
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 2015

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 2015

The directors and charity trustees (the "Trustees") of The Prince's Teaching Institute (the "PTI") present their ninth report together with the audited financial statements of the charity for the year to 30 September 2015. 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.

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
Sir Harvey A. McGrath - Chairman
Dr. Katharine B. Pretty FSA CBE (retired 17 August 2015)
Peter I. Wallace

Company Secretary

Julia Bagguley

Co-directors

Bernice McCabe
Christopher Pope

Accountants and auditors

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 9th February 2016

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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 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. Sir Harvey McGrath has served as Chairman throughout the financial year. He is the Deputy Chairman of the London Enterprise Panel, Chairman of Governors of Birkbeck College, University of London and former chairman of Prudential plc and is Chairman of Big Society Capital. The trustees record their congratulations to the Chairman on his being appointed a Knight Bachelor in the 2016 New Year Honours for services to economic growth and public life.

Membership of the Trustee body

The current trustees are listed on page 1 of this Report and have served for the year under review.

Since the year end (from January 2016) Sushil Saluja has been appointed a Trustee.

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

Organisation

The Trustees have appointed two Co-directors: Christopher Pope manages day-to-day operations of the PTI and Bernice McCabe leads academic policy through a part time consultancy agreement; 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 for which they record their thanks.

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

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 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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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 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 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 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. In addition, in 2014/15 it piloted work with a small group of state primary school Headteachers to encourage more inspiring subject teaching at primary level.

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.

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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 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; the final year 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. All the subjects were made available in London (at Pimlico Academy and Grey Coat Hospital School), Manchester (Altrincham Grammar School for Girls) and Birmingham (Bishop Challoner Catholic College). To explore the feasibility of running the model with fewer subjects, satellite centres offering a more limited range were run in Harrogate (English, Maths and Geography at Harrogate Grammar School), Cambridge (English and Maths) and Ivybridge, Devon (English, Chemistry and Physics at Ivybridge Community College)

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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Achievements in 2014/15

The PTI is very pleased to have posted another year of extremely successful growth, whilst maintaining quality. Over 2,050 teachers attended our events (1,625 in 13/14) which represents growth of 26% yet again.

704 schools sent at least one teacher to a PTI event in 2014/15, which represents about 16% of England and Wales's secondary schools. We estimate that our activities now reach over 500,000 children.

We expanded the New Teacher Subject Days to include six satellite centres offering a restricted range of subjects in Harrogate, Cambridge and Devon to complement the three full-subject centres in London, Birmingham and Manchester, and following requests from many primary school Headteachers, explored primary membership activities with primary Headteachers in a pilot Primary Headteachers' Residential and initiated the first group of Primary Leadership Programme projects in March.

2014/15 also marked the completion of a major 18 month overhaul of the charity's IT systems. As a result, the PTI now benefits from a single database held in a professional customer relationship manager (CRM) system which is fully integrated into the new website. We were pleased the project was completed within budget and on time.

Headteachers' Residential and Schools Leadership Programme

The Headteachers' Residential was held in February 2015 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 for the second year in a row, and 94% 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.

Following the successful publication of the first Yearbook of Schools Leadership Programme and Schools Programme Associate Department projects in 2013/14, a second Yearbook was published in August.

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 720 departments of English, History, Geography, Science, Mathematics Modern Foreign Languages, Art and Music from 351 schools in July 2015.

The Schools Programme continues to be a powerful model for school improvement, with Heads of Department confirming for the sixth year in a row that their membership of the Schools Programme has increased the coherence and quality of challenge within their curriculum (91%), increased the level of extra-curricular provision (77%) and subject-based training undertaken by staff (73%). Overall, 77% of participating departments demonstrated additional challenge in their departmental work, offering their pupils a richer subject experience, and were therefore awarded the PTI Mark in July 2015.

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

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

There are now two cohorts of completing Associate Department projects, and summaries of this year's completing 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 2014 and in June 2015. The November residential was run at the Belfry Hotel near Oxford for Heads of Modern Foreign Languages, and the June residential was for Heads of Maths, Science and Geography. We were pleased to welcome a strong line-up of speakers once again, including academics from Cambridge and other universities, and eminent speakers including the journalist Emma Jane Kirby and Dame Fiona Reynolds. Both residentials were highly successful, with 99% of delegates saying they found it a valuable experience. In a year that has seen a greater number of secondary school teachers than normal leave the profession, we were pleased that 88% of the Heads of Department attending the residentials reported that they had come out of the experience reinvigorated and more excited about teaching and the teaching profession.

Primary pilot

The PTI has had requests over many years to extend its activities into the primary sector. Responding to this request, a pilot primary Headteachers' Residential of two days was held in October 2014. A dozen primary Headteachers attended, and they concluded that they wished to see their staff move away from the traditional generalist model whereby a single teacher teaches all the subjects for their class, and rather focus on their area of greatest interest. The Heads present reviewed the activities that PTI undertakes in the secondary sector and, inspired by the Schools Leadership Programme, they decided to undertake projects that would explore the idea of moving away from the generalist model, especially in Key Stage 2 (7-11 years old). A further meeting was convened in March 2015, and these projects were defined and initiated. Progress was reviewed in September, and it was agreed that there was the basis for a Primary Leadership Programme, whose first PTI Marks could be awarded in September 2016.

On the basis of these promising first steps, it was agreed to run a first Primary Headteachers' Residential in October 2015.

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. 2014/15 was the last year of this agreement, and to complement the centres in London, Birmingham and Manchester, three additional satellite centres were opened offering a more limited range of subjects: English and Maths in Cambridge at Parkstone Federation, English, Maths and Geography in Harrogate at Harrogate Grammar School, and English, Chemistry and Physics near Plymouth at Ivybridge Community College. The number of new teachers attending these courses grew by 56% – from 465 in 2013/14 to 725 in 2014/15.

Despite the opening of these smaller centres and the resultant doubling of number of centres, the courses were exceptionally well received by the participants, with 99% saying that they have made them a better teacher and 99% reporting that they would have an impact on their pupils. 73% reported an increase in confidence to teach the topics covered compared to before the course, and this was echoed by their Headteachers and Heads of Department 95% and 90% of them respectively reporting an increase in confidence in their new teachers. 97% of Headteachers and 93% of Heads of

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Department believe that the course will have an impact on the new teachers' quality of teaching and students' learning.

Continuing Professional Development

The PTI expanded its one-day Continuing Professional Development courses in 2014/15, running 28 events rather than 16 the year before. More delegates attended than ever before – up to 512 delegates compared to 276 the year before which represents a net increase of 86%. Evaluations remained very strong with 94% of participants feeling that the days were well designed, 92% that the speakers were good and 93% thinking that attending will have an impact on their pupils.

In addition to the one day events, we provided bespoke professional development modelled on our one day events to teachers of History, Geography and Physics for United Learning, one of the country's largest chains of academies that also includes independent schools. The professional development for Haringey Local Authority continued with courses at Alexandra Park School in Chemistry, History and Geography again modelled on our one day events, as part of their Raising Aspirations and access to Top Universities project to encourage more young people from Haringey to aspire to take these subjects to A-Level and eventually to university. Both of these activities were well received by delegates and the commissioning organisations.

Leading the education community to create 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.

The interest in the blueprint was such that the education community requested that we develop an implementation plan to allow the initiative to see the light of day. Thanks to generous pro-bono assistance from Accenture plc and The Key, a business plan was created, the idea brokered with all stakeholders including government, and a detailed implementation plan was submitted in February 2015 as part of a government exercise of requesting expressions of interest in the idea. With pro-bono legal assistance from Linklaters and start-up funding from The Mercers' Company, a new legal entity (College of Teaching Ltd) was created in May 2015, and a Selection Committee was established to appoint the Founding Trustees. Prior to the General Election, the Prime Minister writing in the Times Educational Supplement pledged to give the new College of Teaching start-up funding support. All education stakeholders and trade unions (with the exception of the NASUWT) supported this selection committee, and the first 14 founding trustees were appointed in October 2015.

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A Royal Charter for the training of teachers is currently held by the College of Teachers. As part of the founding of the new entity, this membership organisation has generously voted to seek to update its charter to embrace the new organisation. The intention, therefore, is that teachers will in future have the possibility of embracing rigorous standards of practice similar to those defined in other professions such as accountancy, and become chartered as a result.

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 15 members. During the year we were delighted to welcome to the Committee Dr Evi Kaplanis, a major donor and previously Assistant Professor of Finance at the London Business School, and Ina De, co-head of UK Investment Banking at JP Morgan.

The year was mixed for fundraising activities. We were pleased to agree a three year sponsorship agreement with Siemens for support for our Science and Maths Residentials and Schools Programme activities. We were also delighted to receive a generous further donation of £573k from the Prince of Wales Foundation (US) for the Expendable Endowment.

However, the fundraising environment was challenging, and the charity did not undertake a comparable number of fundraising events and activities compared to previous years. A strategic priority is to continue to extend the Development Committee to ensure that the donor base remains robust and diversified, and that we increase awareness of the charity's work with more potential donors.

Website and IT systems

2014/15 saw the completion both on time and within budget of a major 18 month IT upgrade project. The project involved the hiring of 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 were launched in May 2015.

This project required migrating all the PTI databases, previously held in various spreadsheets, into a single professional customer relationship management (CRM) system, which is fully integrated into the new website. As a result, the charity now benefits from a single integrated system that handles everything from delegate event bookings, donations and Schools Programme departmental objectives to the teaching resources and lecture podcasts of the online Staffroom. So, for example, whereas annual Schools Programme annual departmental reports and objectives were previously stored in separate documents, the information is now held online, allowing the live updating of objectives at the annual Schools Programme days, and thus increasing the productivity of staff in the busy summer term period considerably.

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Financial commentary

Income and resources expended

During the period under review, there were Total Incoming Resources of £2,336k (2013/14: £2,938k) and Total Resources Expended of £1,961k (2013/14: £1,840k) resulting in Net Income of £375k (2013/14: £1,098k).

The charity was pleased to receive a further donation from Prince of Wales US Foundation of £573k during the year. The headline Incoming Resources and Resources Expended figures include recognition of donations for the Prince of Wales US Foundation Expendable Endowment as income in the period under review and 2013/14. The Trustees chose to draw down £100k from the Endowment Fund in the current financial year, which is reflected in the movement of funds from endowment to unrestricted.

Excluding movements in endowment funds, total incoming resources were £1,753k (2013/14: £2,043k) and total resources expended were £1,961k (2013/14: £1,840k). Following drawdown of £100k from the Expendable Endowment, the charity made a net deficit for the year of £209k.

Excluding donations to the Endowment Fund, voluntary income fell by £386k to £1,246k (2013/14: £1,632k). Comparing like with like, £189k of this fall was from voluntary income excluding funding from public bodies, which totalled £651k (2013/14: £840k), and the remaining £197k drop was due to lower monies from public bodies. This reduction in funding from public bodies was due to there being no funding from the London Schools Excellence Fund compared to 2013/14 and a reduction in grant from the National College for Teaching and Leadership in relation to the New Teacher Subject Days courses to £694k (2013/14: £736k), as Teacher Leader capacity building was completed in 2013/14.

By contrast with the weakness in voluntary income, income from charitable activities was strong, growing by 24% to £501k (2013/14: £402k). The £23k reduction in income from Headteacher Residential and Summer Schools (largely as a result of the reduced booking fee charged to Maths and Science delegates due to the Siemens sponsorship) was more than offset by the 36% increase in Schools Programme Affiliation Fees and 33% increase in Continuing Professional Development events income, both due to increased school and teacher participation. The increase in our New Teacher Subject Days income was due to the expansion of the programme to six centres and the resultant higher delegate numbers.

Costs have, in general, increased due to the increased scale of activities. The 86% increase in delegate numbers for Continuing Professional Development events is reflected in the increase in costs to £189k (2013/14: £131k). The increase in scale of the New Teacher Subject Days resulted in costs increasing to £873k (2013/14: £848k), and the Schools Programme rose to £265k (2013/14: £257k). Summer School costs increased to £294k (2013/14: £208k), despite only four subjects being offered instead of six and a reduction in number of delegates. This increase in costs compared to 2013/14 was due to no costs being allocated to the New Teacher Subject Days project in the year under review compared to 2013/14, as Teacher Leader capacity-building at the Summer Schools for the Subject Days courses is now complete.

Costs of generating funds were £30k lower at £112k (2013/14: £142k), reflecting the reduced fundraising activities during the year. Governance costs were broadly stable at £25k (2013/14: £24k).

The principal extraordinary cost relates to the completion of the IT upgrade. In 2013/14 £103k was spent and this year a further £69k was expended.

The net deficit for the year (excluding donations to the Endowment Fund) had been anticipated. It is accounted for by the IT upgrade costs and preparation costs for 2015/16 New Teacher Subject Days incurred prior to confirmation of continuing National College for Teaching and Leadership funding. Further funding from the National College was confirmed in November 2015, after the end of the

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financial period under review. The Trustees consider these expenditures to be prudent use of reserves, and that the financial results represent a satisfactory out-turn.

At the year-end the Net Assets of the charity totalled £2,203k. The Endowment Fund increased to £1,379k (2013/14: £894k) Unrestricted reserves, excluding the Endowment Fund, declined from £933k to £824k.

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 £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 £610k, and with unrestricted reserves totalling £824k 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 continuing growth of the organisation, 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 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.

Future plans

With schools under pressure from curriculum changes and declining budgets for releasing teachers from school for continuing professional development, the Trustees agreed that the focus for the year ahead should be refreshing fundraising and on maintaining numbers in the Schools Programme whilst exploring other ways of influencing schools to acknowledge the importance of teachers who are inspiring and knowledgeable about their subjects.

With this in mind, in 2015/16 the charity will:

- Take further the promising first findings from working with Primary Headteachers
- Explore additional ways of delivering professional development to teachers in schools
- Seek to refresh the Development Committee

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 half a million 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 17 March 2016 and signed on their behalf by:



Sir Harvey McGrath
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 2015 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 Auditor

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 2015 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

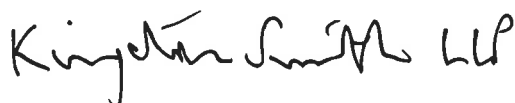
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's 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: 11 April 2016

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 2015

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Endowment Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Incoming Resources						
Incoming resources from generated funds						
Voluntary income						
Grants from institutions and charitable trusts		286,500	693,581	573,364	1,553,445	2,111,768
Other grants and donations		234,623	31,051	-	265,674	411,932
Investment income - bank interest		6,117	-	10,473	16,590	12,350
Incoming resources from charitable activities						
Schools Programme Affiliation Fees		162,580	-	-	162,580	119,540
Summer Schools		37,185	-	-	37,185	57,310
Continuing Professional Development events		147,484	-	-	147,484	110,892
Heads' Residential and Schools Leadership Programme		15,635	-	-	15,635	18,325
Subject Days		137,800	-	-	137,800	95,757
Total Incoming Resources		1,027,924	724,632	583,837	2,336,393	2,937,874
Resources Expended						
Cost of generating funds	3	112,053	-	-	112,053	141,835
Cost of charitable activities	2					
Schools Programme		242,399	22,990	-	265,389	257,458
Summer Schools		278,118	15,561	-	293,679	207,900
Continuing Professional Development		181,956	7,081	-	189,037	131,234
Heads' Residential and Schools Leadership Programme		114,277	-	-	114,277	108,794
Subject Days		194,054	679,000	-	873,054	848,440
Website		88,455	-	-	88,455	119,922
Total Cost of Charitable Activities		1,099,259	724,632	-	1,823,891	1,673,748
Governance costs	4	25,267	-	-	25,267	24,434
Total Resources Expended		1,236,579	724,632	-	1,961,211	1,840,017
Net (Outgoing)/Incoming Resources before Transfers		(208,655)	-	583,837	375,182	1,097,857
Transfers between funds	9	100,000	-	(100,000)	-	-
Net (Expenditure)/Income for the year		(108,655)	-	483,837	375,182	1,097,857
Balance brought forward at 1st October 2014		933,008	-	894,748	1,827,756	729,899
Balance carried forward at 30th September 2015		824,353	-	1,378,585	2,202,938	1,827,756

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Balance Sheet at 30th September 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	6		<u>2,666</u>		<u>2,939</u>
			2,666		2,939
Current assets					
Debtors	7	73,932		69,014	
Cash at bank and in hand		<u>2,303,353</u>		<u>2,265,260</u>	
		2,377,285		2,334,274	
Creditors					
Amounts falling due within one year	8	<u>(177,014)</u>		<u>(509,457)</u>	
Net current assets			<u>2,200,272</u>		<u>1,824,817</u>
Net assets			<u><u>2,202,938</u></u>		<u><u>1,827,756</u></u>
Funds					
Restricted funds	9		-		-
Endowment funds	9		1,378,585		894,748
Unrestricted funds	9		<u>824,353</u>		<u>933,008</u>
			<u><u>2,202,938</u></u>		<u><u>1,827,756</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 17 March 2016


Harvey McGrath, Chairman

Companies House no: 05910443

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2015

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 £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

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 2015

2 Cost of Charitable Activities

	Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme		Subject Days	Website	Total Funds 2015	Total Funds 2014
	£	£	£	£	£			£	£
Activities direct costs									
Schools Programme	149,698	-	-	-	-	-	-	149,698	141,567
Summer Schools	-	211,483	-	-	-	-	-	211,483	116,919
Continuing Professional Development (CPD)	-	-	142,698	-	-	-	-	142,698	88,797
Heads' Residential	-	-	-	38,255	-	-	-	38,255	33,726
Subject Days	-	-	-	-	585,002	-	-	585,002	602,995
Website Development	-	-	-	-	-	-	72,374	72,374	111,884
	149,698	211,483	142,698	38,255	585,002		72,374	1,199,510	1,095,888
Support costs									
Wages and salaries	74,581	50,419	34,789	51,063	201,002		12,263	424,117	381,374
Consultancy	19,125	22,250	3,000	5,417	29,400		1,375	80,567	75,000
General office costs	21,985	9,527	8,550	19,542	57,650		2,443	119,697	121,487
	115,691	82,196	46,339	76,022	288,052		16,081	624,381	577,860
	265,389	293,679	189,037	114,277	873,054		88,455	1,823,891	1,673,748

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2015

3 Cost of generating funds	2015	2014
	£	£
Wages and salaries	66,163	63,729
General office costs	41,956	16,726
Direct fundraising costs	3,934	61,380
	<u>112,053</u>	<u>141,835</u>
4 Governance Costs	2015	2014
	£	£
Wages and salaries	13,525	13,273
General office costs	3,665	2,641
Auditors' remuneration: - current year	6,600	6,600
- prior year underprovision	400	480
- non-audit services	1,077	1,440
	<u>25,267</u>	<u>24,434</u>
5 Staff Costs (including directors' emoluments)	2015	2014
	£	£
Wages and salaries	423,411	386,693
Social security costs	43,091	40,658
Contributions to personal pension schemes	35,753	31,025
	<u>502,255</u>	<u>458,376</u>

One employee received remuneration between £110,000 and £120,000 during the year (2013/14: one employee between £110,000 and £120,000). Pension contributions of £11,453 (2013/14: £10,871) 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:

	2015	2014
Charitable activities	12.8	9.8
Governance	0.2	0.2
	<u>13.0</u>	<u>10.0</u>

Kate Pretty, a trustee of the organisation for part of the year, was reimbursed £270 during the year in relation to travel expenses (2013/14: £218).

6 Tangible Fixed Assets	Website and Computer Equipment	Office Fittings and Equipment	Total
	£	£	£
Cost			
As at 1 October 2014	71,161	8,289	79,450
Additions	1,087	-	1,087
As at 30 September 2015	<u>72,248</u>	<u>8,289</u>	<u>80,537</u>
Depreciation			
At 1st October 2014	69,939	6,572	76,511
Charge during the year	593	767	1,360
At 30th September 2015	<u>70,532</u>	<u>7,339</u>	<u>77,871</u>
Net Book Value			
At 30th September 2015	<u>1,716</u>	<u>950</u>	<u>2,666</u>
At 30th September 2014	<u>1,222</u>	<u>1,717</u>	<u>2,939</u>

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2015

7	Debtors			2015 £	2014 £	
	Trade debtors			33,312	52,705	
	Prepayments			27,035	8,205	
	Accrued Income			8,259	2,778	
	Rent deposit			5,326	5,326	
				<u>73,932</u>	<u>69,014</u>	
8	Creditors: Amounts falling due within one year			2015 £	2014 £	
	Trade creditors			101,012	100,634	
	Deferred income			26,947	370,720	
	Other creditors			7,200	7,200	
	Accruals			41,155	30,250	
	Pensions contributions payable			700	653	
				<u>177,014</u>	<u>509,457</u>	
					£	
	Deferred income at 1 October 2014				370,720	
	Funds received in the year				26,947	
	Amount released to restricted and endowment funds in the SOFA				<u>(370,720)</u>	
	Deferred income at 30 September 2015				<u>26,947</u>	
9	Movements in funds	at 1st October 2014 £	Incoming Resources £	Outgoing Resources £	Transfers £	at 30th September 2015 £
	Restricted Funds					
	Summer School	-	15,561	(15,561)	-	-
	Schools Programme	-	22,990	(22,990)	-	-
	Subject Days	-	679,000	(679,000)	-	-
	Vocational Education	-	7,081	(7,081)	-	-
	Total restricted funds	<u>-</u>	<u>724,632</u>	<u>(724,632)</u>	<u>-</u>	<u>-</u>
	Endowment Funds					
	Prince of Wales US Foundation - Teacher Training Fund	894,748	583,837	-	(100,000)	1,378,585
	Total endowment funds	<u>894,748</u>	<u>583,837</u>	<u>-</u>	<u>(100,000)</u>	<u>1,378,585</u>
	Unrestricted General Funds	<u>933,008</u>	<u>1,027,924</u>	<u>(1,236,579)</u>	<u>100,000</u>	<u>824,353</u>
	Total Funds	<u>1,827,756</u>	<u>2,336,393</u>	<u>(1,961,211)</u>	<u>-</u>	<u>2,202,938</u>

The Summer School restricted fund relates to funding received specifically for the June 2015 Summer school.

The Schools Programme restricted fund relates to funding received specifically for the 2014/15 Schools Programme activities.

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

The Prince of Wales US Foundation 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 transfer in the year reflects the money drawn down in the year.

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 Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2015

10 Analysis of net assets between funds

	Fixed assets £	Debtors £	Bank £	Creditors £	Total £
Unrestricted funds	2,666	73,932	924,769	(177,014)	824,353
Endowment funds	-	-	1,378,585	-	1,378,585
	<u>2,666</u>	<u>73,932</u>	<u>2,303,354</u>	<u>(177,014)</u>	<u>2,202,938</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 £40,000 (2013/14: £37,500).

Bernice McCabe, Co-Director of The Prince's Teaching Institute (but not a Companies Act director or charity Trustee), invoiced the Institute £30,000 (2013/14 £30,000) for her services as a consultant during the year, £7,500 (2013/14: £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 £13,500 (2013/14: £5,150) to provide professional development events for United Learning. 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 2015, the charity had annual commitments under non-cancellable leases for buildings as follows:

	2015 £	2014 £
Expiring less than one year	49,173	-
Expiring within two to five years	<u>-</u>	<u>49,173</u>

The amount for 2015 relates to a single lease, which can be cancelled at six months' notice.