

THE PROFESSIONAL TEACHING INSTITUTE (Formerly known as The Prince's Teaching Institute)
(An incorporated charity limited by Guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Registered Charity No. 1116224
Company No. 05910443

THE PROFESSIONAL TEACHING INSTITUTE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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THE PROFESSIONAL TEACHING INSTITUTE

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors and charity Trustees (The “Trustees”) of The Professional Teaching Institute (the “PTI”) present their report together with the audited financial statements of the charity for the year to 30 September 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Charity’s Memorandum and Articles of Association, applicable law and the requirements of the FRS 102 Charities SORP, the Companies Act 2006 and Charities Act 2011.

Company and Charity details:

The Professional Teaching Institute

The Professional Teaching Institute is a registered charity numbered 1116224 and a company limited by guarantee numbered 05910443. The charity/company changed its name from The Prince’s Teaching Institute to The Professional Teaching Institute with effect from 24 July 2019. 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.

Royal Founding Patron:	HRH the Prince of Wales KG KT GCB OM
Honorary President	Sir Harvey McGrath
Directors and charity Trustees who served during the year	K'thiel (Keith) Breslauer (Chairman) Sir Jonathan A. Coles Professor E. Helen Cooper Raj Kumar Julie Mercer (appointed 17 September 2019) Sushil Saluja (resigned 1 May 2019) Peter I. Wallace
Company Secretary	Julia Bagguley
Co-directors	Bernice A. McCabe OBE (deceased 18 February 2019) Carolyn Roberts (appointed 1 September 2019) Christopher N. H. Pope
PTI Education Ltd	The charity established a trading subsidiary, PTI Education Ltd on 31 August 2016. It is a company Limited by shares numbered 10353080 and is registered in England & Wales. Its registered office is 40 Grosvenor Gardens, London SW1W 0EB.
Accountants and auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Legal advisors	Farrer & Co 66 Lincoln’s Inn Fields London WC2A 3LH Penningtons Manches LLP 125 Wood Street London EC2V 7AW

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FOR THE YEAR ENDED 30 SEPTEMBER 2019

Financial advisors London & Capital Asset Managers
Two Fitzroy Place
8 Mortimer Street
London W1T 3JJ

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 23 January 2020.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Objectives, activities and public benefit

Objectives

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

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

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

Activities

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

School Leadership Programme, Primary and Secondary Headteachers' Residential

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

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

The Subject Leadership Programme and Subject Enrichment Residential

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

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

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

Continuing Professional Development ("CPD")

CPD consists of:

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

In addition, the PTI works with schools to provide bespoke subject-based courses, runs an annual lecture with an eminent speaker for teachers and their students, and in the year under review ran a Subject Enrichment Day with Lancaster University.

New Teacher Subject Days

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

Subject Leadership Certificate

Aimed at aspiring subject leaders, the Subject Leadership Certificate was successfully piloted in the year under review. Lasting four terms, participants are required to design and deliver two new and more challenging Schemes of Work (a group of lessons for a given topic). They use resources from the extensive PTI Staffroom bank, and are supported by experienced teachers from the PTI network, who provide online tutorial support. Following assessment of the schemes of work, successful participants are awarded the PTI Subject Leadership Certificate.

PTI Primary Hubs

Following attendance at PTI Primary Leadership Residential, a primary Head can choose to create a PTI Primary Hub in their area. That Head becomes the Hub Lead, and brings together the other primary schools they wish to have included in the hub, and works with the PTI to agree the subjects and topics for the days, and oversee their delivery. The PTI arranges the speakers and logistics and ensures quality control. The Hub Lead is also part of the Primary Leadership Programme network (see above), and the PTI encourages other Heads in the Hub to attend future Primary Leadership Residential themselves.

Public benefit

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

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

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

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Achievements in 2018/19

We were pleased to post an 18% increase in the number of teachers attending PTI events, up to 1,494 teachers, despite the continuing headwinds of tightening school budgets and increasing reluctance of Headteachers to release their staff from school. This growth was driven by successful new activities (the Subject Leadership Certificate and Primary Hubs) as well as an expanded presence in the North West of the country with a subject enrichment day run in collaboration with Lancaster University and a bespoke residential for teachers of English in Blackpool.

With continuing difficulties for teacher retention nationally, we are also pleased that our impact on retention continues to be strong. For four years in a row over 81% of experienced and valuable teachers – Heads of Department – and over 62% of New Teachers who had considered leaving the profession are less likely to do so after attending PTI courses.

We introduced a new flat-fee option for schools, called PTI Unlimited, and we were pleased that we had an initial group of 13 schools choose to take this option.

We ran pilots for two new ventures, the Subject Leadership Certificate and Primary Hubs, which were extremely successful and resulted in our adopting these as new activities across all PTI subjects in 2019/20. Our core work of the Summer School, Leadership Programmes, CPD days, New Teacher Subject Days and online courses all continued to receive extremely high evaluations from the teachers attending.

We reported last year on impending changes in branding and name: we have now trademarked the wordmark “The PTI” as well as our logo, and our articles of association have been brought up to date. There has been no discernible impact on any of our operations.

School Leadership Programme, Primary and Secondary Headteachers' Residential

We ran our first merged Primary and Secondary Leadership Programme Day, and the new format was considered successful by all attending, with 98% of the senior school leaders reporting that their membership has increased the focus on teaching and learning in their school and 91% saying that it has increased the development leadership skills in their school.

The evening before, we ran our first VIP Dinner, to provide a forum for policy-makers and top Multi-Academy Trust CEOs to network. This was in response to the lack of an agenda-free opportunity for these protagonists with the discontinuation of the Inspiring Leadership Conference VIP dinner (which was previously the National College conference VIP dinner). We were grateful to the Mercers for use of their Hall, and pleased to welcome a great many senior individuals from the world of education including HM Chief Inspector Amanda Spielman and the previous custodian of the National College/Inspiring Leadership VIP dinners, Steve Munby CBE.

Induction into the School Leadership Programme is by attendance at our Primary or Secondary Leadership Residentials. Once again these were highly successful, with 100% of the primary delegates confirming that they will develop subject-rich initiatives in their schools and 92% of secondary delegates saying that attending will have an impact on their schools.

The Subject Leadership Programme and Subject Enrichment Residential

The Subject Leadership Programme continues to increase challenge in schools, with 91% of members saying that their membership of the Programme had resulted in a richer experience for their students, and 86% feeling that their pupils had a wider experience of their subject as a result of the intervention. Furthermore, 87% confirmed that it had raised the aspirations and expectations of their pupils and 77% said that “the scheme has helped my students become more well-rounded people and helped them to develop character traits that will help them succeed in later life e.g. curiosity, confidence, optimism, resilience and ambition”.

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In June we returned to Downing College, Cambridge to deliver the Subject Enrichment Residential in English, Geography, Music and Art. Evaluations were very positive, with 99% of delegates saying that it would have an impact on their school. Typical evaluation quotes are:

"It is like a filling station. I have been running on almost empty for many years. We have had no CPD of worth and nothing that values the individual. PTI does both of these."

"The course has allowed me to rediscover my love of my subject and my own love of learning. It is through this new found passion for the subject that I will be refocusing on teaching it to the best of my ability. The course has reminded me of the power and the importance of English to change lives of the pupils, support them in times of trouble and guide them towards the successes they deserve."

"It has reminded me that we are academics and need to pass that knowledge and passion on to the students, not just manage their behaviour and deliver the curriculum."

Continuing Professional Development ("CPD")

One Day Subject Days

These continued to receive very strong evaluations, with 94% of delegates saying that they will have an impact on their pupils and 93% saying that they have given them the knowledge and skills to be a better teacher.

Online courses

We have now extended our online courses to all our subjects, and these are also attracting strong evaluations. 92% reported that they found the discussions constructive and useful and 88% said that attending the sessions has given them the knowledge and skills to be better teachers. The expertise we have built in delivering these online CPD courses has been invaluable in allowing us to develop online tutorial support for those seeking a PTI Subject Leadership Certificate (see below)

New activities

To help diversify our activities outside London, particularly in the North West, we ran a day's enrichment with Lancaster University, and a two day residential for teachers of English from Blackpool. The Blackpool residential was hugely successful, with 100% strongly agreeing that what they had learnt on the course would make them better teachers. The Lancaster University day was also well received, with 100% saying that they found attending a valuable experience.

New Teacher Subject Days

It was another strong year, with 92% of the new teachers attending the New Teacher Subject Days course saying that their attendance will make them a better teacher and 60% reporting an increase in confidence to teach.

Subject Leadership Certificate

We developed and piloted the PTI Subject Leadership Certificate in response to requests by a number of senior school leaders wishing to provide professional development to their staff who were at the stage of their careers in between being qualified and seeking to join leadership positions ("aspiring subject leaders"). We piloted a model in English, History and Physics at primary and secondary level. 100% of the secondary delegates and 87% of the primary delegates confirmed that taking the module enabled their pupils to be introduced to more challenging material and enriched their experience of the subject. Whilst we deemed both successful outcomes, the primary courses required a lot more resourcing and support than we felt able to provide on an ongoing basis, and so the decision was made to launch the Subject Leadership Certificate in 2019/20 in all PTI subjects, but for secondary teachers only for the time being.

With the Subject Leadership Certificate being aimed at aspiring subject leaders, it has been designed to provide all the project evidence necessary for teachers interested in taking the National Professional Qualification for Middle Leadership

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(NPQML). Those taking part in the pilot encouraged us to consider developing a more advanced subject-based certificate in 19/20 which we have undertaken (see Future Plans below).

PTI Primary Hubs

To test the concept, we ran three days for the Harlow Education Trust, with primary teachers from 15 schools attending. Their response was extremely strong, with 100% finding the discussion constructive and useful, 96% saying that attending has given them the knowledge and skills to be a better teacher and 100% saying that attending will have an impact on my pupils.

Fundraising

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

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

During the year under review we were pleased to welcome Oliver Corlette and Daniel Barber to the Committee. Although the fundraising environment remained challenging, the charity was pleased to welcome a number of new donors. We continued our successful stewardship of donors, including our regular breakfasts, and the Trustees extend their thanks to the loyal group of existing patrons who continue to support its work. We have also introduced a legacy programme for the first time.

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

Financial commentary

Income, expenditure and movements in funds

Excluding endowment investment gains and losses on foreign exchange, total income during the period under review was £1,295k (2017/18: £1,243k) and total expenditure was £1,376k (2017/18: £1,303k). The Trustees chose to draw down £48k of capital from the Teacher Training Fund which, together with the £52k of income generated, represents the annual £100k allowance. The result after endowment investment gains and losses on foreign exchange was a decline of £15k in total funds to £2,545k.

Voluntary and sponsorship income rose 6% to £861k (2017/18: £811k) thanks to a continuing successful campaign to recruit additional donors. Teacher attendance at events was up 18% to 1,424, but income from charitable activities declined 3% to £373k (2017/18: £384k), reflecting our need to increase discounting in order to attract teachers from schools affected by budget cuts.

No further donations to the Teacher Training Fund were expected or received during the year under review. Taking into account income and losses on investments, management charges and gains on foreign exchange, the fund grew by 5.8% (2017/18: 1.1%) to £1,800k. Following the drawdown of £100k of income and capital, at the year end endowment funds totalled £1,700k.

Overall expenditure increased by 6% to £1,376k (2017/18: £1,303k). Direct costs of charitable activities increased 7% to £465k (2017/18: £435k) reflecting the 18% increase in teacher attendance. Support costs of charitable activities,

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including general office and governance costs, increased 11% to £759k (2017/18: £685k). 73% of this increase came from increased consulting costs (£54k up on 2017/18 to £133k), driven by our engaging on secondment a Head of Education Strategy and Development to devise and drive new activities. £8k of the £9k increase in governance costs is due to 17/18 costs being £8k lower from the correction of historic audit fee over provisions.

Expenditure on raising funds decreased by £30k to £153k (2017/18: £183k) due to our not holding a dinner to thank Patrons in the year under review.

At the year-end the Net Assets of the charity totalled £2,545k (2017/18: £2,560k). Unrestricted reserves decreased from £859k to £845k.

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

Reserves and Investment policies

The PTI's minimum reserve policy is to have three months' normal operating expenditure as cash in hand (currently approximately £250k). However, the Trustees recommend having at the beginning of the financial year accounting reserves at a sufficient level to provide School and Subject Leadership Programme services for 12 months to schools affiliated to our programmes. This is approximately £650k, and with unrestricted reserves totalling £845k at the year end, this objective has been comfortably met. The Trustees consider it prudent to be in this position, in the light of the reduction in school budgets for continuing professional development and the challenging current fundraising environment. In addition, this level of reserves would cover liabilities in the event of the charity ceasing trading.

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

With the Teacher Training Fund at £1.70m at the year end, and with a maximum draw-down of £100k per annum, the majority of the fund is for use in the medium and long term. At year end, £184k of the fund was held as cash on deposit, and the remaining £1.5m was invested in a diversified portfolio of medium investment risk to provide growth for the medium and long term. The charity pursues an ethical investment policy and the portfolio is managed on a discretionary basis by investment managers London & Capital.

Funders and contributors

The Trustees record their thanks to all the PTI's donors and supporters - both large and small – and the staff and volunteers who have worked extremely hard to achieve another successful year for the charity. We are pleased to have increased voluntary income by 6% and to have further diversified our funding base.

Future plans

During the year, we piloted two important new initiatives that will take effect on a permanent basis from 2019/20:

- The PTI Subject Leadership Certificate. These will be rolled out across all PTI subjects at secondary level in 2019/20
- PTI Primary Hubs

Participants in the PTI Subject Leadership Certificate pilot remarked that there was further potential in the idea, by creating a more advanced certificate for those wishing to become school Curriculum Deputy Headteachers responsible for curriculum. In 19/20 we are therefore piloting a Level 2 Subject Leadership Certificate, which will develop teachers' curriculum-building skills and provide the project evidence necessary for those wishing to take the National Professional Qualification for Senior Leadership (NPQSL).

There has been good interest for the PTI Primary Hubs from primary schools, and we intend to expand the number of PTI Primary Hubs to at least three in the year ahead. Clare O'Sullivan will remain on secondment as Head of Education

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Strategy and Development for a second year, to see through the development of the Level 2 certificate and help us establish and grow our Primary Hub activity.

In addition, we will be growing our online activities, responding to the increasing difficulty of teachers being released from school to attend professional development.

We will also re-establish our New Teacher Subject Days in Birmingham and expand the number of subjects on offer in Manchester.

PTI Unlimited, the flat-fee entrance option for schools who wish all their staff to become involved in PTI activities, has been well received by many schools, and will form a focus for growth in the year ahead.

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.

During the year the Trustees resolved to update governing documents. The details included

- To change of name of the charity from 'The Prince's Teaching Institute' to 'The Professional Teaching Institute' - effective from 23 July 2019
- To update provisions relating to trustee benefits and conflicts of interest. These now reflect modern governance practice and the Charity Commission's published guidance – effective from 23 July 2019.
- To change the title of the President to 'Royal Founding Patron' together with his role – also effective from 23 July

As the trading name has become The PTI, the Trustees also resolved to trademark the wordmark "The PTI" and the logo.

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.

All the Trustees are Elected Trustees and are appointed by either the members of the company in a general meeting or by the Trustees themselves.

As and when required, additional Trustees are appointed after a review of the skills and experience represented on the Trustee body.

Chair

The governing document provides for the President (after consultation with the Trustees) to appoint a Chairman from among their number. K'thiel (Keith) Breslauer was appointed unanimously as Chairman by his fellow Trustees.

Membership of the Trustee body

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

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Organisational structure and decision-making process

Royal Founding Patron

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

Trustees

The Trustee body administers The PTI. It met four times during the period under review. With the exceptions listed in Note 12, at no time during the year did any Trustee have a beneficial interest in transactions with the charity.

The Trustees have the following standing committees:

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

Organisation

Bernice McCabe OBE, the first Academic Co-director of the charity passed away on 18 February 2019 following a battle with cancer in which she showed tremendous courage and resilience. The Trustees wish to record their deep appreciation of Bernice's academic contribution to the charity since its inception and, on a personal level, how much she will be missed. She established the ethos of an Institute that inspires teachers to espouse high ambition for themselves and for children of all backgrounds and abilities, and this will remain at the heart of The PTI's work.

The Trustees welcome her successor, Carolyn Roberts, Head of Thomas Tallis School, Greenwich, London, who first became involved in the PTI in 2010. She was appointed on 1 September 2019 after a wide ranging executive search.

The charity has two Co-directors: Christopher Pope manages day-to-day operations of the PTI and Carolyn Roberts leads academic policy. They are assisted by eight full-time employees and three part-time employees and a secondee. Academic activities are led by a group of practising teachers acting as consultants.

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

Key Management Personnel

Key management personnel consist of the:

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

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

Internal Controls

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

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The key controls used include:

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

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

Risk and Mitigation

At each meeting, the Trustees review 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.

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

- **Reductions in school budgets.** Although the situation varies from school to school, schools are generally continuing to report real-term reductions in their budgets and therefore their capacity to invest in teacher professional development. Whilst the fees the PTI charges schools do not cover the cost of the PTI's charitable activities, they provide a mechanism which help ensure that the PTI's services are valued by schools, minimising no-shows and ensuring the engagement of senior school management, as well as providing some protection for PTI services to schools from the volatility of fundraising. The risk of lower bookings due to shrinking school budgets is mitigated by a relentless focus on the quality of the professional development provided, and by the close continuing relationship the charity maintains with school Headteachers as well as Senior Leadership and Heads of Department.
- **Reduction in schools' use of external professional development providers.** Although the situation varies from one Multi Academy Trust (MAT) to another, many MATs are conducting a greater proportion of professional development in-house. Whilst there are often benefits of greater school to school co-operation, the quality of such in-house provision is capped by the expertise within the MAT. The PTI mitigates this risk by continuing a dialogue with Headteachers in these MATs, as schools can re-engage after a period away, recognising the benefits of PTI membership that are lost by relying solely on in-house professional development.
- **Greater provision of subject-based support to schools.** With a renewed focus on curriculum in the new Ofsted inspection framework, a number of new subject-based initiatives are emerging, for example Maths Mastery and English hubs. We expect this trend to continue, and whilst there is no other provider at present offering courses equivalent to the PTI's across subjects, there is a risk of lowered participation due to the greater competition in subject-based support for schools.

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Audit Information

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In so far as we are aware:


- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

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

By order of the Board of Trustees



K'thiel (Keith) Breslauer
Chairman

Date: 23 January 2020

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

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Opinion

We have audited the financial statements of The Professional Teaching Institute for the year ended 30 September 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 September 2019 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

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

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 24 January 2020

10 Queen Street Place
London
EC4R 1AG

THE PROFESSIONAL TEACHING INSTITUTE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:						
Grants and donations		617,710	198,481	-	816,191	766,462
Charitable activities:						
Affiliation Fees		162,130	-	-	162,130	160,011
Subject Enrichment Residentials		46,576	-	-	46,576	41,914
Primary Leadership Residential and Programme		12,755	-	-	12,755	25,325
Secondary Leadership Residential and Programme		11,570	-	-	11,570	13,738
New Teacher Subject Days		65,916	-	-	65,916	72,251
Other Continuing Professional Development		74,057	-	-	74,057	70,323
Other trading activities		45,000	-	-	45,000	45,000
Investments		8,922	-	51,930	60,852	47,900
Total Income		<u>1,044,636</u>	<u>198,481</u>	<u>51,930</u>	<u>1,295,047</u>	<u>1,242,924</u>
Expenditure on:						
Raising funds	3	133,783	-	19,405	153,188	183,208
Charitable activities:	2					
Subject Leadership Programme		134,813	107,528	-	242,341	263,991
Subject Enrichment Residentials		186,625	74,653	-	261,278	234,244
Primary Leadership Residential and Programme		75,031	16,300	-	91,331	83,612
Secondary Leadership Residential and Programme		126,820	-	-	126,820	131,686
New Teacher Subject Days		196,522	-	-	196,522	166,841
Other Continuing Professional Development		252,032	-	-	252,032	187,380
Website and CRM		52,811	-	-	52,811	52,130
Total Cost of Charitable Activities		<u>1,024,654</u>	<u>198,481</u>	<u>-</u>	<u>1,223,135</u>	<u>1,119,884</u>
Total Expenditure		<u>1,158,437</u>	<u>198,481</u>	<u>19,405</u>	<u>1,376,323</u>	<u>1,303,092</u>
Net income / (expenditure) before other recognised gains / (losses) and transfers		(113,801)	-	32,525	(81,276)	(60,168)
(Loss)/gain on foreign exchange		-	-	(49,436)	(49,436)	(10,658)
Net gain on investments	7	-	-	115,613	115,613	9,149
Transfer between funds	10	100,000	-	(100,000)	-	-
Net income / (expenditure) for the year		<u>(13,801)</u>	<u>-</u>	<u>(1,298)</u>	<u>(15,099)</u>	<u>(61,677)</u>
Total funds at 1 October 2018		859,148	-	1,701,336	2,560,484	2,622,161
Total funds at 30 September 2019		<u>845,347</u>	<u>-</u>	<u>1,700,038</u>	<u>2,545,385</u>	<u>2,560,484</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities. Details of comparative figures by fund are included in note 14.
The notes to the financial statements form part of these accounts.

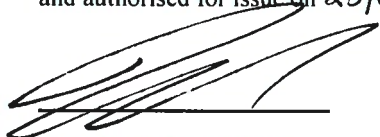
CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	6		-		158
Investments	7		1,516,032		1,417,331
			<u>1,516,032</u>		<u>1,417,489</u>
Current assets					
Debtors	8	172,749		205,673	
Cash at bank and in hand		1,202,841		1,270,646	
		<u>1,375,590</u>		<u>1,476,319</u>	
Creditors					
Amounts falling due within one year	9	(346,237)		(333,324)	
Net current assets			<u>1,029,353</u>		<u>1,142,995</u>
Net assets			<u><u>2,545,385</u></u>		<u><u>2,560,484</u></u>
Funds					
Restricted funds	10		-		-
Endowment funds	10		1,700,038		1,701,336
Unrestricted funds	10		845,347		859,148
			<u>2,545,385</u>		<u>2,560,484</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 23/01/2020 ~~2019~~



K'thiel (Keith) Breslauer
Chairman

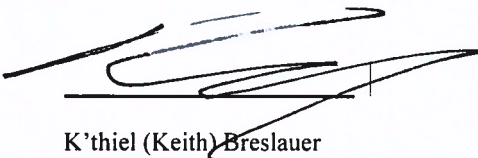
CHARITY BALANCE SHEET

AT 30 SEPTEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	6		-		158
Investments	7		1,516,033		1,417,332
			<u>1,516,033</u>		<u>1,417,490</u>
Current assets					
Debtors	8	216,542		320,759	
Cash at bank and in hand		953,646		1,030,595	
		<u>1,170,188</u>		<u>1,351,354</u>	
Creditors					
Amounts falling due within one year	9	(140,837)		(208,360)	
Net current assets			<u>1,029,351</u>		<u>1,142,994</u>
Net assets			<u><u>2,545,384</u></u>		<u><u>2,560,484</u></u>
Funds					
Restricted funds	10		-		-
Endowment funds	10		1,700,038		1,701,336
Unrestricted funds	10		845,346		859,148
			<u>2,545,384</u>		<u>2,560,484</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 23/01/2020 ~~2020~~



K'thiel (Keith) Breslauer
Chairman

THE PROFESSIONAL TEACHING INSTITUTE
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Cash flow from operating activities			
Net cash (used in)/provided by operating activities	(i)	(96,133)	(184,047)
Cash flow from investing activities			
Investment income		60,852	47,900
Acquisition of fixed asset investments through investment manager		(562,361)	(901,275)
Proceeds from disposal of fixed asset investments through investment manager		637,432	830,619
Loss/(gain) on foreign exchange		(49,436)	(10,658)
Net cash provided by/(used in) investing activities		86,487	(33,414)
Change in cash and cash equivalents		(9,646)	(217,461)
Cash and cash equivalents at the start of the year	(ii)	1,352,942	1,570,403
Cash and cash equivalents at the end of the year		1,343,296	1,352,942
(i) Reconciliation of net income to net cash flow from operating activities			
		2019 £	2018 £
Net expenditure		(15,099)	(61,677)
Adjustments for:			
Depreciation charge		158	729
Dividend income		(27,405)	(25,122)
Interest received		(33,447)	(22,778)
Loss/(Profit) on sale of investments		6,206	(578)
Loss on foreign exchange		49,436	10,658
Unrealised gain on investments		(121,819)	(8,571)
Decrease/(Increase) in debtors		32,924	(67,876)
Increase/(Decrease) in creditors		12,913	(8,832)
Net cash (used in)/provided by operating activities		(96,133)	(184,047)
(ii) Analysis of cash and cash equivalents			
		2019 £	2018 £
Cash at bank and in hand		1,202,841	1,270,646
Cash held on deposit		140,455	82,296
		1,343,296	1,352,942

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. Accounting policies

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

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

a) Basis of preparation of the financial statements

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

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

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

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

b) Basis of consolidation

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

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

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

c) Fund accounting

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

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

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

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

d) Income

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

Where the donor has specified that the donations or grants relate to future periods or that certain preconditions must be fulfilled before use, amounts received are 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 basis:

Office fittings and equipment	20% on cost
Website and computer equipment	33% on cost

g) Investments

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

h) Pensions

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

i) Operating leases

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

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the 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 investment 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 charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

The annual depreciation charge for fixed assets is sensitive to change in the estimated useful economic lives and residual value of assets. 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.

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Cost of Charitable Activities

2019	Subject Leadership Programme	Subject Enrichment Residentials	Primary Leadership Residential And Programme	Secondary Leadership Residential And Programme	New Teacher Subject Days	Other Continuing Professional Development	Website And CRM	Total Funds 2019
	£	£	£	£	£	£	£	£
Activities direct costs	105,504	128,469	11,719	28,209	70,694	84,620	34,539	463,754
<i>Support costs</i>								
Wages and salaries	96,656	72,131	49,492	55,523	71,545	89,344	12,737	447,428
Consultancy	18,041	31,433	4,427	28,054	12,602	38,164	1,160	133,881
General office costs	18,314	24,418	21,366	12,209	35,101	33,575	3,052	148,035
Governance costs	3,826	4,827	4,327	2,825	6,580	6,329	1,323	30,037
	<u>136,837</u>	<u>132,809</u>	<u>79,612</u>	<u>98,611</u>	<u>125,828</u>	<u>167,412</u>	<u>18,272</u>	<u>759,381</u>
	<u>242,341</u>	<u>261,278</u>	<u>91,331</u>	<u>126,820</u>	<u>196,522</u>	<u>252,032</u>	<u>52,811</u>	<u>1,223,135</u>

2018	Subject Leadership Programme	Subject Enrichment Residentials	Primary Leadership Residential And Programme	Secondary Leadership Residential And Programme	New Teacher Subject Days	Other Continuing Professional Development	Website And CRM	Total Funds 2018
	£	£	£	£	£	£	£	£
Activities direct costs	117,878	119,025	16,405	28,984	55,663	65,936	31,420	435,311
<i>Support costs</i>								
Wages and salaries	89,975	68,059	45,094	58,879	69,803	81,036	14,195	427,041
Consultancy	17,989	23,324	1,858	12,832	10,383	11,207	2,365	79,958
General office costs	33,927	21,005	17,772	27,465	27,466	25,850	3,231	156,716
Governance costs	4,222	2,831	2,483	3,526	3,526	3,351	919	20,858
	<u>146,113</u>	<u>115,219</u>	<u>67,207</u>	<u>102,702</u>	<u>111,178</u>	<u>121,444</u>	<u>20,710</u>	<u>684,573</u>
	<u>263,991</u>	<u>234,244</u>	<u>83,612</u>	<u>131,686</u>	<u>166,841</u>	<u>187,380</u>	<u>52,130</u>	<u>1,119,884</u>

THE PROFESSIONAL TEACHING INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Cost of raising funds

	2019	2018
	£	£
Wages and salaries	86,056	80,822
General office costs	30,523	32,313
Direct fundraising costs	17,204	50,321
Investment management fees	19,405	19,752
	<u>153,188</u>	<u>183,208</u>

4. Governance costs

	2019	2018
	£	£
Wages and salaries	14,609	13,941
General office costs	4,578	4,848
Auditor's remuneration – current year: The Professional Teaching Institute	7,750	7,500
– current year: PTI Education Limited	3,100	3,000
– current year: Prior year (over)/under provision	-	(8,431)
– non-audit services	-	-
	<u>30,037</u>	<u>20,858</u>

5. Staff costs

	2019	2018
	£	£
Wages and salaries	455,284	431,980
Social security costs	48,765	48,284
Contributions to personal pension schemes	44,044	41,540
	<u>548,093</u>	<u>521,805</u>

One employee received remuneration between £110,000 and £120,000 during the year (2018: one) and one employee received between £60,000 and £70,000 during the year (2018: one). Pension contributions of £18,279 (2018: £17,820) were paid on behalf of these individuals.

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

	2019	2018
	£	£
Charitable activities	11.8	12.8
Governance	0.2	0.2
	<u>12.0</u>	<u>13.0</u>

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. Staff Costs (continued)

No Trustee received remuneration or was reimbursed expenses from the charity during the current or preceding year.

Key management Personnel:

Key management personnel comprises the Full-time Co-Director, Chief Operating Officer, Senior Philanthropy and Partnerships Manager, Senior Events Manager and the Senior Programmes Manager. The total employment costs (including employers' national insurance and pension contributions) for these individuals was £365,715 (2018: £368,089).

6. Tangible Fixed Assets – Charity and Consolidated

	Website and Computer Equipment £	Office Fittings and Equipment £	Total £
Cost			
As at 1 October 2018 and at 30 September 2019	73,302	8,289	81,591
Depreciation			
At 1 October 2018	73,174	8,259	81,433
Charge during the year	128	30	158
At 30 September 2019	73,302	8,289	81,591
Net Book Value			
At 30 September 2019	-	-	-
At 30 September 2018	128	30	158

7. Fixed Asset Investments

	Listed 2019 £	Listed 2018 £
Consolidated		
Market Value Brought Forward	1,335,035	1,255,230
Acquisitions at Cost	562,361	901,275
Less disposal Proceeds	(637,432)	(830,619)
Realised loss on Disposal	(6,206)	578
Unrealised gain on Revaluation	121,819	8,571
Market Value Carried Forward	1,375,577	1,335,035
Cash held	124,007	75,528
Accrued interest	16,448	6,768
Total value	1,516,032	1,417,331
<i>Historic cost of listed investments</i>	<i>1,239,685</i>	<i>1,393,764</i>

THE PROFESSIONAL TEACHING INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. Fixed Asset Investments (continued)

Charity

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

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

The net profit of the company at 30 September 2019 is £127,790 (2018: £71,132) before the gift aid payment is made.

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

	2019 £	2018 £
Turnover	1,458,004	1,268,561
Cost of sales	(429,215)	(401,604)
Gross profit	1,028,789	866,957
Administrative expenses	(902,312)	(796,872)
Operating profit	126,477	70,085
Interest	1,313	1,047
Profit before taxation	127,790	71,132
Tax on profit	-	-
Profit for the financial period	127,790	71,132
Gift Aid Payment	(127,790)	(71,132)
A summary of its assets are shown below:	2019 £	2018 £
Debtors	88,767	87,545
Cash at bank and in hand	249,195	240,051
Creditors falling due within one year	(337,961)	(327,595)
Net current assets	1	1

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8. Debtors

	Consolidated 2019 £	Consolidated 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	68,026	135,022	3,000	59,750
Prepayments	55,710	45,098	37,221	34,015
Accrued income	35,786	5,662	30,534	5,410
VAT recoverable	7,901	14,565	12,671	13,627
Intercompany debtor	-	-	127,790	202,631
Rent deposit	5,326	5,326	5,326	5,326
	<u>172,749</u>	<u>205,673</u>	<u>216,542</u>	<u>320,759</u>

9. Creditors: Amounts falling due within one year

	Consolidated 2019 £	Consolidated 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	90,274	70,930	62,176	49,331
Deferred income	186,458	201,220	40,995	127,244
Other creditors	3,600	3,600	-	-
Accruals	65,905	57,574	37,666	31,785
	<u>346,237</u>	<u>333,324</u>	<u>140,837</u>	<u>208,360</u>

	Consolidated 2019 £	Consolidated 2018 £	Charity 2019 £	Charity 2018 £
Deferred income at 1 October 2018	201,220	207,094	127,224	152,700
Funds received in the year	181,073	149,721	35,630	75,745
Amount released to restricted and unrestricted funds in the SOFA	<u>(195,835)</u>	<u>(155,595)</u>	<u>(121,859)</u>	<u>(101,201)</u>
Deferred income at 30 September 2019	<u>186,458</u>	<u>201,220</u>	<u>40,995</u>	<u>127,244</u>

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10. Movement in funds
Group

	At 1 October 2018 £	Income / Investment gains £	Expenditure / losses on foreign exchange £	Transfers £	At 30 September 2019 £
Restricted Funds					
Subject Leadership Programme	-	107,528	(107,528)	-	-
Subject Enrichment Residentials	-	74,653	(74,653)	-	-
Primary Leadership Residential and Programme	-	16,300	(16,300)	-	-
<i>Total restricted funds</i>	-	198,481	(198,481)	-	-
Endowment Funds					
Teacher Training Fund	1,701,336	167,543	(68,841)	(100,000)	1,700,038
Unrestricted General Funds	859,148	1,044,636	(1,158,437)	100,000	845,347
<i>Total Funds</i>	2,560,484	1,410,660	(1,425,759)	-	2,545,385

Movement in funds – prior year comparative

	At 1 October 2017 £	Income £	Expenditure £	Transfers £	At 30 September 2018 £
Restricted Funds					
Subject Leadership Programme	-	139,365	(139,365)	-	-
Subject Enrichment Residentials	-	10,000	(10,000)	-	-
Primary Leadership Residential and Programme	-	16,975	(16,975)	-	-
Secondary Leadership Residential and Programme	-	25,000	(25,000)	-	-
<i>Total restricted funds</i>	-	191,340	(191,340)	-	-
Endowment Funds					
Teacher Training Fund	1,781,025	50,720	(30,409)	(100,000)	1,701,336
<i>Total endowment funds</i>	1,781,025	50,720	(30,409)	(100,000)	1,701,336
Unrestricted General Funds	841,136	1,010,013	(1,092,001)	100,000	859,148
<i>Total Funds</i>	2,622,161	1,252,073	(1,313,750)	-	2,560,484

THE PROFESSIONAL TEACHING INSTITUTE

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FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Movement in funds (continued)

The Subject leadership programme restricted fund relates to funding received specifically for the Subject Leadership Programme activities.

The Subject enrichment residential restricted fund relates to funding received specially for the 2019 subject enrichment residential.

The Primary leadership residential and programme restricted fund relates to funding received specifically for primary leadership support.

The Secondary leadership residential and programme restricted fund relates to the funding received specifically for secondary leadership support.

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

11. Analysis of net assets between funds

	Fixed assets £	Investments £	Debtors £	Bank £	Creditors £	Total 2019 £
Unrestricted funds	-	-	172,749	1,018,835	(346,237)	845,347
Endowment funds	-	1,516,032	-	184,006	-	1,700,038
	-	1,516,032	172,749	1,202,841	(346,237)	2,545,385
	Fixed assets £	Investments £	Debtors £	Bank £	Creditors £	Total 2018 £
Unrestricted funds	158	-	205,673	986,641	(333,324)	859,148
Endowment funds	-	1,417,331	-	284,005	-	1,701,336
	158	1,417,331	205,673	1,270,646	(333,324)	2,560,484

12. Transactions involving Trustees and related parties

During the year, Keith Breslauer, a director and charity Trustee of The Professional Teaching Institute, made donations to the Institute totaling £50,000 (2018 £20,000).

Bernice McCabe, Co-Director of The Professional Teaching Institute (but not a Companies Act director or charity Trustee), invoiced the Institute £11,607 (2018: £30,000) for her services as a consultant up to February 2019, £nil (2018: £7,500) of which was owed to her at the year end. These transactions were entered into on an arm's length basis.

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13. Operating lease commitments

At 30 September 2019, the charity had total commitments under non-cancellable leases for buildings as follows:

	2019	2018
	£	£
Payable in less than one year	68,510	68,510
Payable within two to five years	11,418	79,928
	<u>79,928</u>	<u>148,438</u>

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14. Comparative Consolidated SOFA	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total Funds 2018 £
Income and endowments from:				
Grants and donations	575,122	191,340	-	766,462
Charitable activities:				
Affiliation Fees	160,011	-	-	160,011
Subject Enrichment Residentials	41,914	-	-	41,914
Primary Leadership Residential and Programme	25,325	-	-	25,325
Secondary Leadership Residential and Programme	13,738	-	-	13,738
New Teacher Subject Days	72,251	-	-	72,251
Other Continuing Professional Development	70,323	-	-	70,323
Other trading activities	45,000			45,000
Investments	6,329	-	41,571	47,900
Total Income	<u>1,010,013</u>	<u>191,340</u>	<u>41,571</u>	<u>1,242,924</u>
Expenditure on:				
Raising funds	163,457	-	19,751	183,208
Charitable activities:				
Subject Leadership Programme	124,626	139,365	-	263,991
Subject Enrichment Residentials	224,244	10,000	-	234,244
Primary Leadership Residential and Programme	66,637	16,975	-	83,612
Secondary Leadership Residential and Programme	106,686	25,000	-	131,686
New Teacher Subject Days	166,841	-	-	166,841
Other Continuing Professional Development	187,380	-	-	187,380
Website and CRM	52,130	-	-	52,130
Total Cost of Charitable Activities	<u>928,544</u>	<u>191,340</u>	<u>-</u>	<u>1,119,884</u>
Total Expenditure	<u>1,092,001</u>	<u>191,340</u>	<u>19,751</u>	<u>1,303,092</u>
Net income / (expenditure) before other recognised gains / (losses) and transfers	<u>(81,988)</u>	<u>-</u>	<u>21,820</u>	<u>(60,168)</u>
Gain on foreign exchange	-	-	(10,658)	(10,658)
Net loss on investments	-	-	9,149	9,149
Transfer between funds	100,000	-	(100,000)	-
Net expenditure for the year	<u>18,012</u>	<u>-</u>	<u>(79,689)</u>	<u>(61,677)</u>
Total funds at 1st October 2017	841,136	-	1,781,025	2,622,161
Total funds at 30th September 2018	<u>859,148</u>	<u>-</u>	<u>1,701,336</u>	<u>2,560,484</u>