
			<u><u>1,827,756</u></u>		<u><u>729,899</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees

and authorised for issue on: 9 February 2015


 Harvey McGrath, Chairman

The Prince's Teaching Institute

(An incorporated charity limited by Guarantee)

Notes to the Financial Statements

For the year ended 30th September 2014

1 Accounting policies

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

a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and under the going concern principle, in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities published in March 2005, with the Financial Reporting Standard for Smaller Entities (effective April 2008) and with the Companies Act 2006.

The charitable company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company. As permitted by Section 394 of the Companies Act 2006, a Statement of Financial Activities is presented in place of a Profit and Loss Account due to the nature of the charity's activities.

b) 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.

c) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

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 generating funds comprise the expenditure on fundraising activities, 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.

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.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 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

f) 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.

g) 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
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2014

2 Cost of Charitable Activities

	Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme	Subject Days	Website	Total Funds 2014 £	Total Funds 2013 £
Activities direct costs	£	£	£	£		£		
Schools Programme	141,567	-	-	-	-	-	141,567	90,260
Summer Schools	-	116,919	-	-	-	-	116,919	194,735
Continuing Professional Development (CPD)	-	-	88,797	-	-	-	88,797	66,985
Heads' Residential	-	-	-	33,726	-	-	33,726	28,206
Subject Days	-	-	-	-	602,995	-	602,995	313,586
Website Development	-	-	-	-	-	111,884	111,884	4,548
	141,567	116,919	88,797	33,726	602,995	111,884	1,095,888	698,320
Support costs								
Wages and salaries	71,742	56,332	33,275	51,081	163,286	5,658	381,374	320,836
Consultancy	19,500	22,500	3,000	5,500	23,000	1,500	75,000	65,832
General office costs	24,649	12,149	6,162	18,487	59,159	880	121,486	114,609
	115,891	90,981	42,437	75,068	245,445	8,038	577,860	501,277
	257,458	207,900	131,234	108,794	848,440	119,922	1,673,748	1,199,597

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2014

3 Cost of generating funds	2014	2013
	£	£
Wages and salaries	63,729	60,464
General office costs	16,726	27,918
Direct fundraising costs	61,380	195,510
	<u>141,835</u>	<u>283,892</u>
 4 Governance Costs	 2014	 2013
	£	£
Wages and salaries	13,273	12,998
General office costs	2,641	4,408
Auditors' remuneration: - current year	6,600	6,600
- prior year underprovision	480	660
- non-audit services	1,440	480
	<u>24,434</u>	<u>25,146</u>
 5 Staff Costs (including directors' emoluments)	 2014	 2013
	£	£
Wages and salaries	386,693	332,088
Social security costs	40,658	36,945
Contributions to personal pension schemes	31,025	25,265
	<u>458,376</u>	<u>394,298</u>

One employee received remuneration between £110,000 and £120,000 during the year (2012/13: one employee between £100,000 and £110,000). Pension contributions of £10,871 (2012/13: £10,581) were paid on behalf of this individual. No other employees received remuneration in excess of £60,000.

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

	2014	2013
Charitable activities	9.8	8.8
Governance	0.2	0.2
	<u>10.0</u>	<u>9.0</u>

Kate Pretty, a trustee of the organisation, was reimbursed £218 during the year in relation to travel expenses (2012/13: £Nil).

6 Tangible Fixed Assets	Website and Computer Equipment £	Office Fittings and Equipment £	Total £
Cost			
As at 1 October 2013	69,744	7,629	77,373
Additions	1,417	660	2,077
As at 30 September 2014	<u>71,161</u>	<u>8,289</u>	<u>79,450</u>
 Depreciation			
At 1st October 2013	69,103	5,451	74,554
Charge during the year	836	1,121	1,957
At 30th September 2014	<u>69,939</u>	<u>6,572</u>	<u>76,511</u>
 Net Book Value			
At 30th September 2014	<u>1,222</u>	<u>1,717</u>	<u>2,939</u>
At 30th September 2013	<u>641</u>	<u>2,178</u>	<u>2,819</u>

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2014

7	Debtors		2014	2013	
			£	£	
	Trade debtors		52,705	3,848	
	Prepayments		8,205	1,766	
	Accrued Income		2,778	29,024	
	Rent deposit		5,326	5,326	
			<u>69,014</u>	<u>39,964</u>	
8	Creditors: Amounts falling due within one year		2014	2013	
			£	£	
	Trade creditors		100,634	80,362	
	Deferred income		370,720	672,715	
	Other creditors		7,200	7,200	
	Accruals		30,250	32,733	
	Pensions contributions payable		653	642	
			<u>509,457</u>	<u>793,652</u>	
				£	
	Deferred income at 1 October 2013			672,715	
	Funds received in the year			370,720	
	Amount released to restricted and endowment funds in the SOFA			<u>(672,715)</u>	
	Deferred income at 30 September 2014			<u>370,720</u>	
9	Movements in funds	at 1st October 2013	Incoming Resources	Outgoing Resources	at 30th September 2014
		£	£	£	£
	Restricted Funds				
	Summer School	4,000	184,964	(188,964)	-
	Schools Programme	-	89,992	(89,992)	-
	Subject Days	-	734,571	(734,571)	-
	<i>Total restricted funds</i>	<u>4,000</u>	<u>1,009,527</u>	<u>(1,013,527)</u>	<u>-</u>
	Endowment Funds				
	Prince of Wales Foundation (US) - Teacher Training Fund	-	894,748	-	894,748
	<i>Total endowment funds</i>	<u>-</u>	<u>894,748</u>	<u>-</u>	<u>894,748</u>
	Unrestricted General Funds	<u>725,899</u>	<u>1,033,600</u>	<u>(826,491)</u>	<u>933,008</u>
	Total Funds	<u>729,899</u>	<u>2,937,875</u>	<u>(1,840,018)</u>	<u>1,827,756</u>

The Summer School restricted fund relates to funding received specifically for the June 2014 Summer school.

The Schools Programme restricted fund relates to funding received specifically for the 2013/14 Schools Programme activities.

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

The Prince of Wales Foundation (US) - Teacher Training 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.

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2014

10 Analysis of net assets between funds

	Fixed assets £	Debtors £	Bank £	Creditors £	Total £
Unrestricted funds	2,939	69,014	1,370,512	(509,457)	933,008
Endowment funds	-	-	894,748	-	894,748
	<u>2,939</u>	<u>69,014</u>	<u>2,265,260</u>	<u>(509,457)</u>	<u>1,827,756</u>

11 Transactions involving Trustees and related parties

During the year, Harvey McGrath, a director and charity Trustee of The Prince's Teaching Institute, made donations to the Institute totalling £37,500 (2012/13: £100,000).

Bernice McCabe, Co-Director of The Prince's Teaching Institute (but not a Companies Act director or charity Trustee), invoiced the Institute £30,000 (2012/13 £30,000) for her services as a consultant during the year, £7,500 (2012/13: £7,500) of which was still 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 £5,150 to source speakers for a United Learning teacher training event. Jon Coles is Chief Executive of United Learning. The transaction was entered into on an arm's length basis.

12 Operating lease commitments

At 30th September 2014, the charity had annual commitments under non-cancellable leases for buildings as follows:

	2014 £	2013 £
Expiring within two to five years	<u>49,173</u>	<u>33,611</u>

The amount for 2014 relates to a single lease, which can be cancelled at six months' notice.