
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 2016

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

	Page
Charity Information	2-3
Trustees' Report	4-17
Independent Auditor's Report	18-19
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements	23-33

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

The directors and charity trustees (the "Trustees") of The Prince's Teaching Institute (the "PTI") present their tenth report together with the audited financial statements of the charity for the year to 30 September 2016. The financial statements are prepared in accordance with the FRS 102 Charities SORP published by the Charity Commission in 2014 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

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

President

HRH The Prince of Wales KG KT GCB OM

Directors and charity trustees who served during the year

Keith M Breslauer (appointed 1 September 2016)

Jonathan A. Coles

Professor E. Helen Cooper

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

Sir Harvey A. McGrath - Chairman

Sushil K. Saluja (appointed 15 January 2016)

Peter I. Wallace

Company Secretary

E. Julia Bagguley

Co-directors

Bernice A. McCabe

Christopher N. H. Pope

PTI Education Ltd

The charity established a trading subsidiary, PTI Education Ltd on 31 August 2016. It is a company limited by shares numbered 10353080 and is registered in England & Wales. Its registered office is 40 Grosvenor Gardens, London SW1W 0EB.

Directors

Professor E. Helen Cooper

Bernice A. McCabe

Sir Harvey A. McGrath

Christopher N. H. Pope - Chairman

Sushil K. Saluja

Company Secretary

E. Julia Bagguley

This trading subsidiary was dormant in the period under review only beginning to trade on 1 October 2016. Therefore, no separate accounts are presented in these financial statements.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Accountants and auditor

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

Legal advisers

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

Penningtons Manches LLP
125 Wood Street
London EC2V 7AW

Bankers

HSBC Bank plc
69 Pall Mall
London SW1Y 5EY

Principal address

40 Grosvenor Gardens
London SW1W 0EB

The foregoing legal and administrative information is correct as at 31st December 2016

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Structure, Governance and Management

Governing document and membership

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

Recruitment, appointment and induction of Trustees

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

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

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

Chairman

The governing document provides for the President (after consultation with the Trustees) to appoint a chairman from 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.

Membership of the Trustee body

The current trustees are listed on page 2 of this Report and have served for the year under review.

Organisational structure and decision-making process

The President

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

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Trustees

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

The Trustees have the following standing committees:

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

Organisation

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

Key Management Personnel

Key management personnel consist of:

- The full-time Co-Director
- The Chief Operating Officer
- The Senior Development Manager
- The Senior Events Manager

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

For part of the period under review the Senior Development Manager and Senior Events Manager took maternity leave (8 months and 9.5 months respectively). An consultant experienced in fundraising provided maternity cover for the Senior Development Manager, whilst the Events Manager took on responsibility for arranging teacher events, assisted by the full-time Co-Director and three Interns

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

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

- 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.

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

- **A hostile press campaign.** This could result in the loss of teacher delegates at PTI events, difficulty in fundraising, and a loss of goodwill of key speakers contributing to teacher professional development courses. This risk is mitigated by the charity retaining BLJ London as press and PR advisors.
- **Reductions in school budgets.** Although the situation varies from school to school, schools are generally reporting reductions in their budgets and therefore their capacity to invest in teacher professional development. Whilst the fees the PTI charges schools do not cover the cost of the PTI's charitable activities, they are an essential component of the PTI's offer to schools. They provide a mechanism which help ensure that the PTI's services are valued by schools, minimising no-shows and ensuring the engagement of senior school management, as well as providing some protection for PTI services to schools from the volatility of fundraising. This risk is mitigated by a relentless focus on the quality of the professional development provided, and by the close continuing relationship the charity maintains with school Headteachers as well as Senior Leadership and Heads of Department.

Objectives, activities and public benefit

Objectives

The PTI is committed to improving the education of children in state schools in England and Wales. Working in partnership with the University of Cambridge, it 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, most teacher training is concentrated on examination specifications and generic responsibilities such as safeguarding. Working with Cambridge University and many other British universities, as well as Britain's most eminent speakers, the PTI 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.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Activities

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

The Schools Programme and Summer Schools; a membership scheme for state school departments that are committed to challenging and extending all pupils, regardless of ability, with rich subject provision. As well as benefitting from priority booking and discounts to PTI events, all staff in Schools Programme departments received the PTI Yearbook, can draw on the expertise of the Education Advisor and have access to the private Staffroom area of the website (www.princes-ti.org.uk) which holds an expanding library of resources for teachers including academic lecture podcasts, lesson plans, and schemes of work for use on a daily basis in the classroom.

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

The Summer Schools are three-day residential events where top academics join teachers, typically Heads of Department, to re-inspire them and provide a stimulating introduction to the Schools Programme. During the Summer School, delegates can choose whether they wish their departments to opt into the Schools Programme or not.

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

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

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

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

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

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

New Teacher Subject Days; the final year of a three year agreement, extended for 2015/16 only, 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 considered the Charity Commission's guidance on Public Benefit, including the guidance "public benefit: running a charity (PB2)", when reviewing the charity's aims and objectives, in administering its activities during the year and in planning its future activities. They believe that the charity's activities demonstrate the benefit derived by the nation's children. This benefit was confirmed by an independent, external evaluation of the Schools Programme conducted by Professor Hugh Starkey of the UCL Institute of Education, conducted during the period under review. (*"The Prince's Teaching Institute Schools Programme: An evaluation of its impact on students"* UCL Institute of Education Press: ISBN 978-1-78277-196-8)

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.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Achievements in 2015/16

After 8 years of more than 25% annual growth, the scale of operations in 2015/16 remained stable compared to 2014/15. The context of operations in 2015/16 was challenging, and given this background the trustees are satisfied with the overall outturn.

Generally in 2015/16, schools were under considerable stress due to budget cuts, curriculum changes and shortages of quality staff, making them less receptive to teachers engaging in professional development. Furthermore, at the beginning of the academic year, delays in confirmation of National College for Teaching and Leadership funding for the New Teacher Subject Days due to the general election in May 2015 were very disruptive to the marketing of those courses.

Despite these challenges, the overall number of teachers attending courses was up slightly from 2,060 to 2,094, although the number of school departments in the Schools Programme declined slightly from 720 to 692. Overall, 10% of state schools in the country remain in the Schools Programme, and the charity continues to reach over 500,000 children.

Within these figures were some substantial changes. There was a significant decline in the number of New Teachers from 725 to 518, but this was offset by an increase to the highest ever number of one day attendees (545 teachers) and for bespoke professional development (280 teachers).

Furthermore, although the numbers remain small as the programme begins, the trustees were pleased that the Primary Leadership Programme has launched successfully.

The quality of our courses remains as high as ever, as does their impact in schools. 68% of Heads of Department confirm that the Schools Programme "has helped my students become more well-rounded people and helped them to develop character traits that will help them succeed in later life e.g. curiosity, confidence, optimism, resilience and ambition".

With teacher retention becoming an ever greater concern, we asked of Heads of Department and New Teachers whether they had thought of leaving the profession. 50% of delegates confirmed that they had, and the charity was pleased that 71% of these teachers said they were now less likely to leave the profession as a result of attending the PTI courses.

The charity commissioned an external evaluation of the Schools Programme from the UCL Institute of Education, and Professor Starkey's report concludes: "...Across the country students are benefitting from the stimulus provided to their teachers from participating in the PTI Schools Programme."

Primary Leadership Programme and Primary Headteachers' Residential

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 and following this successful pilot and school visit in March 2015, a first Primary Headteachers' Residential was held in October 2015. In addition, the PTI Primary Leadership Programme, modelled on the secondary Leadership Programme, was launched.

The Primary Headteachers' Residential was extremely well received, with 100% of delegates finding it not only a valuable experience, but also that it will have an impact on the pupils in their schools. The following delegate quotes from the Residential give a flavour of the sentiment:

"It has made me realise how important it is to look at the staff who have subject leadership roles. Are we playing to our strengths? Do members of staff have 'hidden' expertise that we are unaware of? It has made me realise that teacher's passion and enthusiasm needs to be the drive for subject development and enrichment."

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

"It has exposed me to colleagues and subject experts, who, despite all the pressures of leadership that dominate our daily workloads, still care passionately about teaching and providing rich, exciting and stimulating experiences for our children. That is why I came to the profession and it is wonderful to know these principles are alive and well."

Headteachers' Residential and Schools Leadership Programme

The Headteachers' Residential was held in January 2016 at Madingley Hall, Cambridge, and in February we held in Crewe 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 third year in a row, and for the first time 100% of the participants of the Schools Leadership Programme Day reporting that membership was having a positive impact on student learning in their schools. The following quote is typical:

"The PTI has initiated a cultural shift in our Multi-Academy Trust. Staff are focused on the progress of students, teach to the top and use assessment...in the way it should...to guide and signpost the way forward for all learning."

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. A third Yearbook of Schools Leadership Programme and Schools Programme Associate Department projects was published in August.

The Schools Programme and Summer Schools

In July 2016, there were 690 departments of English, History, Geography, Science, Mathematics Modern Foreign Languages, Latin, Art and Music from 346 schools who were members of the Schools Programme.

The Schools Programme continues to be a powerful model for school improvement, with Heads of Department confirming for the seventh 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 (74%) and subject-based training undertaken by staff (73%). Overall, 63% 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. This is lower than in previous years, with many member departments wishing to remain in the programme but citing additional workload from curriculum changes as the reason for not having achieved the additional challenge they had hoped to.

For the first time, we asked participating departments whether "The scheme has helped my students become more well-rounded people and helped them to develop character traits that will help them succeed in later life e.g. curiosity, confidence, optimism, resilience and ambition". 68% responded that it did. 83% confirmed that it had raised the aspirations and expectations of their pupils, and at the same time 70% felt that their pupils enjoyed their subject more as a result of the intervention, with 47% reporting increased take-up at the point at which their subject becomes optional.

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). These departments investigate one specialist area by

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

devising a multi-year project in the department, which would be reported on and shared with other Schools Programme departments. Summaries of this year's completing projects, together with the completing Schools Leadership Programme projects, were published in the PTI's Yearbook.

The PTI ran two residentials during the year, in November 2015 and in June 2016. The November residential was held in the Midlands – in Solihull near Birmingham – and was for Heads of English, Art, Music, Mathematics and Science. In the summer we returned to Homerton College, Cambridge, and held the Residential for Heads of History, Latin, Modern Foreign Languages, and English once again (The decision to run English twice in one year was driven by higher demand for the Residential from Heads of English than the other subjects.) We were pleased to welcome a strong line-up of speakers once again, including academics from Cambridge and other universities. Both residentials were highly successful, with 98% of delegates saying they found it a valuable experience and 96% saying that the course had made them better teachers. 96% also confirmed that they were now more excited about teaching and the teaching profession as a result of the residentials.

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 discussion of further funding was put on hold until the outcome of the May 2015 General Election. The outcome of this discussion was that the National College for Teaching and Leadership would continue to fund the courses for 2015/16 only. However, the National College was not able to confirm continuing funding for the courses until November – by which time it was too late for successful marketing, and by which time the first Birmingham day was meant to have already taken place. As a result the charity was forced to cancel all courses planned for Harrogate, and not run a number of courses in Birmingham and Manchester due to poor take-up. Given this very unfavourable situation, the trustees were extremely satisfied that bookings overall in Manchester and in London were remarkably resilient – down only 7% in both. However, the overall attendance numbers declined from 725 to 518.

Despite these challenges, delegate evaluations of the courses remained extremely high: 98% reported that the course would have an impact on their pupils, 96% said that it had made them a better teacher and 71% reported an increase in confidence to teach the topics covered compared to before the course. This was echoed by their Headteachers and Heads of Department, with 92% and 94% of them respectively reporting an increase in confidence in their new teachers. 100% of Headteachers and 97% 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 charity had its most popular year ever for one-day courses, with 545 teachers attending one of 28 one day courses during the year (up from 512 the previous year). All the days were very well received, with 94% of delegates saying that the speakers were good and 95% saying that the course would have an impact on their pupils. 90% felt that attending the course had given them the knowledge and skills to be a better teacher.

In addition to the one day events, the PTI provided support to United Learning by sourcing academic speakers and teacher-led workshops for their annual teacher training day, which was based in Paddington Academy in July, and also provided one day in-school support for two schools. All of these activities were well received by delegates and the commissioning organisations.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Establishment of the Chartered 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, which it did. The trustees are pleased that 2015/16 saw the successful launch of this initiative, with a new charity being formed in February 2015, founding trustees appointed in October 2015, and recruitment of the first Chief Executive in August 2016, Dame Alison Peacock. Dame Alison participated in the 2013 PTI Blueprint Commission, and has been a member of the PTI Academic Steering Group, leading on the PTI's Primary Leadership Programme. She takes up her new post in January 2017.

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 18 members. During the year we were delighted to welcome to the Committee Jenny Eastwood, a longstanding Patron of the organisation, Nick Baird, Group Corporate Affairs Director at Centrica and Basil Zirinis, Partner at the international law firm Sullivan & Cromwell. The trustees would like to express their thanks to The Rt Hon Charles Wigoder, who remains a supporter of the organisation, but who is stepping back from his role in the Development Committee.

Although the fundraising environment remained challenging, the charity was pleased to welcome a number of new donors, and the trustees extend their thanks to the loyal group of existing patrons who continue to support its work. In particular, the charity is grateful to have received a further generous donation of £443k from the Prince of Wales Foundation (US) for the Expendable Endowment and £200k from a longstanding supporter.

Trading Subsidiary

The charity is currently limited in its ability to attract sponsorship income and not able to engage in commercially profitable ventures. In order to facilitate these in the future, a trading subsidiary, PTI Education Ltd, was established on 31st August 2016. The trading subsidiary was dormant until 1 October 2016, but thereafter all of the charities' educational activities will be run by PTI Education Ltd under license from the charity. As the charity and trading subsidiary are registered as a VAT Group, this change will result in schools and course delegates being charged VAT from 2016/17 onwards. This change accounts for £8k of VAT on costs incurred by the charity during September being recoverable.

Independent external evaluation of the Schools Programme

After two years of the Schools Programme, the charity commissioned two former OFSTED inspectors to evaluate the work of the English and Science strands. This evaluation was very positive, and led to the subsequent establishment of the Associate Department work which concentrates, as it does, on school-based evidence for the impact of action research projects. With the Schools Programme now in its eighth year, and the Associate Department scheme having been running for five years, the trustees felt that the time had come to commission an external evaluation of the impact of the programme on students. With the aims of both activities focused on departmental stretch and

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

challenge, the task of the evaluation was to determine whether the impact on teachers, which the charity reports on annually and which is consistently extremely high, extends to pupils.

Following discussions with a number of senior Professors at the UCL Institute of Education, it was decided that the best way to determine this impact was to undertake a qualitative review of the activities of the Schools Programme members and Associate Departments. Professor Hugh Starkey, Professor of Education in Curriculum, Pedagogy and Assessment, agreed to undertake this research personally. As well as attending the Music and History Schools Programme Day in London in July, he asked participating departments to submit to him evidence that they felt demonstrated the impact of the PTI on their pupils' work, as well as completing a short questionnaire. In addition to reviewing this evidence, he reviewed a sample of the departments' annual objectives, the PTI evaluation outcomes and public documents available on the PTI website, such as the Annual Review, Yearbooks, leadership reports and reports of residential programmes.

Professor Starkey is unequivocal about the impact of the charity's work: *"... across the country students are benefitting from the stimulus provided to their teachers from participating in the PTI Schools Programme. Whilst examination issues drive much of the agenda of heads of department, the annual reports include considerable evidence that PTI membership provides the support required to engage in activities that provide perspective on the processes of achieving exam successes and allow space for curriculum development"*

He was struck by the unique nature of the PTI's work. *"The PTI provides a unique form of continuing professional development (CPD). In an educational landscape characterised by constant change, intrusive monitoring of performance, intense competition and political and ideological controversy, the PTI appears as a neutral space which provides opportunities for teachers to step out of their daily struggles and put them in perspective."*

"Crucially, the Programme provides a personalised and supportive framework. The teacher leaders, who have graduated from the programme and who act as peer mentors, have a role perhaps analogous to a personal trainer. They encourage the teachers to set themselves and their departments challenging but achievable targets that in turn lead to a variety of exciting and innovative approaches to developing subject study."

His report is published by the UCL Institute of Education Press ("The Prince's Teaching Institute Schools Programme: An evaluation of its impact on students" ISBN 978-1-78277-196-8) and is available for download on the PTI website.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

Financial commentary

Income, Expenditure and movements in funds

Excluding movements in endowment funds, total income during the period under review was £1,745k (2014/15: £1,753k) and total expenditure was £1,732k (2014/15: £1,961k), resulting in a surplus for the year of £13k.

The charity was pleased to receive further donations from Prince of Wales US Foundation totalling £443k for the Endowment Fund. Taking this donation into account, there was total income of £2,188k (2014/15: £2,336k) and total expenditure of £1,740k (2014/15: £1,961k). After foreign exchange losses and investment gains on the endowment fund investments, net income for the year was £490k (2014/15: £375k). Taking into account the modest surplus for the year prior to movements in endowment funds, the Trustees decided not to draw down from the Endowment Fund this year.

The charity was also pleased to receive a donation of £200k from a longstanding donor, which is to be used over four years. This donation accounts for £150k of the change in deferred income from £27k in 2014/15 to £177k in the year under review.

Excluding donations to the Endowment Fund, both voluntary income and income from charitable activities fell very slightly. Voluntary income fell by 2% to £1,225k (2014/15: £1,246k). Reflecting the reduction in scale of New Teacher Subject Days compared to 2014/15, the grant from the National College for Teaching and Leadership fell to £586k (2014/15: £649k), but this was offset by a 7% increase in voluntary income from other sources to £639k. Income from charitable activities was down 1% at £497k (2014/15: £501k). Despite a 6% increase in delegates to one day CPD events, there was a 24% decrease in income, due to a greater proportion of delegates from Schools Programme departments benefitting from discounted rates. This decrease was offset by greater Summer School fee income, as well as greater New Teacher Subject Days income due to an increase in the per delegate fee.

Direct costs of charitable activities have reduced to £882k (2014/15: £1,200k). £241k of this decrease is due to the discontinuation, compared to the prior year, of the three satellite Subject Days centres (Cambridge, Harrogate, Ivybridge) that offered only two or three subjects for New Teachers. There was a £56k reduction in website costs compared to 2014/15, as the new website and related IT work was completed in 2014/15. Support costs of charitable activities, including general office and governance costs, increased from £650k to £663k. Included in these increased costs were £16k of one-off expenditure spent on professional fees relating to the establishment of the trading subsidiary PTI Education Limited.

Expenditure on raising funds increased by £83k to £195k (2014/15: £112k). £53k of this increase was related to increased direct costs from increased fundraising activities, and £8k of investment management costs were incurred by our appointing London & Capital to manage the endowment funds. The remaining £22k was due to increased costs relating to the maternity of the Senior Development Manager for 8 of the 12 months under review.

At the year-end the Net Assets of the charity totalled £2,693k (2014/15: £2,202k). The Endowment Fund increased to £1,856k (2014/15: £1,379k) Unrestricted reserves increased from £824k to £837k.

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

Risk

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

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

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 £620k, and with unrestricted reserves totalling £837k 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 unrestricted funds on deposit, diversified across three AAA-rated deposit takers and one other.

With the Endowment Fund growing to £1.86m, and with a maximum draw-down of £100k per annum, the majority of the fund is for use in the medium and long term. As a result, the Trustees decided that £500k be kept as cash on deposit, and the remaining £1.3m be invested in a diversified portfolio of medium investment risk to provide growth for the medium and long term. Following a competitive tendering process, investment managers London & Capital were retained to manage the investment portion of the Fund on a discretionary basis.

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

Responding to strong demand from the primary sector, the charity will increase the number of places available at the 2016/17 Primary Headteachers' Residential, and it will pilot further activities in the primary sector aimed not just at Headteachers but also their staff.

There have also been a number of demands for some of the professional development to be made online, especially from schools in more remote parts of the country. As a result, the charity will investigate whether the inspiration offered by the existing activities may be complemented by delivery of workshops and lectures in an online environment.

The New Teacher Subject Days have proven highly successful with new teachers attending as well as their schools' leadership, but the financial requirements of their operations make them impossible for the charity to deliver without statutory financial support. After the period under review, the National College for Teaching and Leadership decided not to further renew funding for the New Teacher Subject Days programme, and so the trustees agreed that it would not be possible for the PTI to continue to offer these courses as currently configured. However with their considerable impact on new teachers repeatedly reaffirmed every year not just by the course participants but also their line managers and Headteachers, the trustees decided that the charity should continue to offer the courses, despite the lack of continuing statutory funding. As a result, the PTI has offered courses of four Saturdays in London only for the 2016/17 academic year at an increased fee to participants, and the courses are well attended. However, it is with regret that the charity cannot continue to offer these courses outside London.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

The extensive curriculum changes have resulted in many teachers requesting professional development on areas of the curriculum that they have not hitherto been teaching. In order to respond to this need, the charity intends to put on in 2016/17 a greater number of one day professional development courses than in the past.

As the charity has not increased its charges to schools for professional development, or Schools Programme affiliation fees in nine years, it was agreed that the fees charged to schools should be reviewed and brought into line with comparable market rates, where applicable. As noted above, with the establishment of the trading subsidiary PTI Education Ltd, these fees will attract VAT from the 2016/17 academic year onwards.

The Prince's Teaching Institute

Trustees' Report for the year ended 30 September 2016

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 20 January 2017 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 2016 which comprise the Statement of Financial Activities, incorporating the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 2016 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; 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

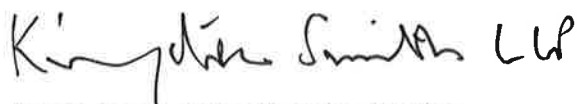
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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: 14 February 2017

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 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income and endowments from:						
Grants and donations		530,305	695,180	442,856	1,668,341	1,819,119
Charitable activities:						
Schools Programme Affiliation Fees		166,130	-	-	166,130	162,580
Summer Schools		50,490	-	-	50,490	37,185
Continuing Professional Development events		112,206	-	-	112,206	147,484
Heads' Residential and Schools Leadership Programme		11,552	-	-	11,552	15,635
Subject Days		143,370	-	-	143,370	137,800
Primary Heads Residential and Leadership Programme		13,200	-	-	13,200	-
Investments	2	22,737	-	-	22,737	16,590
Total Income		<u>1,049,990</u>	<u>695,180</u>	<u>442,856</u>	<u>2,188,026</u>	<u>2,336,393</u>
Expenditure on:						
Raising funds	4	187,251	-	7,785	195,036	112,053
Charitable activities:						
Schools Programme	3	252,543	26,465	-	279,008	269,841
Summer Schools		219,052	66,533	-	285,585	295,983
Continuing Professional Development		161,477	16,384	-	177,861	191,173
Heads' Residential and Schools Leadership Programme		109,414	-	-	109,414	118,969
Primary Heads Residential and Leadership Programme		35,543	-	-	35,543	-
Subject Days		35,946	585,798	-	621,744	883,654
Website		35,825	-	-	35,825	89,538
Total Cost of Charitable Activities		<u>849,800</u>	<u>695,180</u>	<u>-</u>	<u>1,544,980</u>	<u>1,849,158</u>
Total Expenditure		<u>1,037,051</u>	<u>695,180</u>	<u>7,785</u>	<u>1,740,016</u>	<u>1,961,211</u>
Net (expenditure)/ income before other recognised gains/ (losses)		12,939	-	435,071	448,010	375,182
(Losses) on foreign exchange		-	-	(43,532)	(43,532)	-
Net gains on investments	8	-	-	85,607	85,607	-
Net income for the year		12,939	-	477,146	490,085	375,182
Total funds at 1st October 2015		<u>824,353</u>	<u>-</u>	<u>1,378,585</u>	<u>2,202,938</u>	<u>1,827,756</u>
Total funds at 30th September 2016		<u>837,292</u>	<u>-</u>	<u>1,855,731</u>	<u>2,693,023</u>	<u>2,202,938</u>

For 2015 comparative of Statement of Financial Activities please see note 16.

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Balance Sheet at 30th September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	7		2,001		2,666
Investments	8		<u>1,374,272</u>		<u>-</u>
			1,376,273		2,666
Current assets					
Debtors	9	86,669		73,932	
Cash at bank and in hand		<u>1,551,884</u>		<u>2,303,353</u>	
		1,638,553		2,377,285	
Creditors					
Amounts falling due within one year	10	<u>(321,803)</u>		<u>(177,014)</u>	
Net current assets			<u>1,316,750</u>		<u>2,200,271</u>
Net assets			<u><u>2,693,023</u></u>		<u><u>2,202,938</u></u>
Funds					
Restricted funds	11		-		-
Endowment funds	11		1,855,731		1,378,585
Unrestricted funds	11		<u>837,292</u>		<u>824,353</u>
			<u><u>2,693,023</u></u>		<u><u>2,202,938</u></u>

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

Approved by the Board of Trustees

and authorised for issue on 20 January 2017



Harvey McGrath, Chairman

Companies House no: 05910443

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Statement of Cashflows for the year ended 30th September 2016

	Note	2016 £	2015 £
Cash flow from operating activities			
Net cash provided by/(used in) operating activities	(i)	<u>559,045</u>	<u>22,590</u>
Cash flow from investing activities			
Investment income		22,737	16,590
Acquisition of fixed asset investments		(1,224,376)	-
Proceeds from disposal of fixed asset investments		87,226	-
Loss/(Profit) on foreign exchange		(43,532)	-
Cash held on deposit		(151,514)	-
Purchase of tangible fixed assets		<u>(1,054)</u>	<u>(1,087)</u>
Net cash provided by/(used in) investing activities		<u>(1,310,513)</u>	<u>15,503</u>
Change in cash and cash equivalents		(751,468)	38,093
Cash and cash equivalents at the beginning of the year		<u>2,303,353</u>	<u>2,265,260</u>
Cash and cash equivalents at the end of the year	(ii)	<u>1,551,884</u>	<u>2,303,353</u>

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

	2016 £	2015 £
Net income/(expenditure)	490,085	375,182
Adjustments for:		
Depreciation charge	1,719	1,360
Dividend income	(7,013)	-
Interest received	(15,724)	(16,590)
Loss/(Profit) on sale of investments	(1,226)	-
Loss/(Profit) on foreign exchange	43,532	-
Unrealised loss/(profit) on investments	(84,381)	-
Decrease/(increase) in debtors	(12,737)	(4,919)
Increase/(decrease) in creditors	<u>144,789</u>	<u>(332,443)</u>
Net cash provided by/(used in) operating activities	<u>559,045</u>	<u>22,590</u>

(ii) Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>1,551,884</u>	<u>2,303,353</u>
	<u>1,551,884</u>	<u>2,303,353</u>

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

1 Accounting policies

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

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

a) Basis of preparation of the financial statements

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

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

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

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

b) Transition to FRS 102

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 October 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 30 September 2015.

Some adjustments have been made in order to comply with the new Charities SORP/ FRS 102 which have had no effect on total funds or the SOFA but which have affected the presentation of certain items in the balance sheet. The main item was:

Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.

c) Fund Accounting

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

The Endowment Fund represents a donation that is to be used as an Expendable Endowment for teacher professional development, that is both capital and income and can be drawn down, to a maximum level of £100,000 per annum.

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

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

d) Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

e) Expenditure

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

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

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

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

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

f) Tangible fixed assets and depreciation

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

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

g) Pensions

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

h) Operating leases

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

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

i) Investments

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

j) Financial instruments

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

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

k) Critical accounting estimates and areas of judgement

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

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

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

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

l) Cash and cash equivalents

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

2 Investment income

	2016	2015
	£	£
Dividend income	7,013	-
Interest on cash deposits	15,724	16,590
	<u>22,737</u>	<u>16,590</u>

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

3 Cost of Charitable Activities

2016	Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme	Primary Heads' Residential and Leadership Programme	Subject Days	Website	Total Funds 2016
	£	£	£	£	£	£	£	£
Activities direct costs								
Schools Programme	153,596	-	-	-	-	-	-	153,596
Summer Schools	-	199,961	-	-	-	-	-	199,961
Continuing Professional Development (CPD)	-	-	121,975	-	-	-	-	121,975
Heads' Residential and Schools Leadership Programme	-	-	-	36,779	-	-	-	36,779
Primary Heads' Residential and Leadership Programme	-	-	-	-	8,355	-	-	8,355
Subject Days	-	-	-	-	-	344,071	-	344,071
Website Development	-	-	-	-	-	-	16,868	16,868
Support costs								
Wages and salaries	153,596	199,961	121,975	36,779	8,355	344,071	16,868	881,605
Consultancy	75,442	53,422	39,696	42,101	14,903	169,309	12,017	406,889
General office costs	18,394	17,513	1,500	4,588	5,100	17,500	2,381	66,975
Governance costs	26,563	11,986	11,986	21,704	5,507	77,747	3,239	158,733
	5,013	2,704	2,704	4,243	1,678	13,118	1,319	30,779
	125,412	85,624	55,886	72,635	27,189	277,673	18,957	663,375
	279,008	285,585	177,861	109,414	35,544	621,744	35,825	1,544,980

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

Cost of Charitable Activities		2015							Total Funds 2015
		Schools Programme	Summer Schools	CPD	Heads' Residential and Schools Leadership Programme	Primary Heads' Residential and Leadership Programme	Subject Days	Website	
		£	£	£	£	£	£	£	£
Activities direct costs									
Schools Programme		149,698	-	-	-	-	-	-	149,698
Summer Schools		-	211,483	-	-	-	-	-	211,483
Continuing Professional Development (CPD)		-	-	142,698	-	-	-	-	142,698
Heads' Residential and Schools Leadership Programme		-	-	-	38,255	-	-	-	38,255
Primary Heads' Residential and Leadership Programme		-	-	-	-	-	-	-	-
Subject Days		-	-	-	-	-	585,002	-	585,002
Website Development		-	-	-	-	-	-	72,374	72,374
Support costs									
Wages and salaries		149,698	211,483	142,698	38,255	-	585,002	72,374	1,199,510
Consultancy		74,581	50,419	34,789	51,063	-	201,002	12,263	424,117
General office costs		19,125	22,250	3,000	5,417	-	29,400	1,375	80,567
Governance costs	5	21,985	9,527	8,550	19,542	-	57,650	2,443	119,697
		4,452	2,304	2,136	4,692	-	10,600	1,083	25,267
		120,143	84,500	48,475	80,714	-	298,652	17,164	649,648
		269,841	295,983	191,173	118,969	-	883,654	89,538	1,849,158

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

4 Cost of raising funds	2016	2015
	£	£
Wages and salaries	35,199	66,163
General office costs	94,433	41,956
Direct fundraising costs	57,619	3,934
Investment management fees	7,785	-
	<u>195,036</u>	<u>112,053</u>

The £30,964 reduction in wages and salaries is due to the unpaid maternity leave of the Senior Development Manager. This is offset by an increase in consultancy costs of £43,189 for maternity cover, which are included in general office costs.

5 Governance Costs	2016	2015
	£	£
Wages and salaries	12,159	13,525
General office costs	4,161	3,665
Auditor's remuneration: - current year	6,675	6,600
- prior year underprovision	4,260	400
- non-audit services	3,523	1,077
	<u>30,779</u>	<u>25,267</u>

6 Staff Costs (including directors' emoluments)	2016	2015
	£	£
Wages and salaries	381,234	423,411
Social security costs	38,437	43,091
Contributions to personal pension schemes	34,578	35,753
	<u>454,249</u>	<u>502,255</u>

One employee received remuneration between £110,000 and £120,000 during the year (2014/15: 1). Pension contributions of £11,674 (2014/15: £11,453) were paid on behalf of this individual. One other employee received remuneration between £60,000 and £70,000, with pension contributions on their behalf totalling £6,024. 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:

	2016	2015
Charitable activities	12.8	12.8
Governance	0.2	0.2
	<u>13.0</u>	<u>13.0</u>

No trustee received remuneration from the charity during the year.

Helen Cooper, a trustee of the organisation for part of the year, was reimbursed £120 during the year in relation to travel expenses (2014/15: Kate Pretty a total of £270).

Key Management Personnel:

Key management personnel comprises the Co-Director, Chief Operating Officer, Senior Development Manager and Senior Events Manager. The total remuneration for these individuals was £233,008 (2015: £283,505). The decrease in remuneration was due to the unpaid maternity leave taken by both the Senior Development Manager and Senior Events Manager in the period under review.

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

7 Tangible Fixed Assets

	Website and Computer Equipment £	Office Fittings and Equipment £	Total £
Cost			
As at 1 October 2015	72,248	8,289	80,537
Additions	1,054	-	1,054
As at 30 September 2016	<u>73,302</u>	<u>8,289</u>	<u>81,591</u>
Depreciation			
At 1st October 2015	70,532	7,339	77,871
Charge during the year	1,063	656	1,719
At 30th September 2016	<u>71,595</u>	<u>7,995</u>	<u>79,590</u>
Net Book Value			
At 30th September 2016	<u>1,707</u>	<u>294</u>	<u>2,001</u>
At 30th September 2015	<u>1,716</u>	<u>950</u>	<u>2,666</u>

8 Fixed Asset Investments

	Listed Investments 2016 £
Market Value Brought Forward	-
Acquisitions at Cost	1,224,376
Less Disposal Proceeds	(87,226)
Realised gains on Disposal	1,226
Gains on Revaluation	84,381
Market Value Carried Forward	<u>1,222,757</u>
Cash held	141,300
Accrued interest	10,215
Total value	<u>1,374,272</u>
Geographical Analysis	
United Kingdom investments	1,010,376
Overseas investments	212,381
	<u>1,222,757</u>
<i>Historic cost of listed investments</i>	1,138,363

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

9	Debtors	2016	2015
		£	£
	Trade debtors	42,111	33,312
	Prepayments	25,306	27,035
	Accrued Income	6,141	8,259
	VAT recoverable	7,785	-
	Rent deposit	5,326	5,326
		<u>86,669</u>	<u>73,932</u>
10	Creditors: Amounts falling due within one year	2016	2015
		£	£
	Trade creditors	64,627	101,012
	Deferred income	177,162	26,947
	Other creditors	7,200	7,200
	Accruals	71,464	41,155
	Pensions contributions payable	1,350	700
		<u>321,803</u>	<u>177,014</u>
			£
	Deferred income at 1 October 2015		26,947
	Funds received in the year		177,162
	Amount released to restricted and endowment funds in the SOFA		<u>(26,947)</u>
	Deferred income at 30 September 2016		<u>177,162</u>

Deferred income relates to donations received that are to be spread over multiple periods.

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

11	Movements in funds	at 1st October 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	at 30th September 2016 £
	Restricted Funds					
	Summer School	-	66,533	(66,533)	-	-
	Schools Programme	-	26,465	(26,465)	-	-
	Subject Days	-	585,798	(585,798)	-	-
	Vocational Education	-	16,384	(16,384)	-	-
	<i>Total restricted funds</i>	<u>-</u>	<u>695,180</u>	<u>(695,180)</u>	<u>-</u>	<u>-</u>
	Endowment Funds					
	Teacher Training Fund	1,378,585	528,463	(51,317)	-	1,855,731
	<i>Total endowment funds</i>	<u>1,378,585</u>	<u>528,463</u>	<u>(51,317)</u>	<u>-</u>	<u>1,855,731</u>
	Unrestricted General Funds	824,353	1,049,990	(1,037,051)	-	837,292
	Total Funds	<u>2,202,938</u>	<u>2,273,633</u>	<u>(1,783,548)</u>	<u>-</u>	<u>2,693,023</u>

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

The Teacher Training Fund represents a donation from the Prince of Wales US Foundation that is to be used as an Expendable Endowment for teacher professional development, that is both capital and income and can be drawn down to a maximum level of £100,000 per annum. There were no transfers in the year.

The Prince's Teaching Institute
(An incorporated charity limited by Guarantee)
Notes to the Financial Statements
For the year ended 30th September 2016

12 Analysis of net assets between funds

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

13 Transactions involving Trustees and related parties

During the year, Harvey McGrath, a director and charity Trustee of The Prince's Teaching Institute, made donations to the Institute totalling £nil (2014/15: £40,000).

Bernice McCabe, Co-Director of The Prince's Teaching Institute (but not a Companies Act director or charity Trustee), invoiced the Institute £30,000 (2014/15: £30,000) for her services as a consultant during the year, £7,500 (2014/15: £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 £11,672 (2014/15: £13,500) 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.

14 Operating lease commitments

At 30th September 2016, the charity had total commitments under non-cancellable leases for buildings as follows:

	2016 £	2015 £
Payable in less than one year	68,510	49,173
Payable within two to five years	<u>216,948</u>	<u>-</u>

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

15 Post balance sheet events

On 31st August 2016 PTI Education Limited was incorporated. This is 100% owned by The Prince's Teaching Institute and hence is a subsidiary company. However, no trading occurred between 31st August 2016 and 30th September 2016, with operations commencing in October 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 2016

16 Prior year's SOFA

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Endowment Funds 2015 £	Total Funds 2015 £
Income				
Income from generated funds				
Voluntary income				
Grants from institutions and charitable trusts	286,500	693,581	573,364	1,553,445
Other grants and donations	234,623	31,051	-	265,674
Income from investments	6,117	-	10,473	16,590
Income from charitable activities				
Schools Programme Affiliation Fees	162,580	-	-	162,580
Summer Schools	37,185	-	-	37,185
Continuing Professional Development events	147,484	-	-	147,484
Heads' Residential and Schools Leadership Programme	15,635	-	-	15,635
Subject Days	137,800	-	-	137,800
Primary Heads Residential and Leadership Programme	-	-	-	-
Total Income	<u>1,027,924</u>	<u>724,632</u>	<u>583,837</u>	<u>2,336,393</u>
Expenditure				
Expenditure on Raising funds	112,053	-	-	112,053
Expenditure on charitable activities				
Schools Programme	246,851	22,990	-	269,841
Summer Schools	280,422	15,561	-	295,983
Continuing Professional Development	184,092	7,081	-	191,173
Heads' Residential and Schools Leadership Programme	118,969	-	-	118,969
Subject Days	204,654	679,000	-	883,654
Website	89,538	-	-	89,538
Total Cost of Charitable Activities	<u>1,124,526</u>	<u>724,632</u>	<u>-</u>	<u>1,849,158</u>
Total Resources Expended	<u>1,236,579</u>	<u>724,632</u>	<u>-</u>	<u>1,961,211</u>
Net (expenditure)/income	(208,655)	-	583,837	375,182
Transfer between funds	100,000	-	(100,000)	
Gains/ (losses) on foreign exchange	-	-	-	-
Gains/ (losses) on investments:	-	-	-	-
Realised	-	-	-	-
Unrealised	-	-	-	-
Net income for the year	(108,655)	-	483,837	375,182
Balance brought forward at 1st October 2014	<u>933,008</u>	<u>-</u>	<u>894,748</u>	<u>1,827,756</u>
Balance carried forward at 30th September 2015	<u>824,353</u>	<u>-</u>	<u>1,378,585</u>	<u>2,202,938</u>